

## Chapter MVD 12

## LEASING OF VEHICLES BY PRIVATE CARRIERS

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**History:** Chapter MVD 12 as it existed on September 30, 1970 was repealed, and a new chapter MVD 12 was created. Register, September, 1970, No. 177, effective October 1, 1970.

**MVD 12.01 Applicability.** No private motor carrier of property as defined in section 194.01, Wis. Stats. shall operate any leased motor vehicle on the highways of Wisconsin without complying with the provisions of this order except for motor vehicles qualifying under the following exemptions:

- (1) Trailers and semitrailers.
- (2) A vehicle owned by a rental company when such vehicle bears a private lessor plate issued in accordance with section 194.44 (2), Wis. Stats., and is in compliance with any other MVD regulations with respect thereof.
- (3) A vehicle owned by a nonresident rental company and rented or leased without driver for a period of less than 30 days providing:
  - (a) The vehicle displays a prorated plate, tax plate, photocopy of Wisconsin blanket fleet reciprocity authorization or other applicable reciprocity registration issued to the rental company in accordance with chapter 341.42, Wis. Stats., and
  - (b) A copy of the rental agreement is carried on the vehicle to be made available for inspection immediately upon the request of any law enforcement officer.
- (4) Motor vehicles which are operated under a plan of operation approved by the division of motor vehicles.

**History:** Cr. Register, September, 1970, No. 177, eff. 10-1-70.

**MVD 12.02 Lease of motor vehicles.** A lease for the use of a motor vehicle must comply with each of the following requirements:

- (1) Shall be in writing and signed by the parties thereto or their regular employees or agents duly authorized to act for them in the execution of contracts, leases, or other arrangements.
- (2) Shall provide for the exclusive possession, control and use of motor vehicle involved, by the lessee, and the complete assumption by such lessee of full responsibility to the public and all regulatory agencies having jurisdiction during the entire period of the agreement. This provision shall not prohibit the lessor from obtaining possession of the motor vehicle for purposes of maintenance, repairs, or because of violation of the lease agreement.
- (3) Shall specify the names and addresses of all parties of the lease agreement.

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(4) Shall show the year, make and identification, motor or serial number of the motor vehicle as shown on the registration card issued for such vehicle.

(5) Shall indicate the basis and method of compensation.

(6) Shall specify the time the lease begins and the time or the circumstances under which it ends. If a definite date of termination is not stated in the lease or if the lease is cancelled or terminated on a date other than specified in the agreement, the department must be notified in writing immediately.

(7) Shall state the general purpose for which the vehicle or vehicles are to be used.

(8) Shall specify that the driver of the vehicle or vehicles is an employee of the lessee, and the lessee thereby assumes responsibility for his wages, unemployment and workmen's compensation insurance, and social security requirements.

(9) Shall be executed in quadruplicate and the original shall be retained by the lessee, one copy shall be retained by the owner, one copy shall be carried on the vehicle during the entire period of the lease, and shall be made available for inspection immediately upon the request of any law enforcement officer, and one copy filed with the division of motor vehicles, Madison, Wisconsin, by the lessee. The lessee shall be exempt from the requirement to file a copy of the lease agreement with the division of motor vehicles if the leased motor vehicle is a motor truck registered for a gross vehicle weight of less than 12,000 pounds carrying its load as a single unit or operated in conjunction with a trailer which has a gross weight of 3,000 pounds or less.

(a) Unless a copy of the lease is carried on the motor vehicle, as provided in section 12.02 (9), the lessee shall prepare a statement certifying:

1. The motor vehicle is being operated by the lessee.
2. The name of the owner.
3. The specific description of the vehicle as in subsection (4).
4. The date of the lease.
5. The period of the lease.

(b) This certificate shall be carried on the vehicle specified therein during the entire period of the lease (unless a copy of the lease is carried) and shall be made available for inspection upon the request of any law enforcement officer.

**History:** Cr. Register, September, 1970, No. 177, eff. 10-1-70; am. (9), Register, May, 1974, No. 221, eff. 6-1-74.

**MVD 12.03 Interstate and foreign commerce.** Motor carriers operating in interstate and foreign commerce shall comply with section MVD 12.02 insofar as section 194.03 (4), Wis. Stats., provides.

**History:** Cr. Register, September, 1970, No. 177, eff. 10-1-70.

**MVD 12.04 Approval.** No such leased vehicle may be operated by the lessee on Wisconsin highways until the lease has been approved by the division of motor vehicles.

**History:** Cr. Register, September, 1970, No. 177, eff. 10-1-70.

**MVD 12.05 Records.** (1) The public service commission and Wisconsin department of transportation, division of motor vehicles, or Register, May, 1974, No. 221

their duly authorized agents shall, during normal business hours, have access and authority to inspect, examine, and copy any and all accounts, books, records, memorandums, correspondence, and other documents pertaining to the private carrier lease operations. These records must be made available in Wisconsin by the lessor and lessee within a reasonable time, upon request of the public service commission or department of transportation.

(2) All records pertaining to the private carrier lease operation shall be preserved for a period of not less than 3 years from the date of termination by the lessor and lessee.

(3) The lessee of private carrier leases filed with the division of motor vehicles 7 or more years may be notified in writing that, unless notice of renewal is filed with said division within 90 days from the date of mailing of the notice, such lease shall be deemed to have expired. The lease may then be removed from file and transmitted to the state records center and destroyed on order of the public records board. Further operation of leased vehicles will require the filing of a new lease agreement with the division of motor vehicles.

(4) Leases which have expired, as indicated by a date of termination in the lease or leases which are cancelled or terminated in writing to the division by the lessee or lessor, may also be removed from file and transmitted to the state records center and destroyed, on order of the public records board.

**History:** Cr. Register, September, 1970, No. 177, eff. 10-1-70.

**MVD 12.06 Prohibited practice.** No person holding a Wisconsin contract motor carrier license or common carrier of property certificate shall be granted reciprocity registration as a rental company unless authorized by the department upon application and for good cause shown or except as provided in 1057.6 (b) of the interstate commerce commission rules and regulations.

**History:** Cr. Register, September, 1970, No. 177, eff. 10-1-70.