



MICHAEL SCHRAA

STATE REPRESENTATIVE • 53RD ASSEMBLY DISTRICT

P.O. Box 8953
Madison, WI 53708

Office: (608) 267-7990
Toll-Free: (608) 534-0053
Rep.Schraa@legis.wi.gov

Testimony on Assembly Bill 339

Thank you, Chairman Ripp and Committee Members, for this opportunity to testify on Assembly Bill 339, which updates the statutes regarding recycling motor vehicles. I regret that I am not able to be in Madison to testify in person, yet I appreciate your prompt attention to this bill.

Recycling automobiles is unnecessarily complicated, and Assembly Bill 339 provides a common sense resolution to issues in the industry. It is in everyone's best interest to eliminate unnecessary delays and expenses while protecting lenders.

A significant challenge in the motor vehicle salvage industry is the delay between paying off the lien on a vehicle and receiving the lien release in order to proceed with the process of scrapping the vehicle. This bill assures that the lien holder is satisfied, the customer is promptly paid, and the vehicle is quickly recycled. It just doesn't make sense to force businesses to hold any number of vehicles for extended periods of time while waiting for long-delayed paperwork.

The 2015-16 Budget included language about these liens in the theft of scrap section instead of the more appropriate lien and licensing statutes. That is corrected by this bill.

Finally, the bill redefines scrap metal processors and scrap metal dealers to be included as motor vehicle salvage dealers.

These simple changes will appropriately reorganize the statutes and provide fairness and clarity to the industry.

Thank you again for your consideration of AB 339.



JERRY PETROWSKI

WISCONSIN STATE SENATOR

Assembly Bill 339: Motor Vehicle Salvage Dealers
October 24, 2017

Good morning, members of the committee, and thank you for the opportunity to provide testimony today on Assembly Bill 339, which would makes a number of small changes to the statutes to provide clarity to the industry on the laws relating to the acquisition of a motor vehicle by scrap metal dealers and motor vehicle salvage dealers, and correct unintended changes made in 2015 Act 55 to the theft of scrap statutes.

The bill changes the definition of a “motor vehicle salvage dealer” to include a “scrap metal processor or scrap metal dealer” who acquires a motor vehicle for scrap or salvage, and requires these entities to comply with the same requirements as motor vehicle salvage dealers. By removing redundant clauses and consolidating others, this bill will provide certainty and a level playing field for the industry.

Also, under current law, salvage dealers must pay off the lien and have that lien released before scrapping a vehicle. This makes sense - we want to be sure that all obligations are satisfied before the vehicle is junked. Oftentimes, however, this comes with a lot of paperwork and forces scrap sellers, buyers and dealers to hold vehicles for an unreasonable amount of time waiting for the lien release to be issued. This bill allows motor vehicle salvage dealers to pay off the lien without waiting for the lien to be released. This expedited route will provide protection for lien holders, who are paid in full, and dealers, sellers and buyers, who are not arbitrarily forced to hold vehicles until paperwork is cleared.

Thank you again for the opportunity to speak on this bill. I would be happy to answer any questions you may have.

29TH SENATE DISTRICT

STATE CAPITOL: P.O. Box 7882 • MADISON, WISCONSIN 53707-7882
SEN.PETROWSKI@LEGIS.WISCONSIN.GOV • TELEPHONE: (608) 266-2502 • FAX: (608) 282-3569