



2001 ASSEMBLY BILL 458

July 2, 2001 - Introduced by Representatives ZIEGELBAUER, GRONEMUS, HUBER, KESTELL, OTT, PLOUFF, SCHNEIDER, SYKORA and TOWNSEND, cosponsored by Senator HUELSMAN. Referred to Committee on Transportation.

1 **AN ACT to renumber and amend** 342.07 (3) (b); **to amend** 20.395 (5) (ch) (title),
2 340.01 (55g) and 342.065 (1) (c); and **to create** 20.395 (5) (dj), 25.40 (1) (a) 21.,
3 340.01 (20m), 342.07 (2m), 342.07 (3) (b) 2., 342.07 (3) (c), 342.07 (5) and 342.10
4 (3) (h) of the statutes; **relating to:** hail-damaged vehicles and salvage vehicles,
5 granting rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill defines “hail-damaged vehicles” as vehicles that are damaged by hail to the extent that the estimated or actual cost, whichever is greater, of repairing the vehicle exceeds 70% of its fair market value. If a vehicle is hail-damaged, its owner must disclose that fact to any new purchaser of the vehicle, and when a new or duplicate certificate of title is issued for the vehicle the department of transportation (DOT) permanently records that fact on the new or duplicate certificate of title.

Under current law, a “salvage vehicle” is defined as a vehicle that may be subsequently titled or registered and that is damaged by collision or other occurrence to the extent that the estimated or actual cost, whichever is greater, of repairing the vehicle exceeds 70% of its fair market value. If a new or duplicate certificate of title is issued for a salvage vehicle, DOT will record the fact that the vehicle is a salvage vehicle on the certificate of title. If an insurer pays an insurance claim on the vehicle that exceeds 70% of the vehicle’s fair market value but does not take ownership interest in the vehicle, the insurer must notify DOT that the vehicle meets the definition of a salvage vehicle.

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Under current law, if a salvage vehicle is repaired, it must be examined by an inspector authorized by DOT. If the vehicle passes the inspection, a new certificate of title is issued for the vehicle that permanently records the fact that the vehicle was previously a salvage vehicle.

Under current law, if a salvage vehicle inspector is employed by a city, town, village, or county, 75% of the \$80 inspection fee is returned to that governmental unit and DOT retains the rest.

This bill allows DOT to contract with a private individual or agency to inspect salvage vehicles after repair, except that a private individual or agency may not verify the vehicle identification number (VIN) on a salvage vehicle. In addition, a certified inspector may not inspect a salvage vehicle that has been repaired by the inspector, his or her employer, or his or her employee. Under the bill, if a private individual or agency under contract with DOT performs everything but the VIN inspection, the individual or agency receives 75% of the fee and the remaining 25% goes to the city, town, village, or county that employs the VIN inspector.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.395 (5) (ch) (title) of the statutes is amended to read:

2 20.395 (5) (ch) (title) *Repaired salvage vehicle examinations, municipal and*
3 *county reimbursements, state funds.*

4 **SECTION 2.** 20.395 (5) (dj) of the statutes is created to read:

5 20.395 (5) (dj) *Repaired salvage vehicle examinations, private inspector*
6 *reimbursements, state funds.* From the general fund, all moneys received from the
7 repaired salvage vehicle examination fee under s. 342.07 (3) (a) that are distributed
8 under s. 342.07 (3) (c), for the purpose of providing reimbursement to inspectors
9 under s. 342.07 (3) (c) for examinations under s. 342.07 (2).

10 **SECTION 3.** 25.40 (1) (a) 21. of the statutes is created to read:

11 25.40 (1) (a) 21. Fees collected under s. 342.07 (3) (a) that are deposited in the
12 general fund and credited to the appropriation account under s. 20.395 (5) (dj).

13 **SECTION 4.** 340.01 (20m) of the statutes is created to read:

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1 340.01 **(20m)** “Hail-damaged vehicle” means a vehicle that is not precluded
2 from subsequent registration and titling and that is damaged by hail to the extent
3 that the estimated or actual cost, whichever is greater, of repairing the vehicle
4 exceeds 70% of its fair market value.

5 **SECTION 5.** 340.01 (55g) of the statutes is amended to read:

6 340.01 **(55g)** “Salvage vehicle” means a vehicle less than 7 years old that is not
7 precluded from subsequent registration and titling and which is damaged by
8 collision or other occurrence to the extent that the estimated or actual cost,
9 whichever is greater, of repairing the vehicle exceeds 70% of its fair market value.
10 The term does not include hail-damaged vehicles.

11 **SECTION 6.** 342.065 (1) (c) of the statutes is amended to read:

12 342.065 **(1)** (c) If the interest of an owner in a salvage vehicle that is titled in
13 this state is not transferred upon payment of an insurance claim that, including any
14 deductible amounts exceeds 70% of the fair market value of the vehicle, any insurer
15 of the vehicle shall, within 30 days of payment of the insurance claim, notify the
16 department in writing of the claim payment and that the vehicle meets the statutory
17 definition of a salvage vehicle, in the manner and form prescribed by the department.

18 **SECTION 7.** 342.07 (2m) of the statutes is created to read:

19 342.07 **(2m)** Notwithstanding sub. (2), the department may contract with a
20 private individual or agency to examine a repaired salvage vehicle for the purposes
21 of sub. (2) (b) and (c). The contract shall contain a provision prohibiting the inspector
22 from examining a vehicle that was repaired by the inspector, any employer that
23 employs the inspector, or any employee employed by the inspector.

24 **SECTION 8.** 342.07 (3) (b) of the statutes is renumbered 342.07 (3) (b) 1. and
25 amended to read:

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1 342.07 (3) (b) 1. If Except as provided in subd. 2., if the examination is
2 conducted by an inspector employed by a city, village, town or county, 75% of the fee
3 paid under par. (a) shall be credited to the appropriation under s. 20.395 (5) (ch) and
4 the city, village, town or county employing the inspector shall be reimbursed this
5 amount from that appropriation.

6 **SECTION 9.** 342.07 (3) (b) 2. of the statutes is created to read:

7 342.07 (3) (b) 2. If an inspector employed by a city, village, town or county
8 conducts only the examination under sub. (2) (a), 25% of the fee paid under par. (a)
9 shall be credited to the appropriation under s. 20.395 (5) (ch) and the city, village,
10 town or county employing the inspector shall be reimbursed this amount from that
11 appropriation.

12 **SECTION 10.** 342.07 (3) (c) of the statutes is created to read:

13 342.07 (3) (c) If an inspector contracted with by the department under sub. (2m)
14 conducts the examination under sub. (2) (b) and (c), 75% of the fee paid under par.
15 (a) shall be credited to the appropriation under s. 20.395 (5) (dj) and the inspector
16 shall be reimbursed this amount from that appropriation.

17 **SECTION 11.** 342.07 (5) of the statutes is created to read:

18 342.07 (5) The department shall promulgate rules to determine and certify the
19 competency of inspectors under sub. (2m) and to prescribe the manner and form for
20 certification under sub. (4).

21 **SECTION 12.** 342.10 (3) (h) of the statutes is created to read:

22 342.10 (3) (h) That the vehicle was a hail-damaged vehicle.

23 **SECTION 13. Effective date.**

