



2005 ASSEMBLY BILL 386

April 27, 2005 - Introduced by Representatives FREESE, LAMB, TURNER, HAHN, MUSSER, FRISKE, HINES, PETROWSKI, TOWNSEND, LOTHIAN, MOULTON, OTT, VOS, PETTIS, KREIBICH, PRIDEMORE, KRAWCZYK, VAN ROY, SUDER, VRAKAS and BALLWEG, cosponsored by Senators HARSDORF, OLSEN, BRESKE, STEPP and BROWN. Referred to Committee on Financial Institutions.

1 **AN ACT** *to amend* 342.22 (1) of the statutes; **relating to:** the release of security
2 interests in vehicles.

Analysis by the Legislative Reference Bureau

Under current law, a security interest in a vehicle must generally be noted on the vehicle's certificate of title. When there is no outstanding obligation or commitment under a security agreement providing the security interest in the vehicle, the secured party must execute and deliver to the vehicle owner within one month, or within ten days following written demand by the owner, a release of the security interest in the manner prescribed by the Department of Transportation (DOT). The owner must then provide the vehicle certificate of title and the release to DOT, which issues a new certificate of title without the notation of a security interest in the vehicle.

This bill requires the secured party to execute and deliver a release of the security interest to the vehicle owner within ten days after there is no outstanding obligation or commitment under the security agreement providing the security interest in the vehicle, regardless of whether the owner has made a written demand for the release.

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

3 **SECTION 1.** 342.22 (1) of the statutes is amended to read:

