



## 2005 SENATE BILL 197

May 5, 2005 - Introduced by Senators HARSDF, OLSEN, BRESKE, STEPP and BROWN, cosponsored by Representatives FREESE, LAMB, TURNER, HAHN, MUSSE, FRISKE, HINES, PETROWSKI, TOWNSEND, LOTHIAN, MOULTON, OTT, VOS, PETTIS, KREIBICH, PRIDEMORE, KRAWCZYK, VAN ROY, SUDER, VRAKAS and BALLWEG. Referred to Committee on Natural Resources and Transportation.

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

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### *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.

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*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:

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1           342.22 (1) Within ~~one month or within~~ 10 days following written demand by  
2 ~~the debtor~~ after there is no outstanding obligation and no commitment to make  
3 advances, incur obligations, or otherwise give value, secured by the security interest  
4 in a vehicle under any security agreement between the owner and the secured party,  
5 the secured party shall execute and deliver to the owner, as the department  
6 prescribes, a release of the security interest in the form and manner prescribed by  
7 the department and a notice to the owner stating in no less than 10-point boldface  
8 type the owner's obligation under sub. (2). If the secured party fails to execute and  
9 deliver the release and notice of the owner's obligation as required by this subsection,  
10 the secured party is liable to the owner for \$25 and for any loss caused to the owner  
11 by the failure.

**SECTION 2. Initial applicability.**

12           (1) This act first applies to security agreements entered into on the effective  
13 date of this subsection.  
14

15   (END)