



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-1798/1
MCP:ahc

2017 SENATE BILL 246

May 11, 2017 - Introduced by Senators PETROWSKI, COWLES and OLSEN, cosponsored by Representatives SCHRAA, R. BROOKS and PETRYK. Referred to Committee on Transportation and Veterans Affairs.

1 **AN ACT to repeal** 134.405 (3m), 134.405 (5) (a) (intro.) and 134.405 (5) (am); **to**
2 **renumber** 134.405 (5) (a) 1., 134.405 (5) (a) 2. and 134.405 (5) (a) 3.; **to amend**
3 134.405 (2), 134.405 (3) (a) (intro.), 218.20 (1r) and 218.23 (1r); and **to create**
4 218.20 (1v) of the statutes; **relating to:** acquisition of a motor vehicle by scrap
5 metal dealers and motor vehicle salvage dealers.

Analysis by the Legislative Reference Bureau

This bill requires scrap metal processors and dealers who acquire a motor vehicle for scrap or salvage to comply with the same requirements as motor vehicle salvage dealers, and changes certain requirements that apply before a motor vehicle salvage dealer may acquire a motor vehicle in which another person holds a security interest.

This 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. Under current law, a motor vehicle salvage dealer must be licensed by the Department of Transportation and comply with certain requirements. Under current law, a “scrap metal processor” is a person who processes or scraps motor vehicles but does not sell motor vehicles or vehicle parts and whose business is limited to a fixed location where scrap metal is processed into prepared grades for sale for remelting. A “scrap metal dealer” is a person engaged in the business of buying or selling scrap metal. The bill also eliminates certain requirements under current law that apply to scrap metal dealers who acquire a motor vehicle, relating

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to the acquisition of a motor vehicle whose certificate of title identifies a holder of a security interest, that are the same as requirements that apply to motor vehicle salvage dealers under current law.

In addition, the bill allows a licensed motor vehicle salvage dealer to acquire a motor vehicle whose certificate of title identifies a holder of a security interest, for the purpose of wrecking or junking the vehicle, if the dealer pays the amount of the outstanding obligation represented by the security interest in full to the security interest holder when the dealer obtains the title for the vehicle. Current law prohibits a motor vehicle salvage dealer from acquiring such a motor vehicle.

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

1 **SECTION 1.** 134.405 (2) of the statutes is amended to read:

2 134.405 (2) PURCHASES OF FERROUS SCRAP. ~~Except as provided in sub. (3m), a~~
3 A scrap metal dealer may purchase scrap metal other than nonferrous scrap, a metal
4 article, or a proprietary article from any person over the age of 18.

5 **SECTION 2.** 134.405 (3) (a) (intro.) of the statutes is amended to read:

6 134.405 (3) (a) (intro.) Subject to par. (b) ~~and except as provided in sub. (3m),~~
7 a scrap dealer may purchase nonferrous scrap, metal articles, or proprietary articles
8 from any person who is over the age of 18 if all of the following apply:

9 **SECTION 3.** 134.405 (3m) of the statutes is repealed.

10 **SECTION 4.** 134.405 (5) (a) (intro.) of the statutes is repealed.

11 **SECTION 5.** 134.405 (5) (a) 1. of the statutes is renumbered 134.405 (5) (ad).

12 **SECTION 6.** 134.405 (5) (a) 2. of the statutes is renumbered 134.405 (5) (ah).

13 **SECTION 7.** 134.405 (5) (a) 3. of the statutes is renumbered 134.405 (5) (ap).

14 **SECTION 8.** 134.405 (5) (am) of the statutes is repealed.

15 **SECTION 9.** 218.20 (1r) of the statutes is amended to read:

16 218.20 (1r) "Motor vehicle salvage dealer" means a person who purchases and
17 resells motor vehicles for wrecking, processing, scrapping, recycling, or dismantling

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1 purposes or who carries on or conducts the business of wrecking, processing,
2 scrapping, or dismantling motor vehicles or selling parts of motor vehicles so
3 processed. Motor vehicle salvage dealer includes a motor vehicle scavenger and a
4 scrap metal processor or scrap metal dealer who acquires a motor vehicle for scrap
5 or salvage.

6 **SECTION 10.** 218.20 (1v) of the statutes is created to read:

7 218.20 (1v) "Scrap metal dealer" has the meaning given in s. 134.405 (1) (h).

8 **SECTION 11.** 218.23 (1r) of the statutes is amended to read:

9 218.23 (1r) No licensed motor vehicle salvage dealer may acquire a motor
10 vehicle for the purpose of wrecking or junking the motor vehicle if the certificate of
11 title for the motor vehicle identifies a holder of a security interest in the motor
12 vehicle, unless the dealer, when obtaining the certificate of title for the vehicle, pays
13 the outstanding amount of the obligation represented by the security interest in full
14 to the holder of the security interest.

15 (END)