



State of Wisconsin  
2021 - 2022 LEGISLATURE

LRB-4606/1  
EVM:emw

## 2021 ASSEMBLY BILL 581

September 28, 2021 - Introduced by Representatives SPIROS, BORN, CALLAHAN, CONLEY, DUCHOW, LOUDENBECK, MURPHY, NOVAK, ORTIZ-VELEZ, PLUMER, ROZAR, SINICKI, SKOWRONSKI and SPREITZER, cosponsored by Senators PETROWSKI, COWLES, PFAFF, RINGHAND and WANGGAARD. Referred to Committee on Transportation.

1     **AN ACT to renumber and amend** 341.51 (2), 341.55 (1) and 341.55 (2); **to amend**  
2             218.0114 (5) (c) and 340.01 (74t); and **to create** 218.0116 (1) (ns), 341.47 (1) (e)  
3             and 341.51 (2) (c) of the statutes; **relating to:** motor vehicle dealer and  
4             wholesaler facilities and licensure requirements, certain registration plates  
5             issued to motor vehicle dealers, distributors, or manufacturers, and creating  
6             and modifying administrative rules.

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### *Analysis by the Legislative Reference Bureau*

This bill makes several changes to the statutes and administrative code provisions governing motor vehicle dealers and wholesalers. In particular, the bill does the following:

1. Under current law, a motor vehicle wholesaler or an applicant for a motor vehicle wholesaler license must provide and maintain in force a bond or irrevocable letter of credit of not less than \$25,000. The bill increases that amount to \$50,000.
2. Under current law, manufacturers, importers, distributors, and dealers of motor vehicles must be licensed by the Department of Transportation. A licensee may have its license revoked if the licensee takes certain actions that have been enumerated as violations. Under current law, one such violation is the willful failure to provide and maintain certain facilities and business records. DOT has promulgated rules providing specific requirements related to what types of facilities must be maintained and what and how records must be maintained.

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The bill modifies some of these administrative rules related to facilities and records and imposes additional requirements, including:

- a. Requiring dealers to maintain a facility that is heated and electrified.
- b. Specifying that dealers' vehicle display lots must be not less than 9 feet by 18 feet.
- c. Prohibiting more than five dealers or wholesalers from sharing a single building.
- d. Requiring dealers to have an office of not less than 8 feet by 8 feet with a door, walls, lighting, and certain furnishings.
- e. For shared facilities, requiring dealers and wholesalers to have a designated vehicle display lot of not less than 9 feet by 18 feet.

3. The bill creates a new license violation for a licensee's failure to have the required facilities staffed and open to the public for a reasonable number of hours each week. The bill also creates an administrative rule requiring dealers, wholesalers, and auction dealers to establish weekly business hours and providing minimum weekly hours.

4. Under current law, a dealer, distributor, manufacturer, or transporter of certain vehicles (registrant) who registers with DOT may be issued registration plates, in lieu of regular registration plates, for use on vehicles that are owned or repossessed by a registrant and that are being offered for sale; are in transit from the factory to a distributor or dealer or from the dealer to the purchaser; are being used by a manufacturer primarily for trial tests; are being repossessed; are being reconditioned for resale; or are being foreclosed or resold.

Under the bill, such a registration plate may also be used for a vehicle that is being operated by a wholesaler from its point of purchase to its point of sale or to a dealer's business facility.

5. Currently, upon registration, DOT provides two registration plates to a registrant, and a registrant may receive additional plates upon payment of a \$5 fee. Under the bill, DOT may deny a request for additional plates if a registrant has been previously issued at least 10 plates.

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

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

1           **SECTION 1.** 218.0114 (5) (c) of the statutes is amended to read:

2           218.0114 (5) (c) A wholesaler or a wholesale dealer or an applicant for a  
3 wholesaler or wholesale dealer license shall provide and maintain in force a bond or  
4 irrevocable letter of credit of not less than ~~\$25,000~~ \$50,000. The bond or letter of  
5 credit shall be executed in the name of the department of transportation for the

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1 benefit of any person who sustains a loss because of an act or omission by the  
2 wholesaler or wholesale dealer.

3 **SECTION 2.** 218.0116 (1) (ns) of the statutes is created to read:

4 218.0116 **(1)** (ns) Failure to have the facilities required under sub. (3) (a) staffed  
5 and open to the public for a reasonable number of hours each week.

6 **SECTION 3.** 340.01 (74t) of the statutes is amended to read:

7 340.01 **(74t)** "Wholesaler" has the meaning given in s. 218.0101 ~~(6)~~ (38).

8 **SECTION 4.** 341.47 (1) (e) of the statutes is created to read:

9 341.47 **(1)** (e) Is being operated by a wholesaler from its point of purchase to  
10 its point of sale or to a dealer's business facility.

11 **SECTION 5.** 341.51 (2) of the statutes is renumbered 341.51 (2) (a) and amended  
12 to read:

13 341.51 **(2)** (a) Upon registering a dealer, distributor, manufacturer, or  
14 transporter, the department ~~also~~ shall issue 2 registration plates to the registrant.

15 ~~The department, upon receiving a fee of \$5 for each additional plate desired by a~~

16 (b) A dealer, distributor, or manufacturer of motor vehicles, trailers or,

17 semitrailers, \$5 for each additional plate desired by a dealer, distributor or

18 manufacturer of recreational vehicles and \$5 for each additional plate desired by a

19 transporter, or recreational vehicles or a transporter of vehicles may request the

20 issuance of registration plates in addition to those issued under par. (a). Except as

21 provided in par. (c), upon request and payment of a \$5 fee for each additional plate,

22 the department shall issue to the registered dealer, distributor, manufacturer or

23 transporter the additional plates as ordered to the requester.

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1           (d) The department may charge a fee of \$2 per plate equal to the fee provided  
2 in s. 341.16 (1) (a) for replacing a lost, damaged, or illegible plates plate issued under  
3 this subsection.

4           **SECTION 6.** 341.51 (2) (c) of the statutes is created to read:

5           341.51 (2) (c) If a dealer, distributor, or manufacturer of motor vehicles,  
6 trailers, semitrailers, or recreational vehicles or a transporter of vehicles has been  
7 issued at least 10 registration plates under this subsection, the department may  
8 approve or deny any request by that requester for additional registration plates. The  
9 department may establish criteria for approving or denying requests under this  
10 paragraph.

11           **SECTION 7.** 341.55 (1) of the statutes is renumbered 341.55 (1) (intro.) and  
12 amended to read:

13           341.55 (1) (intro.) A dealer, distributor, or manufacturer or an employee of any  
14 ~~of them~~ a dealer, distributor, or manufacturer who operates or consents to the  
15 operation of a vehicle under purported authority of a registration plate issued to the  
16 dealer, distributor, or manufacturer pursuant to under s. 341.51 ~~when such~~ if any of  
17 the following applies:

18           (a) ~~The~~ The vehicle is not owned or being repossessed by, or consigned for sale to,  
19 the dealer, distributor, or manufacturer ~~or, even though owned or being repossessed~~  
20 ~~by, or consigned for sale to, the dealer, distributor or manufacturer,~~

21           (b) ~~The operation of the vehicle does not come within any of the exceptions listed~~  
22 ~~in~~ satisfy the requirements of s. 341.47 (1) (a) to (d) or is not in compliance with,

23           (c) If s. 341.51 (2m) applies, the operation of the vehicle does not satisfy the  
24 requirements of s. 341.51 (2m);

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1           **SECTION 8.** 341.55 (2) of the statutes is renumbered 341.55 (2) (intro.) and  
2 amended to read:

3           341.55 (2) (intro.) Any Subject to sub. (1), a person who operates a vehicle under  
4 purported authority of a registration plate issued to a dealer, distributor, or  
5 manufacturer under s. 341.51, knowing that ~~the~~ any of the following applies:

6           (a) The vehicle is not owned or being repossessed by, or consigned for sale to,  
7 a dealer, distributor, or manufacturer or,

8           (b) The operation of the vehicle does not come within any of the exceptions listed  
9 in ~~satisfy the requirements of~~ s. 341.47 (1) (a) to (d) or is,

10           (c) If s. 341.51 (2m) applies, the operation of the vehicle does not in compliance  
11 with ~~satisfy the requirements of~~ s. 341.51 (2m);,

12           **SECTION 9.** Trans 138.03 (1) (a) (intro.) of the administrative code is amended  
13 to read:

14           Trans 138.03 (1) (a) (intro.) A permanent building in this state ~~wherein there~~  
15 ~~are~~ that is heated and electrified and that contains facilities for all of the following:

16           **SECTION 10.** Trans 138.03 (1) (a) 1. of the administrative code is amended to  
17 read:

18           Trans 138.03 (1) (a) 1. A business office to maintain the ~~books, records, and files~~  
19 ~~necessary to conduct business.~~ A business office under this subdivision shall be not  
20 less than 8 feet by 8 feet with a door, shall have not fewer than 4 rigid walls, and shall  
21 be furnished with a desk, lighting, and a locking filing cabinet.

22           **SECTION 11.** Trans 138.03 (1) (b) of the administrative code is amended to read:

23           Trans 138.03 (1) (b) A vehicle display lot of not less than 9 feet by 18 feet  
24 adjacent to the business office, unless all vehicles offered for sale are displayed  
25 within the business building.

**ASSEMBLY BILL 581****SECTION 12**

1           **SECTION 12.** Trans 138.03 (3) (intro.) of the administrative code is renumbered  
2 Trans 138.03 (3) (ag) and amended to read:

3           Trans 138.03 **(3)** (ag) ~~More~~ Not more than one five motor vehicle ~~dealer~~ dealers,  
4 ~~wholesaler~~ wholesalers, or other ~~business~~ businesses may share a single permanent  
5 building.

6           **SECTION 13.** Trans 138.03 (3) (a) of the administrative code is renumbered  
7 Trans 138.03 (3) (am), and Trans 138.03 (3) (am) 2. and 3., as renumbered, are  
8 amended to read:

9           Trans 138.03 **(3)** (am) 2. ~~Separate~~ Have its own designated vehicle display lot  
10 of not less than 9 feet by 18 feet separate from areas vehicle display lots used by other  
11 licensees; ~~and~~.

12           3. With each license application, provide a copy of the lease agreement between  
13 the owner of the property and the dealer along with a diagram of the facilities for the  
14 designated location. ~~If the dealer sublets the facilities from a lessee, that dealer shall~~  
15 ~~provide a copy of the sublease and a copy of the lease authorizing the lessee to execute~~  
16 ~~subleases.~~

17           **SECTION 14.** Trans 138.03 (3) (b) of the administrative code is amended to read:

18           Trans 138.03 **(3)** (b) Each licensee sharing a permanent building with another  
19 licensee shall satisfy all of the requirements of par. ~~(a)~~ (am) within ~~1 year~~ 6 months  
20 ~~after July 1, 1991 or the~~ the effective date of this paragraph .... [LRB inserts date].  
21 The license for each noncomplying dealership licensee may be denied or suspended  
22 until the dealership facilities comply with this section.

23           **SECTION 15.** Trans 138.03 (3) (c) of the administrative code is repealed.

24           **SECTION 16.** Trans 138.04 (3) (intro.) of the administrative code is amended to  
25 read:

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1 Trans 138.04 (3) (intro.) RETENTION REQUIREMENTS. The used vehicle  
2 information described in sub. (1) (f) shall be maintained for a period of 5 years, as  
3 required by s. 342.16, Stats., and all other required records shall be maintained for  
4 a period of 5 years from the date of sale, including copies of factory invoices, dealer  
5 reassignment forms, consignment agreements, purchase contracts, MV1 or MV11  
6 Wisconsin title, registration, or license plate applications, Wisconsin buyers guides,  
7 regular and conforming power of attorney forms, prior owner odometer disclosure  
8 statements, dealer's subsequent odometer disclosure statements, lessor's notices to  
9 lessees relating to odometer disclosure required at end of lease, and lessee's odometer  
10 disclosure statement completed at end of lease. The records shall be kept in the place  
11 of business during the business hours indicated on the sign required under s. Trans  
12 138.06 (2) and shall be retrievable by an employee of the licensee and open to  
13 inspection and copying by a representative of the department during reasonable  
14 business hours. Multi-location dealerships may keep records at a single location.  
15 If the location is out of state, the dealerships shall reimburse the department for  
16 actual and necessary expenses, plus wages pursuant to the appropriate state  
17 compensation plan or applicable labor agreement for examining the documents at  
18 that location. The actual and necessary expenses charged include the following:

19 **SECTION 17.** Trans 138.045 of the administrative code is created to read:

20 **Trans 138.045 Hours of operation. (1)** Motor vehicle dealers shall establish  
21 weekly business hours, including at least 4 consecutive hours, 2 days per week.

22 **(2)** Motor vehicle wholesalers shall establish weekly business hours, including  
23 at least 4 consecutive hours, one day per week.

24 **(3)** Motor vehicle auction dealers shall establish weekly business hours,  
25 including at least 6 consecutive hours, one day per week.

