

## CHAPTER 218

## FINANCE COMPANIES, AUTO DEALERS, ADJUSTMENT COMPANIES AND COLLECTION AGENCIES

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## SUBCHAPTER I

## MOTOR VEHICLE DEALERS; SALESPERSONS; SALES FINANCE COMPANIES

**218.01 Motor vehicle dealers; salespersons; sales finance companies, licenses; fees; regulations; coercion; subsidies; penalties. (1) DEFINITIONS.** In this section, unless the context otherwise requires, the following words and terms shall have the following meanings:

(a) "Agreement" means contract or franchise or any other terminology used to describe the contractual relationship between manufacturers, distributors, importers and dealers.

(b) "Cash price" means the retail seller's price in dollars for the sale of the goods, and the transfer of unqualified title thereto, upon payment of such price in cash or the equivalent thereof.

(c) The term "commissioner" means the commissioner of banking and any duly authorized deputy named or appointed by such commissioner to perform any function in the administration or enforcement of this section.

(d) "Department" means the department of transportation.

(e) "Distributor" or "wholesaler" means a person, resident or nonresident who in whole or part, sells or distributes motor vehicles to motor vehicle dealers, or who maintains distributor representatives.

(f) "Distributor branch" means a branch office similarly maintained by a distributor or wholesaler for the same purposes.

(g) "Distributor representative" means a representative similarly employed by a distributor, distributor branch or wholesaler.

(h) "Factory branch" means a branch office maintained by a person who manufactures or assembles motor vehicles, for the sale of motor vehicles to distributors, or for the sale of

motor vehicles to motor vehicle dealers or for directing or supervising in whole or part, its representatives.

(i) "Factory representative" means a representative employed by a person who manufactures or assembles motor vehicles or by a factory branch, for the purpose of making or promoting the sale of its motor vehicles, or for supervising or contacting its dealers or prospective dealers.

(j) "Finance charge" has the meaning set forth in s. 421.301 (20).

(jm) "License period" means the period during which a particular type of license described in sub. (2) (d) is effective, as established by the department or commissioner under sub. (2) (cm) 2 or 4.

(k) "Licensor" means the body, either the commissioner or the department or both, issuing a license hereunder.

(L) "Manufacturer" means any person, resident or nonresident who manufactures or assembles motor vehicles or who manufactures or installs on previously assembled truck chassis, special bodies or equipment which when installed form an integral part of the motor vehicle and which constitutes a major manufacturing alteration and which completed unit is owned by such manufacturer.

(m) "Motor vehicle" means any motor driven or trailer type vehicle required to be registered under ch. 341 except mopeds, semitrailers or trailers designed for use in combination with truck or truck tractor, and except that mobile home dealers and salespersons and moped dealers and salespersons are not required to be licensed under s. 218.01 (2) (d) 1 and 5.

(n) "Motor vehicle dealer" means any person, firm or corporation, not excluded by par. (o) who:

1. For commission, money or other thing of value, sells, exchanges, buys, rents with the option of purchase, offers or attempts to negotiate a sale or exchange of an interest in motor vehicles; or,

2. Is engaged wholly or in part in the business of selling motor vehicles, including motorcycles, whether or not such

motor vehicles are owned by such person, firm or corporation.

(o) The term "motor vehicle dealer" does not include:

1. Receivers, trustees, administrators, executors, guardians or other persons appointed by or acting under the judgment or order of any court; or

2. Public officers while performing their official duties; or

3. Employees of persons, corporations or associations enumerated in subds. 1 and 2, when engaged in the specific performance of their duties as such employees.

4. Sales finance companies or other loan agencies who sell or offer for sale motor vehicles repossessed or foreclosed by them under terms of an instalment contract, or motor vehicles taken in trade on such repossessions.

(p) "Motor vehicle salesperson" means sales representative, sales manager, general manager or other person who is employed by a motor vehicle dealer for the purpose of selling or approving retail sales of motor vehicles. Any motor vehicle salesperson licensed hereunder shall be licensed to sell only for one dealer at a time.

(q) "Person" means a person, firm, corporation or association.

(r) "Relevant market area" means all of the area within a 10-mile radius of the site of an existing enfranchised motor vehicle dealership or the area of sales responsibility assigned to the existing enfranchised dealership by the manufacturer, factory branch or distributor, whichever is greater.

(s) "Retail buyer" means a person, firm or corporation, other than a motor vehicle manufacturer, distributor or dealer, buying or agreeing to buy one or more motor vehicles from a motor vehicle dealer.

(t) "Retail instalment contract" or "instalment contract" means and includes every contract to sell one or more motor vehicles at retail, in which the price thereof is payable in one or more instalments over a period of time and in which the seller has either retained title to the goods or has taken or retained a security interest in the goods under a form of contract designated either as a conditional sale, chattel mortgage or otherwise.

(u) "Retail seller" means a person, firm or corporation selling or agreeing to sell one or more motor vehicles under a retail instalment contract to a buyer for the latter's personal use or consumption thereof.

(v) "Sales finance company" means and includes any person, firm or corporation engaging in the business, in whole or in part, of acquiring by purchase or by loan on the security thereof, or otherwise, retail instalment contracts from retail sellers in this state, including any motor vehicle dealer who sells any motor vehicle on an instalment contract or acquires any retail instalment contracts in his retail sales of motor vehicles.

(w) "Secretary" means the secretary of transportation.

(1a) AUTHORITY OF DEPARTMENT AND COMMISSIONER. The department shall issue the licenses provided for in sub. (2) (d) 1 to 6 and have supervision over the licensees thereunder in respect to all the provisions of this section, except only as to such matters as relate to the sale of motor vehicles on retail instalment contracts and the financing and servicing of such contracts, over which matter the commissioner shall have jurisdiction and control, and the commissioner shall issue the licenses to sales finance companies. Either licensor hereunder shall, upon request, furnish the other licensor with any information it may have in respect to any licensee or applicant for license or any transaction in which such licensee or applicant may be a party or be interested. No license shall be issued under sub. (2) (d) 1 and 8 until both licensors have approved the application. The suspension or revocation of

either of such licenses shall automatically likewise suspend or revoke the other license; and such suspension or revocation shall be certified by the licensor ordering it to the other licensor.

(1b) LICENSES FOR DEALERS, DISTRIBUTORS, MANUFACTURERS OR TRANSPORTERS OF SEMITRAILERS AND TRAILERS. Subject to ch. 180 where applicable, any dealer, distributor, manufacturer or transporter of semitrailers or trailers designed for use in combination with a truck or truck tractor is deemed licensed under this section where for purposes of chs. 341 and 342 license under this section is required. This subsection is enacted to remove an undue burden on interstate commerce from a class of commercial transactions in which the business character of the parties does not require the protection provided by this section and to promote the expansion of credit for truck operators who require banking and financing facilities throughout the United States.

(2) LICENSES, HOW GRANTED; AGREEMENTS, FILING. (a) No motor vehicle dealer, motor vehicle salesperson or sales finance company shall engage in business as such in this state without a license therefor as provided in this section. If any motor vehicle dealer acts as a motor vehicle salesperson, he or she shall secure a motor vehicle salesperson's license in addition to a license for motor vehicle dealer. Every motor vehicle dealer shall be responsible for the licensing of every motor vehicle salesperson in his or her employ.

(am) No manufacturer of motor vehicles, or factory branch, or distributor or distributor branch shall engage in business as such in this state without a license therefor as provided in this section.

(an) No factory representative or distributor representative shall engage in business as such in this state without a license therefor as provided in this section.

(b) Application for license shall be made to the licensor, at such time, in such form and contain such information as the licensor shall require and shall be accompanied by the required fee. Except as provided in par. (bb), the licensor may require in such application, or otherwise, information relating to the applicant's solvency, his financial standing or other pertinent matter commensurate with the safeguarding of the public interest in the locality in which said applicant proposes to engage in business, all of which may be considered by said licensor in determining the fitness of said applicant to engage in business as set forth in this section.

(bb) The licensor may not require information relating to the solvency or financial standing of an applicant for a motor vehicle dealer license if the applicant provides a bond of not less than \$25,000 under conditions specified in par. (h).

(bc) Except as provided in this subsection every dealer and distributor of new motor vehicles, other than mopeds or motor bicycles, shall, at the time of application for a license, file with the department a certified copy of the applicant's written agreement and a certificate of appointment as dealer or distributor, respectively. The certificate of appointment shall be signed by an authorized agent of the manufacturer of domestic vehicles on direct manufacturer-dealer agreements; or, where the manufacturer is wholesaling through an appointed distributorship, by an authorized agent of the distributor on indirect distributor-dealer agreements. The certificate shall be signed by an authorized agent of the importer on direct importer-dealer agreements of foreign-made vehicles; or by an authorized agent of the distributor on indirect distributor-dealer agreements. The distributor's certificate of appointment shall be signed by an authorized agent of the manufacturer; or by an agent of the manufacturer or importer of foreign manufactured vehicles.

(bd) 1. A dealer or distributor need not file a written agreement if the manufacturer on direct dealerships or distributor on indirect dealerships or importer on direct dealerships utilizes the identical basic agreement for all its dealers or distributors in Wisconsin and certifies in the certificate of appointment that such blanket agreement is on file and such written agreement with such dealer or distributor, respectively, is identical with the filed blanket agreement, and has filed with the department one such agreement together with a list of authorized dealers or distributors. Such manufacturer, distributor or importer shall notify the department immediately of the appointment of any additional dealers or distributors, of any revisions of or additions to the basic agreement on file, or of any individual dealer or distributor supplements to such agreement. Such manufacturer, distributor or importer shall notify the dealer or distributor and forward a copy of such notice to the department of the discontinuation or cancellation of the agreement of any of its dealers or distributors at least 60 days before the effective date thereof together with the specific grounds for discontinuation or cancellation of the agreement, if discontinued or canceled. Agreements and certificates of appointment are deemed to be continuing unless the manufacturer, distributor or importer has notified the department of the discontinuation or cancellation of the agreement of any of its dealers or distributors, and annual renewal of certifications filed as provided in this subsection is not necessary.

2. Any dealer or distributor discontinued or canceled may within such 60-day notice period, file with the department and office of the commissioner of transportation and serve upon the respondent a complaint for a determination of unfair discontinuation or cancellation under sub. (3) (a) 17. Allowing opportunity for an answer, the office of the commissioner of transportation shall thereafter schedule a hearing on and decide the matter. Agreements and certificates of appointment shall continue in effect until final determination of the issues raised in such complaint. If the complainant prevails he or she shall have a cause of action against the defendant for reasonable expenses and attorney's fees incurred by him or her in such matter.

3. No manufacturers', distributors' or importers' vehicles shall be sold in this state unless either the manufacturer on direct dealerships of domestic vehicles, the importer of foreign manufactured vehicles on direct dealerships or the distributor on indirect dealerships of either domestic or foreign vehicles are licensed under s. 218.01. The obtaining of a license under s. 218.01 shall conclusively establish that such manufacturer, distributor or importer is doing business in this state and shall subject the licensee to all provisions of the Wisconsin statutes regulating manufacturers, importers and distributors.

(bf) Within 60 days after the department or office of the commissioner of transportation issues a declaratory ruling under s. 227.41 that an agreement is inconsistent with par. (bm), a manufacturer, distributor or importer shall remove or revise any provision of the agreement declared to be inconsistent with par. (bm).

(bm) 1. Except as provided in par. (bo), provisions of an agreement which do any of the following are void and prohibited:

a. Waive a remedy or defense available to a distributor or dealer or other provision protecting the interests of a distributor or dealer under this section or under rules promulgated by the department under this section.

b. Prevent a dealer or distributor from bringing an action in a particular forum otherwise available under the law.

2. a. Notwithstanding subd. 1. b and subject to sub. (3) (a) 36. d, an agreement may provide for the resolution of disputes by arbitration, including binding arbitration, if both parties to the agreement voluntarily agree to an arbitration provision. An arbitrator acting under this subd. 2. a shall be bound by the laws of this state, including par. (bd) 2 and other provisions of this section.

b. No finding of an arbitrator is binding upon any person who is not a party to the agreement. A finding of an arbitrator does not bind the department or the office of the commissioner of transportation with respect to enforcement of this section.

3. Notwithstanding subd. 1. b, an agreement may require a dealer or distributor to submit disputes to a nonbinding and reasonably prompt dispute resolution procedure before bringing an action in another forum.

(bo) Paragraph (bm) does not apply to any of the following:

1. A settlement agreement that is entered into by a dealer or distributor voluntarily and that waives rights, remedies or defenses with respect to a particular dispute existing when the settlement agreement is reached.

2. An agreement, made after a dealer receives notice under sub. (3) (f) 1, which waives the dealer's right to file a complaint protesting the establishment or relocation of a dealership proposed in the notice.

(bs) A manufacturer, distributor or importer shall designate in writing the area of sales responsibility assigned to a motor vehicle dealer. A manufacturer, distributor or importer may not modify the area of sales responsibility to avoid the requirements of sub. (3) (f).

(c) 1. Except as provided in subd. 2, all licenses shall be granted or refused within 60 days after the licensor receives the application for the license.

2. a. In cases where a complaint of unfair cancellation of a dealer agreement is in the process of being heard, no replacement application for the agreement may be considered until a decision is rendered by the office of the commissioner of transportation.

b. In cases where a complaint has been filed under sub. (3) (f) protesting the proposed establishment or relocation of a dealership in a relevant market area, no license may be issued until the office of the commissioner of transportation has rendered a decision permitting the issuance of the license.

(cm) 1. Licenses described in par. (dr) expire on December 31 of the calendar year for which the licenses are granted.

2. The department shall promulgate rules establishing the license period for each type of license described in par. (d) 1 to 6.

3. The department may promulgate rules establishing expiration dates for the various types of licenses described in par. (d) 1 to 6.

4. The commissioner shall promulgate rules establishing the license period for the license described in par. (d) 8.

5. The commissioner may promulgate rules establishing expiration dates for licenses issued under par. (d) 8.

(d) Subject to par. (dm), the fee for licenses described in this paragraph equals the number of years in a license period multiplied by whichever of the following applies:

1. For motor vehicle dealers, to the department, \$20 for each office or branch thereof, plus \$1 for a supplemental license for each used motor vehicle lot within the same municipality, but not immediately adjacent to the office or to a branch.

2. For motor vehicle manufacturers, \$20; and for each factory branch in this state, \$20.

3. For distributors or wholesalers, the same as for dealers.

4. Any person licensed under subd. 2 or 3 next preceding, may also operate as a motor vehicle dealer, without any additional fee.

5. For motor vehicle salespersons, \$4.

6. For factory representative, or distributor branch representative, \$4.

8. a. Except as provided in subd. 8. b, for motor vehicle dealers, to the commissioner, \$50.

b. For motor vehicle dealers that operate as a sales finance company and carry or retain time sales contracts for more than 30 days, to the commissioner, the same as for sales finance companies under par. (dr), except for gross volume of \$100,000 or less, \$50.

(dm) 1. If the department or commissioner establishes a license period that is not evenly divisible into years, the department or commissioner shall prorate the remainder when determining the license fee under par. (d).

2. If the department or commissioner grants a license described under par. (d) during the license period, the fee for the license shall equal the applicable dollar amount under par. (d) 1 to 8 multiplied by the number of calendar years, including parts of calendar years, during which the license remains in effect. A fee determined under this subdivision may not exceed the license fee for an entire license period under par. (d).

(dr) The fee for licenses for sales finance companies, except as provided in par. (d) 8, for each calendar year, or part of a calendar year, is based on the gross volume of purchases of retail sales contracts of motor vehicles sold in this state for the 12 months immediately preceding October 31 of the year in which the application or license is made, as follows: On a gross volume of \$25,000 or less, \$25; on a gross volume of over \$25,000 and not over \$100,000, \$50; on each \$100,000 over \$100,000 and up to \$500,000, an additional \$15; and on each \$100,000 over \$500,000, an additional \$10. No extra charge shall be made for branch licenses for sales finance companies. Gross volume shall be based on the unpaid balance of the retail contracts.

(e) The licenses of dealers, manufacturers, factory branches, distributors, distributor branches and sales finance companies shall specify the location of the office or branch and must be conspicuously displayed there. In case such location be changed, the licensor shall indorse the change of location on the license without charge if it be within the same municipality. A change of location to another municipality shall require a new license, except for sales finance companies.

(f) Every salesperson, factory representative or distributor representative shall carry his or her license when engaged in business, and display the license upon request. The license shall name his or her employer, and in case of leaving an employer, the salesperson shall immediately surrender the license to his or her employer who shall mail the license to the licensor. If during the license period the individual again is employed or acts as a salesperson, he or she shall make application for reissue of a salesperson's license. There shall be no fee in connection with such subsequent applications.

(g) Every sales finance company shall be required to procure a salesperson's license for itself or its employes in order to sell motor vehicles repossessed by it.

(h) Provided the licensor has reasonable cause to doubt the financial responsibility or the compliance by the applicant or licensee with this section the licensor may require the applicant or licensee to furnish and maintain a bond in the form, amount and with the sureties it approves, but not less than \$5,000, nor more than \$15,000, conditioned upon the applicant or licensee complying with the statutes applicable to the

licensee and as indemnity for any loss sustained by any person by reason of any acts of the licensee constituting grounds for suspension or revocation of the license under this section. The bonds shall be executed in the name of this state for the benefit of any aggrieved parties; provided that the aggregate liability of the surety to all such parties shall, in no event, exceed the amount of the bond. The above bonding requirements shall not apply to manufacturers, factory branches, and their agents.

(i) Application for dealers' licenses shall be submitted to the department in duplicate and, except for information relating to the applicant's solvency or financial standing as provided in par. (bb), shall contain such information as the licensors require. Application for sales finance company licenses shall contain such information as the commissioner requires. No motor vehicle dealer or sales finance company, unless so licensed, shall be permitted to register or receive or use registration plates under ss. 341.47 to 341.57. The department shall transmit the duplicate copy of each application for a dealer's license to the commissioner with the fee required under par. (d) 8. The commissioner may not refund the fee required under par. (d) 8. The commissioner shall approve a sales finance company license for a dealer if no prior sales finance company license has been suspended or revoked, and if the applicant meets the requirements of this section relating to sales finance companies.

(j) Unless a dealer furnishes a bond of not less than \$25,000 under conditions provided by pars. (bb) and (h), every motor vehicle dealer licensed in accordance with the provisions of this section shall make reports to the licensor at such intervals and showing such information as the licensor may require. The licensor may not require information relating to the solvency or financial standing of a dealer if the dealer keeps the bond in force.

(k) After the receipt of an application in due form, properly verified and certified, and upon the payment of the \$5 examination fee, the secretary, deputy secretary or any salaried employe of the department designated by the secretary shall, within a reasonable time and in a place reasonably accessible to the applicant for a license, subject each first-time applicant for license and, if the secretary deems necessary, any applicant for renewal of license to a personal written examination as to competency to act as a motor vehicle salesperson. The secretary shall issue to an applicant a resident or nonresident motor vehicle salesperson's license if the application and examination show that the applicant meets all of the following requirements:

1. Intends in good faith to act as a motor vehicle salesperson.
2. Is of good reputation.
3. Has had experience or training in, or is otherwise qualified for, selling motor vehicles.
4. Is a resident of this state, unless application is for a nonresident motor vehicle salesperson's license.
5. Is reasonably familiar with the motor vehicle sales laws or contracts that the applicant is proposing to solicit, negotiate or effect.
6. Is worthy of a license.

(2a) CHANGES IN PLACES OF BUSINESS TO BE REPORTED. (a) Before changing the location of a place of business or opening a new place of business in a municipality in which authorized to do business, a licensed dealer, distributor, or manufacturer shall apply to the department for an amended license. The department shall issue such license without charge.

(b) Whenever a licensed dealer, distributor, manufacturer or transporter opens a new place of business, the licensee shall

promptly report such fact, including the address thereof, to the department.

(c) Whenever a licensed dealer, distributor or manufacturer discontinues or disposes of his or her business, such person shall promptly report such fact to the department and return the license and registration plates issued. Whenever a licensed dealer, distributor or manufacturer discontinues business due to license suspension or revocation, such person shall surrender the licenses and registration plates to the department for such suspension or revocation period.

(d) Any dealer, distributor, manufacturer or transporter who fails to comply with the requirements of this subsection may be fined not more than \$200 or imprisoned not more than 6 months or both.

**(3) LICENSES, HOW DENIED, SUSPENDED OR REVOKED.** (a) A license may be denied, suspended or revoked on the following grounds:

1. Proof of unfitness.
2. Material misstatement in application for license.
3. Filing a materially false or fraudulent income tax return as certified by the department of revenue.
4. Wilful failure to comply with any provision of this section or any rule or regulation promulgated by the licensor under this section.
5. Wilfully defrauding any retail buyer to the buyer's damage.
6. Wilful failure to perform any written agreement with any retail buyer.
7. Failure or refusal to furnish and keep in force any bond required.
8. Having made a fraudulent sale, transaction or repossession.
9. Fraudulent misrepresentation, circumvention or concealment through whatsoever subterfuge or device of any of the material particulars or the nature thereof required hereunder to be stated or furnished to the retail buyer.
10. Employment of fraudulent devices, methods or practices in connection with compliance with the statutes with respect to the retaking of goods under retail instalment contracts and the redemption and resale of such goods.
11. Having indulged in any unconscionable practice relating to said business.
12. Having charged a finance charge in excess of the rate permitted by s. 422.201 (3).
13. Having sold a retail instalment contract to a sales finance company not licensed hereunder.
14. Having violated any law relating to the sale, distribution or financing of motor vehicles.
15. Being a manufacturer of motor vehicles, factory branch, distributor, field representative, officer, agent or any representative whatsoever of such motor vehicle manufacturer or factory branch, who has induced or coerced or attempted to induce or coerce any motor vehicle dealer to accept delivery of any motor vehicle or vehicles, parts or accessories therefor, or any other commodities which shall not have been ordered by said dealer.
16. Being a manufacturer of motor vehicles, factory branch, distributor, field representative, officer, agent or any representative whatsoever of such motor vehicle manufacturer or factory branch, who has attempted to induce or coerce, or has induced or coerced, any motor vehicle dealer to enter into any agreement with such manufacturer, factory branch or representative thereof, or to do any other act unfair to said dealer, by threatening to cancel any franchise existing between such manufacturer, factory branch or representative thereof and said dealer.

17. Being a manufacturer, factory branch, distributor, field representative, officer, agent or any representative whatsoever of such motor vehicle manufacturer or factory branch, who has unfairly, without due regard to the equities of said dealer and without just provocation, canceled or failed to renew the franchise of any motor vehicle dealer; or being a manufacturer, factory branch or importer, who unfairly, without due regard to the equities of a distributor and without just provocation canceled or failed to renew the franchise of any distributor. All existing dealers' franchises shall continue in full force and operation under a newly appointed distributor on the termination of an existing distributor unless a mutual agreement of cancellation is filed with the department between the newly appointed distributor and such dealer.

18. Having accepted an order of purchase or a contract from a buyer if such arrangement results in the practice of bushing. For the purpose of this section, "bushing" means the practice of increasing the selling price of a motor vehicle above that originally quoted the purchaser as evidenced by a purchase order or contract which has been signed by both the purchaser and dealer licensee.

19. Having advertised, printed, displayed, published, distributed, broadcast or televised or caused or permitted to be advertised, printed, displayed, published, distributed, broadcast or televised in any manner whatsoever, any statement or representation with regard to the sale or financing of motor vehicles which is false, deceptive or misleading.

20. Having set up, promoted or aided in the promotion of a plan by which motor vehicles are sold to a person for a consideration and upon the further consideration that the purchaser agrees to secure one or more persons to participate in the plan by respectively making a similar purchase and in turn agreeing to secure one or more persons likewise to join in said plan, each purchaser being given the right to secure money, credits, goods or something of value, depending upon the number of persons joining in the plan.

21. Being a dealer who keeps open his place of business on Sunday for the purpose of buying or selling motor vehicles; but nothing in this subdivision shall apply to any person who conscientiously believes that the 7th day of the week, from sunset Friday to sunset Saturday, should be observed as the Sabbath and who actually refrains from conducting or engaging in the business of buying, selling or offering for sale motor vehicles, or performing other secular business on that day.

22. Being a manufacturer, factory branch or distributor who for the protection of the buying public fails to specify the delivery and preparation obligations of its dealers prior to delivery of new motor vehicles to retail buyers. A copy of the delivery and preparation obligations of its dealers shall be filed with the department by every licensed motor vehicle manufacturer, factory branch or distributor and shall constitute the dealer's only responsibility for product liability as between the dealer and the manufacturer, factory branch or distributor. Any mechanical, body or parts defects arising from any express or implied warranties of the manufacturer or importer shall constitute the manufacturer's or importer's product or warranty liability. The manufacturer, factory branch or distributor shall reasonably compensate any authorized dealer who performs work to rectify the manufacturer's or importer's product or warranty defects or delivery and preparation obligations. A manufacturer, factory branch or distributor shall pay the dealer who performs work to rectify the manufacturer's or importer's product or warranty defects at a labor rate equal to the effective labor rate charged all customers.

23. Being a manufacturer, factory branch or distributor who unreasonably withholds its approval of a change of ownership or executive management of a dealership.
24. Being a manufacturer, factory branch or distributor who unreasonably closes a dealer point.
25. Having violated chs. 421 to 427.
26. Being a manufacturer, factory branch, distributor, field representative, officer, agent or any representative of such manufacturer, factory branch or distributor who, notwithstanding the terms of any agreement, refuses to honor the succession to the ownership or operation of a dealership under an existing franchise agreement by a designated family member of a deceased or incapacitated dealer, except in the manner prescribed by sub. (3c), or who unreasonably withholds its approval of a change of ownership or executive management of the dealership after the dealer's death or incapacity.
- 26m. Being a manufacturer, factory branch or distributor who unreasonably refuses to allow a dealership to share its facilities with another or who unreasonably refuses to allow a dealership to add another franchise at the same location as its existing franchise or franchises.
27. The selling of new motor vehicles for which the dealer is not franchised.
28. Wilful failure to provide and maintain facilities and business records as required by this section or by any rule promulgated by the licensor pertaining to facility and business records.
29. Being an inactive business, as evidenced by 3 or less motor vehicle purchases and sales during the prior year licensing period.
30. Failure to obtain proper business zoning or failure to obtain and maintain any required additional state or local license or permit.
31. Having violated an order issued under par. (h).
32. Being a manufacturer, factory branch or distributor who enters into a franchise agreement establishing or relocating a motor vehicle dealership in a relevant market area without first complying with the procedure in par. (f) 1.
35. Being a manufacturer, factory branch or distributor who engages in any action which transfers to a motor vehicle dealer any responsibility of the manufacturer, factory branch or distributor under s. 218.015.
36. Being a manufacturer, distributor or importer who does any of the following:
- Fails to notify the department of any revision or addition to an agreement as required under sub. (2) (bd) 1.
  - Fails to revise or remove portions of an agreement that the department or the office of the commissioner of transportation declares to contain provisions which are inconsistent with sub. (2) (bm).
  - Requires or coerces a dealer or distributor to execute an agreement, as a condition of obtaining or continuing a franchise, that contains provisions that are void or prohibited under sub. (2) (bm) or attempts to enforce an agreement with void or prohibited provisions.
  - Requires or coerces a dealer or distributor to execute an agreement that requires arbitration as a condition of obtaining or continuing a franchise, unless the dealer or distributor has the option of signing an otherwise identical agreement without the arbitration provision or unless the agreement provides for arbitration on a case-by-case basis and only when both parties elect to refer the matter to arbitration. This subd. 36. d does not apply to a manufacturer or distributor who enters into an agreement that creates a new franchise for a new line make of motor vehicle, if the arbitration provision was the subject of good faith negotia-

tions with a representative group of dealers, and if each dealer voluntarily accepts the arbitration provision after receiving a franchise offering circular under s. 553.27 (4) that discloses the existence and effect of the arbitration provision, and if the manufacturer or dealer files a copy of the franchise offering circular and proof of good faith negotiation and voluntary acceptance of the arbitration with any filing required under sub. (2) (bd) 1.

37. Being a manufacturer, distributor or importer who fails to designate in writing the area of sales responsibility assigned to a motor vehicle dealer or who changes or attempts to change an area of sales responsibility to avoid the requirements of par. (f).

38. Being a grantor, as defined in sub. (3r) (a) 2, who fails to pay a motor vehicle dealer agreement termination benefits under sub. (3r).

39. Being a manufacturer or distributor who modifies a motor vehicle dealer agreement during the term of the agreement or upon its renewal without complying with par. (fm).

(b) The licensor may without notice deny the application for a license within 60 days after receipt thereof by written notice to the applicant, stating the grounds for such denial. Within 30 days after such notice, the applicant may petition the office of the commissioner of transportation to conduct a hearing to review the denial, and a hearing shall be scheduled with reasonable promptness.

(bf) 1. The department shall not license as a dealer an applicant for the sale of motor vehicles at retail unless such applicant owns or leases a vehicle display lot and a permanent building wherein there are facilities to display automobiles and motorcycles and facilities to repair functional and non-functional parts of motor vehicles and where replacement parts, repair tools and equipment to service motor vehicles are kept, and at which place of business shall be kept and maintained the books, records and files necessary to conduct the business. A residence, tent or temporary stand is not a sufficiently permanent place of business within the meaning of this paragraph.

2. An approved service contract with an established repair shop having the repair parts and repair facilities specified in subd. 1 shall serve in lieu of the applicant's owning or leasing his own repair facilities if such service connection is within a reasonable distance from the applicant's place of business and if such service connection guarantees in writing the making of the repairs or replacements ordered by the dealer.

3. This paragraph does not apply to persons who deal only in mopeds or motor bicycles.

(c) No license may be suspended or revoked except after a hearing thereon. The licensor shall give the licensee at least 5 days' notice of the time and place of such hearing. The order suspending or revoking such license shall not be effective until after 10 days' written notice thereof to the licensee, after such hearing has been had; except that the licensor, when in its opinion the best interest of the public or the trade demands it, may suspend a license upon not less than 24 hours' notice of hearing and with not less than 24 hours' notice of the suspension of the license. Matters involving suspensions or revocations brought before the department shall be heard and decided upon by the office of the commissioner of transportation.

(d) The licensor may inspect the pertinent books, records, letters and contracts of a licensee and shall determine the cost of an examination. The cost of an examination shall be paid by such licensee so examined within 30 days after demand therefor by the licensor, and the licensor may maintain an

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action for the recovery of such costs in any court of competent jurisdiction.

(e) If a licensee is a firm or corporation, it shall be sufficient cause for the denial, suspension or revocation of a license that any officer, director or trustee of the firm or corporation, or any member in case of a partnership, has been guilty of any act or omission which would be cause for refusing, suspending or revoking a license to such party as an individual. Each licensee shall be responsible for the acts of any or all of his or her salespersons while acting as his or her agent, if the licensee approved of or had knowledge of the acts or other similar acts and after such approval or knowledge retained the benefit, proceeds, profits or advantages accruing from the acts or otherwise ratified the acts.

(f) 1. A manufacturer, factory branch or distributor who seeks to enter into a franchise agreement establishing or relocating a motor vehicle dealership within the relevant market area of an existing enfranchised dealer of the line make of motor vehicle shall first notify in writing the department and each such existing enfranchised dealer of its intention to establish or relocate a dealership. Within 30 days of receiving the notice or within 30 days after the end of any appeal procedure provided by the manufacturer, factory branch or distributor, whichever is later, any existing enfranchised dealer of the same line make to whom the manufacturer, factory branch or distributor is required to give notice under this subdivision may file with the department and the office of the commissioner of transportation a complaint protesting the proposed establishment or relocation of the dealership within the relevant market area of the existing enfranchised dealer. If a complaint is filed, the department shall inform the manufacturer, factory branch or distributor that a timely complaint has been filed, that a hearing is required, and that the proposed franchise agreement may not be entered into until the office of the commissioner of transportation has held a hearing, nor thereafter, if the office of the commissioner of transportation determines that there is good cause for not permitting the proposed establishment or relocation of the dealership. In the event of multiple complaints, hearings shall be consolidated to expedite the disposition of the issue.

2. In determining whether good cause exists for not permitting the proposed establishment or relocation of a dealership, the office of the commissioner of transportation shall take into consideration the existing circumstances, including, but not limited to:

a. The amount of business transacted by existing enfranchised dealers of the line make of motor vehicle when compared with the amount of business available to them.

b. The permanency of the investment necessarily made and the obligations incurred by existing enfranchised dealers in the performance of their franchise agreements.

c. The effect on the retail motor vehicle business in the relevant market area.

d. Whether it is injurious to the public welfare for the proposed dealership to be established or relocated.

e. Whether the establishment or relocation of the proposed dealership would increase competition and therefore be in the public interest.

f. Whether the existing enfranchised dealers of the line make of motor vehicle are providing adequate consumer care for the motor vehicles of that line make, including the adequacy of motor vehicle service facilities, equipment, supply of parts and qualified personnel.

g. Whether the existing enfranchised dealers of the line make of motor vehicle are receiving vehicles and parts in quantities promised by the manufacturer, factory branch or

distributor and on which promised quantities existing enfranchised dealers based their investment and scope of operations.

h. The effect the denial of such establishment or relocation would have on the license applicant or dealer who is seeking to establish or relocate a dealership.

3. The decision of the office of the commissioner of transportation shall be in writing and shall contain findings of fact and a determination of whether there is good cause for not permitting the proposed establishment or relocation of the dealership. The office of the commissioner of transportation shall deliver copies of the decision to the parties personally or by registered mail. The decision is final upon its delivery or mailing and no reconsideration or rehearing by the office of the commissioner of transportation is permitted.

4. For purposes of this paragraph:

a. The reopening of a dealership, which has been closed for less than 2 years, at the original location is not the establishment or relocation of a motor vehicle dealership. The reopening of a dealership at a location other than the original location is the establishment or relocation of a motor vehicle dealership if the new location is within 6 miles, by the closest highway route, of another enfranchised dealer of the same line make and is closer to such dealer than the reopening dealer's closed dealership.

b. The relocation of an enfranchised dealership to a location within the existing area of sales responsibility assigned to that enfranchised dealership by the manufacturer, factory branch or distributor is not the relocation of a dealership, unless the relocation site is within 6 miles, by the closest highway route, of the location of another enfranchised dealer of the same line make and is closer to such dealer than the relocating dealer's existing location.

(fm) 1. A manufacturer or distributor may not modify a motor vehicle dealer agreement during the term of the agreement or upon its renewal if the modification substantially and adversely affects the motor vehicle dealer's rights, obligations, investment or return on investment without giving 60 days written notice of the proposed modification to the motor vehicle dealer unless the modification is required by law, court order or the licensor. Within the 60-day notice period the motor vehicle dealer may file with the department and the office of the commissioner of transportation and serve upon the respondent a complaint for a determination of whether there is good cause for permitting the proposed modification. The office of the commissioner of transportation shall promptly schedule a hearing and decide the matter. Multiple complaints pertaining to the same proposed modification shall be consolidated for hearing. The proposed modification may not take effect pending the determination of the matter.

2. In making a determination of whether there is good cause for permitting a proposed modification, the office of the commissioner of transportation may consider any relevant factor including:

a. The reasons for the proposed modification.

b. Whether the proposed modification is applied to or affects all motor vehicle dealers in a nondiscriminating manner.

c. The degree to which the proposed modification will have a substantial and adverse effect upon the motor vehicle dealer's investment or return on investment.

d. Whether the proposed modification is in the public interest.

e. The degree to which the proposed modification is necessary to the orderly and profitable distribution of products by the respondent.

f. Whether the proposed modification is offset by other modifications beneficial to the motor vehicle dealer.

3. The decision of the office of the commissioner of transportation shall be in writing and shall contain findings of fact and a determination of whether there is good cause for permitting the proposed modification. The office of the commissioner of transportation shall deliver copies of the decision to the parties personally or by registered mail. The decision is final upon its delivery or mailing and no reconsideration or rehearing by the office of the commissioner of transportation is permitted.

(g) Any person in interest aggrieved by a decision of the office of the commissioner of transportation may have a review thereof as provided in ch. 227 or aggrieved by an order of the commissioner may have a review thereof as provided in s. 220.037.

(h) In addition to the licensor's authority to deny, suspend or revoke a license under this section, the commissioner, after public hearing, may issue a special order enjoining any licensee from engaging in any act or practice which is determined by the commissioner to be in violation of any provision of par. (a), and the office of the commissioner of transportation may be petitioned to issue such a special order after notice and hearing thereon.

**(3a) WHEN DEPARTMENT TO REVOKE LICENSE OF DEALER, DISTRIBUTOR, MANUFACTURER, OR TRANSPORTER.** (a) If a dealer, distributor or manufacturer is convicted under s. 341.55 (1) a second or subsequent time within the same registration year, the department shall revoke the license of such dealer, distributor or manufacturer for a period not to exceed one year. For the purposes of this paragraph, the conviction of the employe of a dealer, distributor or manufacturer shall be counted as a conviction of the employer.

(b) If a transporter is convicted under s. 341.55 (3) a 2nd or subsequent time within the same license period, the department shall revoke the license of such transporter for a period not to exceed one year.

(c) A dealer, distributor, manufacturer or transporter whose license has been revoked shall forthwith surrender its registration plates to a traffic officer or peace officer designated by the department. A dealer, distributor, manufacturer or transporter who fails to return the plates as required by this subsection may be fined not more than \$200 or imprisoned not more than 6 months or both.

(d) The appeal of a conviction does not suspend the act or order of revocation unless a stay is ordered by the judge of the court to which the appeal is taken.

**(3c) FAMILY MEMBER'S RIGHT TO SUCCEED DECEASED OR INCAPACITATED DEALER UNDER EXISTING FRANCHISE AGREEMENT.** (a) The term "designated family member", as used in this subsection and in sub. (3) (a) 26, means the spouse, child, grandchild, parent, brother or sister of a dealer who, in the case of a deceased dealer, is entitled to inherit the dealer's ownership interest in the dealership under the terms of the dealer's will or under the laws of intestate succession of this state, or who, in the case of an incapacitated dealer, has been appointed by a court as the legal representative of the dealer's property. The term "designated family member" shall also mean and include the duly appointed and qualified personal representative and the testamentary trustee of a deceased dealer.

(b) Any designated family member of a deceased or incapacitated dealer shall have the right to succeed such dealer in the ownership or operation of the dealership under the existing franchise agreement provided the designated family member gives the manufacturer, factory branch or distributor written notice of his or her intention to do so

within 120 days of the dealer's death or incapacity and unless there exists good cause for refusal to honor such succession on the part of the manufacturer, factory branch or distributor. The manufacturer, factory branch or distributor may request, and the designated family member shall provide, such personal and financial data as is reasonably necessary to determine whether the succession should be honored.

(c) If a manufacturer, factory branch or distributor believes it has good cause for refusing to honor the succession to the ownership and operation of a dealership by a family member of a deceased or incapacitated dealer under the existing franchise agreement, such manufacturer, factory branch or distributor may, within 30 days of receipt of notice of the designated family member's intent to succeed the dealer in the ownership and operation of the dealership, serve upon such designated family member and the department notice of its refusal to honor the succession and of its intent to discontinue the existing franchise agreement with the dealership no sooner than 60 days from the date such notice is served. Such notice shall state the specific grounds for the refusal to honor the succession and the discontinuance of the franchise agreement. If no notice of such refusal and discontinuance is timely served upon the family member and department, or if the office of the commissioner of transportation rules in favor of the complainant in a hearing held under par. (d), the franchise agreement shall continue in effect subject to termination only in the manner prescribed in this subchapter.

(d) Any designated family member who receives a notice of the manufacturer's, factory branch's or distributor's refusal to honor his or her succession to the ownership and operation of the dealership may within the 60-day notice period, serve on the respondent and file in triplicate with the office of the commissioner of transportation a verified complaint for a hearing and determination by the office of the commissioner of transportation on whether good cause exists for such refusal and discontinuance. The office of the commissioner of transportation shall forward a copy of the complaint to the department. The manufacturer, factory branch or distributor shall have the burden of establishing good cause for such refusal by showing that the succession would be detrimental to the public interest or to the representation of the manufacturer, factory branch or distributor. The franchise agreement shall continue in effect until the final determination of the issues raised in such complaint. If the complainant prevails he or she shall have a cause of action against the defendant for reasonable expenses and attorney's fees incurred in such matter. If the manufacturer, factory branch or distributor prevails, the office of the commissioner of transportation shall include in its order approving the termination of the franchise agreement such conditions as are reasonable and adequate to afford the complainant an opportunity to receive fair and reasonable compensation for the value of the dealership.

(e) Nothing in this subsection shall prevent a dealer, during the dealer's lifetime, from designating any person as his or her successor dealer by written instrument filed with the manufacturer, factory branch or distributor.

**(3r) AGREEMENT TERMINATION BENEFITS.** (a) In this subsection:

1. "Dealership facilities" means that part of a motor vehicle dealer's place of business that is used to conduct business under an agreement between a grantor and the motor vehicle dealer.

2. "Grantor" means a manufacturer on direct dealership, a distributor on indirect dealership or an importer on direct



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dealership that has entered into an agreement with a motor vehicle dealer.

(b) 1. Except as provided in par. (e) and subject to par. (c), when a grantor or motor vehicle dealer terminates, cancels or does not renew an agreement a grantor shall pay a motor vehicle dealer all of the termination benefits under subds. 2 to 5.

2. A grantor shall repurchase from the motor vehicle dealer unsold new motor vehicles that have not been structurally modified by a motor vehicle dealer, that have not been operated more than 300 miles for manufacturer's tests, pre-delivery tests and motor vehicle dealer exchange in addition to operation required for motor vehicle delivery from the grantor and that the motor vehicle dealer acquired as part of the motor vehicle dealer's original inventory or acquired from the grantor or from another motor vehicle dealer of the same line make and who acquired the motor vehicle from the grantor. In addition, a grantor may not be required to repurchase a motor vehicle under this subdivision unless the date on the original dealer invoice is within 12 months of the date on which the motor vehicle dealer terminates, cancels or does not renew an agreement or is within 18 months of the date on which the grantor terminates, cancels or does not renew an agreement. The repurchase price for a new motor vehicle shall be the motor vehicle invoice price from the grantor, plus destination, delivery or distribution charges and sales taxes incurred by the motor vehicle dealer, less allowances paid or credited to the motor vehicle dealer by the grantor. A grantor may subtract from a new motor vehicle repurchase price an amount equal to the diminution in wholesale value caused by damages to a new motor vehicle before the motor vehicle dealer delivers the new motor vehicle to the grantor.

3. A grantor shall repurchase from the motor vehicle dealer unused, undamaged and unsold parts and accessories and unopened appearance and maintenance materials and paints that are in the motor vehicle dealer's inventory or subject to a noncancellable order to the grantor on the effective date of the termination, cancellation or nonrenewal, that are in original packaging, or, if sheet metal or body panels, that are in a comparable substitute for original packaging, and that the motor vehicle dealer acquired from the grantor or from its predecessor motor vehicle dealer if the parts, accessories and materials and paints are listed for sale in the grantor's price schedules in effect on the effective date of the termination, cancellation or nonrenewal or are part of the motor vehicle dealer's original inventory acquired from the grantor or are acquired by the motor vehicle dealer from the grantor within 4 years before the effective date of the termination, cancellation or nonrenewal. However, a grantor may not be required to repurchase items that are not listed for sale in the grantor's price schedules in effect on the effective date of the termination, cancellation or nonrenewal if, within 2 years before the effective date of the termination, cancellation or nonrenewal, the grantor permitted a motor vehicle dealer to return obsolete parts and accessories, or a reasonable percentage of parts and accessories, for an amount that is equal to or greater than the price at which those items were listed for sale, less any allowances, at the time the return was permitted. The repurchase price for parts, accessories and materials and paints shall be the price at which those items are listed for sale in the grantor's price schedules in effect on the effective date of the termination, cancellation or nonrenewal, or, if an item is not listed, the motor vehicle dealer's original invoice cost, plus destination, delivery or distribution charges, and sales taxes incurred by the motor vehicle dealer, less allowances paid or credited to the motor vehicle dealer by the grantor. If a motor vehicle dealer inventories, handles and packages

repurchased items for delivery to the grantor, the grantor shall reimburse the motor vehicle dealer an additional amount equal to 2% of the repurchase price under this subdivision.

4. A grantor shall purchase from the motor vehicle dealer undamaged signs at a fair market price, if a sign bears a common name, trade name or trademark of the grantor, the grantor required that the motor vehicle dealer acquire the sign and the sign was acquired by the motor vehicle dealer from the grantor or from a source approved by the grantor. In addition, a grantor shall purchase from the motor vehicle dealer at a fair market price poles or other hardware used to erect a sign if the grantor required that the sign be free standing and not include a trademark or trade name other than that of the grantor. Fair market price is presumed to be equal to the motor vehicle dealer's original cost, reduced by one-tenth of the original cost for each year of ownership. The grantor or motor vehicle dealer may rebut the presumption.

5. The grantor shall purchase from the motor vehicle dealer special tools, equipment and furnishings at a fair market price, if the motor vehicle dealer acquired the tool, equipment or furnishing from the grantor or from a source approved by the grantor and the grantor required that the motor vehicle dealer acquire the tool, equipment or furnishing. Fair market price is presumed to be equal to the motor vehicle dealer's original cost, reduced by one-seventh of the original cost for each year of ownership. The grantor or motor vehicle dealer may rebut the presumption.

(c) 1. The grantor shall provide a list of the motor vehicles, parts, accessories, materials and paints, signs, tools, equipment and furnishings that the motor vehicle dealer is authorized to return to the grantor within 30 days after the grantor receives a written inventory of the property that the motor vehicle dealer intends to return or within 30 days after the effective date of the termination, cancellation or nonrenewal, whichever is later. Within 60 days after the property is actually returned by the motor vehicle dealer to the grantor, f.o.b. dealership facilities, the grantor shall pay the motor vehicle dealer the reimbursement amount under par. (b) 2 to 5, except that the grantor may apply the reimbursement amount first to pay any amount owed by the motor vehicle dealer to the grantor.

2. If a repurchase price under par. (b) depends on a purchase date or original cost or includes an associated cost, the motor vehicle dealer shall have the burden of proving by documentary evidence the purchase date, original cost or associated cost.

(d) 1. Except as provided in par. (e) and subject to subd. 4, when a grantor terminates, cancels or does not renew an agreement a grantor shall, upon request, pay a motor vehicle dealer the termination benefits under subd. 2 or 3. If a motor vehicle dealer receives benefits under subd. 2 or 3, the grantor shall be entitled to the possession and use of the dealership facilities for the period that the termination benefits payment covers.

2. If a motor vehicle dealer leases its dealership facilities, a grantor shall, upon request, pay the motor vehicle dealer an amount equal to the dealership facilities' rent for one year or for the unexpired term of the lease, whichever is less.

3. If a motor vehicle dealer owns its dealership facilities, a grantor shall, upon request, pay the motor vehicle dealer an amount equal to the reasonable rental value of the dealership facilities for one year or until the dealership facilities are sold or leased, whichever is less.

4. Subdivisions 2 and 3 apply only to dealership facilities that are used in performing sales and service obligations under an agreement before the motor vehicle dealer receives

notice of the termination, cancellation or nonrenewal of the agreement.

(e) 1. Paragraphs (b) and (d) do not apply to any of the following:

a. A motor vehicle dealer if a court, licensor or the office of the commissioner of transportation determines that the motor vehicle dealer engaged in fraud or theft against the grantor in connection with the operation or management of its dealership under an agreement.

b. A motor vehicle dealer who terminates or cancels an agreement without giving the grantor 60 days' notice or the notice required under the agreement, whichever is less.

c. A motor vehicle dealer who does not give the grantor a written request for termination benefits that specifies the benefits sought within 60 days after the effective date of the termination, cancellation or nonrenewal.

d. A motor vehicle dealer who sells its dealership assets to a 3rd party who becomes a successor motor vehicle dealer under an agreement with the grantor.

e. A motor vehicle dealer who terminates, cancels or fails to renew an agreement to sell motor homes, as defined in s. 340.01 (33m), unless a court, licensor or the office of the commissioner of transportation determines that the grantor has not acted in good faith or has materially violated the agreement or a provision of this section and determines that the motor vehicle dealer has not acted in bad faith or has not violated the agreement or a provision of this section.

f. An agreement under which a motor vehicle dealer sells a camping trailer, as defined in s. 340.01 (6m), or a trailer, as defined in s. 340.01 (71), but only to the extent that the agreement covers camping trailers or trailers.

2. Paragraph (b) does not apply to a motor vehicle dealer who is unable to convey clear title to property under par. (b) 2 to 5 on the date on which the grantor takes delivery of the property.

3. Paragraph (b) does not apply to property under par. (b) 2 to 5 that is acquired by a motor vehicle dealer from another motor vehicle dealer if the property is acquired after the motor vehicle dealer receives or gives notice of termination, cancellation or nonrenewal or if the property was acquired other than in the ordinary course of the motor vehicle dealer's business.

4. Paragraph (d) does not apply if a grantor terminates, cancels or fails to renew an agreement in compliance with sub. (3) (a) 17, unless the primary ground for termination, cancellation or nonrenewal is inadequate sales performance by the motor vehicle dealer.

(f) 1. This subsection does not restrict the right of a motor vehicle dealer to pursue any other remedy available against a grantor who terminates, cancels or does not renew an agreement.

2. A grantor may not make the termination benefits payments under par. (b) or (d) contingent on the motor vehicle dealer releasing or waiving any rights, claims or remedies.

(4) **ADVISORY COMMITTEE.** The licensor may appoint annually one or more local advisory committees and one general advisory committee, each consisting of not more than 9 members. The committees upon request of the licensor may advise and assist the licensor in the administration of this section. The members of said committees shall receive no compensation for their services or expenses.

(5) **RULES AND REGULATIONS.** (a) The licensor shall promote the interests of retail buyers of motor vehicles relating to default, delinquency, repossession or collection charges and the refund of the finance charge and insurance premium on prepayment of the instalment contract. It may define unfair

practices in the motor vehicle industry and trade between licensees or between any licensees and retail buyers of motor vehicles, but may not limit the price at which licensees may sell, assign or transfer receivables, contracts or other evidence of any obligation arising out of an instalment sale made under this section.

(b) The commissioner and office of the commissioner of transportation shall have the power in hearings and trials arising under this chapter to determine the place, in the state of Wisconsin, where they shall be held; to subpoena witnesses; to take depositions of witnesses residing without the state, in the manner provided for in civil actions in courts of record; to pay such witnesses the fees and mileage for their attendance as is provided for witnesses in civil actions in courts of record; and to administer oaths.

(c) The licensor may make such rules and regulations as it shall deem necessary or proper for the effective administration and enforcement of this section, but no licensee shall be subject to examination or audit by the licensor except as provided in sub. (3) (d).

(5m) **CONTRACT PROVISIONS.** (a) No contract for the sale of a motor vehicle shall contain a clause which, upon nonacceptance of the vehicle by the buyer, would subject the buyer to a penalty greater than 5 per cent of the cash price of the vehicle.

(6) **INSTALMENT SALES.** (a) Every retail instalment sale shall be evidenced by an instrument in writing, which shall contain all the agreements of the parties and shall be signed by the buyer.

(b) Prior to or concurrent with any instalment sale, the seller shall deliver to the buyer a written statement describing clearly the motor vehicle sold to the buyer, the cash sale price, the cash paid down by the buyer, the amount credited the buyer for any trade-in and a description of the trade-in, the cost to the retail buyer of any insurance, the amount financed which may include the cost of insurance, sales and use taxes, the amount of the finance charge, the amount of any other charge specifying its purpose, the total of payments due from the buyer, the terms of the payment of such total, the amount and date of each payment necessary finally to pay the total and a summary of any insurance coverage to be effected. The commissioner may determine the form of the statement. If a written order is taken from a prospective purchaser in connection with any instalment sale, the written statement shall be given to the purchaser prior to or concurrent with the signing of the order by the purchaser. The finance charge in a retail instalment sale made prior to April 6, 1980, however computed, excluding the cost of insurance shall not exceed the amount computed on the basis of the following annual percentage rates:

1. Class 1: Any new motor vehicle—12.75% per year; except for transactions of 72 months or more—11.7% per year.

2. Class 2: Any used motor vehicle designated by the manufacturer by a year model of the same or 2 years prior to the year in which the sale is made—16.25% per year; except for transactions of 72 months or more—14.7% per year.

3. Class 3: Any used motor vehicle not in Class 2 and designated by the manufacturer by a year model not more than 4 years prior to the year in which the sale is made—21.25% per year; except for transactions of 72 months or more—19.15% per year.

4. Class 4: Any used motor vehicle not in Class 2 or Class 3 and designated by the manufacturer by a year model more than 4 years prior to the year in which the sale is made—23.25% per year; except for transactions of 72 months or more—20.75% per year.

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5. Class 5: Any new truck or truck tractor having a gross vehicular weight of 15,000 pounds or more —15.25% per year.

6. The maximum allowable finance charge shall be computed on the declining principal balance of the amount financed as determined under par. (b) (intro.) at the annual percentage rates provided for in the classes under subds. 1 to 5 according to the actuarial method as defined in s. 421.301 (1).

7. A minimum finance charge of \$15 may be charged on any instalment sales contract in which the finance charge, when computed at the rates indicated, results in a total charge of less than this amount.

8. In addition to other charges, an instalment sales contract may include a charge sufficient to cover the fee for filing the termination statement required by s. 409.404.

(bm) The finance charge in a retail instalment sale made on or after April 6, 1980 and prior to November 1, 1981, or the refinancing, renewal, extension or modification on or after April 6, 1980 and prior to November 1, 1981, of any retail instalment sale, however computed, excluding the cost of insurance shall not exceed the amount computed on the basis of the following annual percentage rates:

1. Any new motor vehicle, the lesser of 18% per year or a rate of not more than 4% in excess of the discount rate on 90-day commercial paper in effect 15 days prior to the date of sale at the federal reserve bank in the federal reserve district where the seller is located.

2. Any used motor vehicle, 18% per year.

(bn) 1. Except as provided in subd. 3, the finance charge in a retail instalment sale which is a consumer transaction as defined in s. 421.301 (13) made on or after November 1, 1981 and before November 1, 1984, or the refinancing, renewal, extension or modification on or after November 1, 1981 and before November 1, 1984, of any such retail instalment sale, excluding the cost of insurance, may not exceed the maximum rate provided in s. 422.201 (2) (bm).

2. For any retail instalment sale which is not a consumer transaction as defined in s. 421.301 (13) and is made on or after November 1, 1981 and before November 1, 1984, or for any refinancing, renewal, extension or modification on or after November 1, 1981 and before November 1, 1984, of any such retail instalment sale, the maximum finance charges under pars. (b) and (bm) do not apply.

3. For any retail instalment sale of a mobile home as defined in s. 218.10 (2) made on or after November 1, 1981 and before November 1, 1984, or for any refinancing, renewal, extension or modification on or after November 1, 1981 and before November 1, 1984, of any such retail instalment sale, the maximum finance charges under pars. (b) and (bm) do not apply.

(bp) A retail instalment sale made after October 31, 1984, is not subject to any maximum finance charge limit.

(c) An exact copy of the instalment sale contract and any note or notes given in connection therewith shall be furnished by the seller to the buyer at the time the buyer signs such contract. The buyer's copy of the contract shall contain the signature of the seller identical with the signature on the original contract. No contract shall be signed in blank except that a detailed description of the motor vehicle including the serial number or other identifying marks of the vehicle sold which are not available at the time of execution of such contract may be filled in before final delivery of the motor vehicle.

(d) A violation of par. (a), (b), (bm), (bn), (bp) or (k) bars recovery of any finance charge by the seller, or an assignee of the seller who, at the time of the assignment, had knowledge

of the violation, in any suit upon a sales contract arising from the sale where the violation occurred.

(e) Prior to 30 days after acquisition of any retail instalment contract from a retail seller, every finance company shall mail or deliver to the retail buyer a written notice that it has acquired the retail instalment contract from the retail seller, and shall also mail or cause to be mailed with the notice a statement of the particulars of the retail instalment contract price required under par. (b) to be stated by the retail seller, in accordance with the finance company's records respecting such particulars, including the amount of the finance charge. Every finance company, if insurance is provided by it, shall also within the 30 days send or cause to be sent to the retail buyer a policy of insurance clearly setting forth the exact nature of the insurance coverage and the amount of the premiums, each stated separately, which shall be filed with the commissioner of insurance in accordance with ch. 625. The cancellation and rewriting of any such policy shall comply with the requirements of s. 631.69.

(em) In event the dealer shall finance the instalment sale contract, the commissioner may permit him to combine the information required by pars. (b) and (e) last above in one statement under such rules and regulations as the commissioner may from time to time prescribe.

(f) Any retail buyer of a motor vehicle, resident in the state of Wisconsin, at the time of purchase, under a retail instalment contract, shall have a valid defense in any action or proceeding at law to enforce said contract by any finance company not licensed hereunder which has purchased or otherwise acquired such contract, if such finance company has wilfully failed or refused to comply with par. (e).

(g) Any retail buyer of a motor vehicle, resident of the state of Wisconsin at the time of purchase, under a retail instalment contract made in this state, shall have a valid defense against the recovery of the principal, finance charge and other fees included in the contract, in any action or proceeding at law to enforce the contract by any person who has purchased or otherwise acquired the contract, if the person has failed or refused prior to the purchase or acquisition to be licensed as a sales finance company under this section, and the person is actually engaged in business, in whole or in part as a sales finance company.

(h) All transactions which constitute consumer transactions (s. 421.301 (13)) are subject to chs. 421 to 427, in addition to this section.

(j) This subsection does not apply to a retail instalment sale made on or after April 6, 1980 and prior to November 1, 1981, of a motor vehicle having a gross vehicular weight or a gross carrying weight of 15,000 pounds or more if the motor vehicle is to be used primarily for a business or commercial purpose, or to any refinancing, renewal, extension or modification on or after April 6, 1980 and prior to November 1, 1981, of any retail instalment sale of such a motor vehicle.

(k) This subsection does not apply to a retail instalment sale of a motor vehicle made on or after November 1, 1981, if the motor vehicle is to be used primarily for business or commercial purposes and not for the buyer's personal, family or household use.

(6m) NOTICE OF INSURANCE TO BUYER UNDER INSTALMENT SALES CONTRACT. Whenever a person sells or agrees to sell any motor vehicle at retail under a retail instalment contract wherein provision is made for insurance coverage, or a charge is made therefor, such policy so issued or provided for, shall include public liability coverage protecting the driver of such motor vehicle against damages resulting from the negligent use thereof, or the seller shall, in writing, notify the buyer at the time of making such contract that the motor vehicle is not

covered by public liability insurance protecting the driver against damages resulting from the negligent use thereof. The seller shall obtain, on a form separate from the retail installment contract, the signed acknowledgment of the buyer that he or she has been notified that the contract does or does not include such insurance.

**(7) PROHIBITED ACTS.** (a) No manufacturer of motor vehicles, no wholesaler or distributor of motor vehicles, and no officer, agent or representative of either shall induce or coerce, or attempt to induce or coerce, any retail motor vehicle dealer or prospective retail motor vehicle dealer in this state to sell, assign or transfer any retail installment sales contract, obtained by such dealer in connection with the sale by him in this state of motor vehicles manufactured or sold by such manufacturer, wholesaler or distributor, to a specified sales finance company or class of such companies, or to any other specified person, by any of the acts or means hereinafter set forth, namely:

1. By any statement, suggestion, promise or threat that such manufacturer, wholesaler or distributor will in any manner benefit or injure such dealer, whether such statement, suggestion, threat or promise is express or implied, or made directly or indirectly.

2. By any act that will benefit or injure such dealer.

3. By any contract, or any express or implied offer of contract, made directly or indirectly to such dealer, for handling such motor vehicles, on the condition that such dealer sell, assign or transfer his retail installment contract thereon, in this state, to a specified sales finance company or class of such companies, or to any other specified person.

4. By any express or implied statement or representation, made directly or indirectly, that such dealer is under any obligation whatsoever to sell, assign or transfer any of his retail sales contracts, in this state, on motor vehicles manufactured or sold by such manufacturer, wholesaler or distributor to such sales finance company, or class of companies, or other specified person, because of any relationship or affiliation between such manufacturer, wholesaler or distributor and such finance company or companies or such specified person or persons.

(b) Any such statements, threats, promises, acts, contracts or offers of contracts, set forth in par. (a) are declared unfair trade practices and unfair competition and against the policy of this state, are unlawful and are prohibited.

(c) No sales finance company, and no officer, agent or representative thereof, shall induce or coerce or attempt to induce or coerce any retail motor vehicle dealer to transfer to such sales finance company any of the retail installment sales contracts in this state of such dealer on any motor vehicle by any of the following acts or means, namely:

1. By any statement or representation, express or implied, made directly or indirectly, that the manufacturer, wholesaler or distributor of such motor vehicles will grant such dealer a franchise to handle such motor vehicles if such dealer shall sell, assign or transfer all or part of such retail sales contracts to such sales finance company.

2. By any statement or representation, express or implied, made directly or indirectly, that the manufacturer, wholesaler or distributor of such motor vehicles will in any manner benefit or injure such dealer if such dealer shall or shall not sell, assign or transfer all or part of such retail sales contracts to such sales finance company.

3. By an express or implied statement or representation made directly or indirectly, that there is an express or implied obligation on the part of such dealer to so sell, assign or transfer all or part of such retail sales contracts on such motor vehicles to such sales finance company because of any rela-

tionship or affiliation between such sales finance company and the manufacturer, wholesaler or distributor of such motor vehicles.

(d) Any such statement or representations set forth in par. (c) are declared to be unfair trade practices and unfair competition and against the policy of this state, are unlawful and are prohibited.

(e) Any retail motor vehicle dealer who, pursuant to any inducement, statement, promise or threat hereinbefore declared unlawful, shall sell, assign or transfer any or all of his retail installment contracts shall not be guilty of any unlawful act and may be compelled to testify to each such act.

(f) No manufacturer shall directly or indirectly pay or give, or contract to pay or give, anything of service or value to any sales finance company licensee in this state, and no such licensee in this state shall accept or receive or contract or agree to accept or receive directly or indirectly any payment or service of value from any manufacturer, if the effect of the payment or giving of any such thing of service or value by the manufacturer, or the acceptance or receipt thereof by the sales finance company licensee, may be to lessen or eliminate competition or tend to grant an unfair trade advantage or create a monopoly in the licensee who accepts or receives the payment, thing or service of value or contracts or agrees to accept or receive the same.

**(7a) MOTOR VEHICLES.** (a) No motor vehicle shall be offered for sale by any motor vehicle dealer or motor vehicle salesperson unless the odometer reading thereon is disclosed in writing by the prior owners and the disclosure is subsequently shown to the retail purchaser by the dealer or salesperson prior to sale. The disclosure requirement does not apply to a moped, motor bicycle, all-terrain vehicle, motor vehicle with a gross weight rating of more than 16,000 pounds, a vehicle 25 or more years old or a new vehicle obtained by the dealer directly from a manufacturer or distributor.

(b) It shall be unlawful for any motor vehicle dealer or motor vehicle salesperson to fail to provide, upon request of a prospective purchaser, the name and address of the prior owner of any motor vehicle offered for sale.

**(7b) PURCHASE OF MOTOR VEHICLE BY MINOR.** No minor shall purchase any motor vehicle unless the minor, at the time of purchase, submits to the seller a statement verified before a person authorized to administer oaths and made and signed by either parent of the purchaser, if such parent has custody of the minor or, if neither parent has custody, then by the person having custody, setting forth that the purchaser has consent to purchase the vehicle. The signature on the statement shall not impute any liability for the purchase price of the motor vehicle to the consenting person. The statement shall not adversely affect any other arrangement for the assumption of liability for the purchase price which the consenting person may make. The signed statement shall accompany the application for a certificate of title and shall be filed by the department with the application. Failure to obtain the consent or to forward it with the application for a certificate of title shall not void the contract of sale of a motor vehicle in the hands of an innocent holder, without notice, for value and in the ordinary course of business. Any person who sells a motor vehicle to a minor with knowledge of such fact without procuring such a statement may be fined not more than \$200 or imprisoned not more than 6 months or both.

**(8) PENALTIES.** Except for sub. (3) (a) 1, 3, 6, 7, 11, 12, 13, 20, 25, 29 and 30, any person violating this section may be required to forfeit not less than \$25 nor more than \$500 for each violation.

(8m) **COMMENCEMENT OF ACTION.** Upon the request of the licensor, the department of justice or the district attorney may commence an action in the name of the state to recover a forfeiture under sub. (8). An action under sub. (8) shall be commenced within 3 years after the occurrence of the unlawful act or practice which is the subject of the action.

(9) **CIVIL DAMAGES.** (a) Without exhausting any administrative remedy available under an agreement or this section, except as provided in sub. (3) (f) and (fm), a licensee may recover damages in a court of competent jurisdiction in an amount equal to 3 times a pecuniary loss, together with actual costs including a reasonable attorney fee, if the pecuniary loss is caused by any of the following:

1. A violation by any other licensee of sub. (3) (a) 4, 11, 15, 16, 17, 22, 23, 24, 26, 26m, 32, 35, 36, 37, 38 or 39.

2. Any unfair practice found by a licensor or the office of the commissioner of transportation under sub. (5) (a).

(b) Any retail buyer suffering pecuniary loss because of a violation by a licensee of sub. (3) (a) 4, 5, 6, 8, 9, 10, 11, 18 or 31 may recover damages for the loss in any court of competent jurisdiction together with costs, including reasonable attorney fees.

**History:** 1971 c. 112, 125; 1971 c. 164 ss. 64, 83; 1971 c. 228, 239; 1973 c. 171, 243; 1975 c. 94, 121, 263, 361; 1975 c. 375 s. 44; 1975 c. 407, 421, 422; 1977 c. 29 ss. 1363 to 1372, 1654 (7) (a), (c); 1977 c. 270, 273, 288, 405, 418, 447; 1979 c. 34, 168, 221; 1981 c. 45 ss. 24, 25, 51; 1981 c. 100, 272; 1981 c. 347 s. 80 (2); 1981 c. 382; 1981 c. 390 s. 252; 1983 a. 36 ss. 76, 77, 96 (1); 1983 a. 147, 153, 154; 1983 a. 189 ss. 240, 241, 329 (30); 1983 a. 192, 243, 460; 1985 a. 29, 202, 205, 332; 1987 a. 27, 251; 1989 a. 31, 292, 336, 359.

Section 180.847 (1), 1987 stats. [now 180.1502 (1)], prescribing that no foreign corporation transacting business in the state without a certificate of authority, if required, shall be permitted to maintain or defend a civil action or special proceeding, until it obtains a certificate of authority—and 218.01 (2) (bd) 3—providing that the obtaining of a license under the Motor Vehicle Dealers Law shall conclusively establish that such distributor is doing business in this state—have entirely different purposes and meanings. *Nagle Motors v. Volkswagen N. C. Distributor*, 51 W (2d) 413, 187 NW (2d) 374.

When an instalment sale contract is signed in blank it is void. *Vic Hansen & Sons, Inc. v. Crowley*, 57 W (2d) 106, 203 NW (2d) 728.

"Willful" under (3) (a) 6 includes both non-accidental and fraudulent acts. State need not prove intent to deceive buyer under (3) (a) 18. *Dept. of Transp. v. Transp. Comm.* 105 W (2d) 678, 315 NW (2d) 371 (Ct. App. 1981), aff'd 111 W (2d) 80, 330 NW (2d) 159 (1983).

Only licensee may recover under this section; claim must be related to scope of license. *Ford Motor Co. v. Lyons*, 137 W (2d) 397, 405 NW (2d) 354 (Ct. App. 1987).

See note to 19.21, citing 66 Atty. Gen. 302.

Sub. (3) (a) 11 is applicable to manufacturers. *Bob Willow Motors, Inc. v. General Motors Corp.*, 872 F (2d) 788 (1989).

The statute requires an initial determination by the division under sub. (5) (a), but no such requirement is imposed on claims under sub. (3) (a) 11. *Mossner Porsche Audi, Inc. v. Volkswagenwerk, A. G.* 397 F Supp 71.

### 218.015 Repair, replacement and refund under new motor vehicle warranties. (1) In this section:

(a) "Collateral costs" means expenses incurred by a consumer in connection with the repair of a nonconformity, including the costs of obtaining alternative transportation.

(b) "Consumer" means any of the following:

1. The purchaser of a new motor vehicle, if the motor vehicle was purchased from a motor vehicle dealer for purposes other than resale.

2. A person to whom the motor vehicle is transferred for purposes other than resale, if the transfer occurs before the expiration of an express warranty applicable to the motor vehicle.

3. A person who may enforce the warranty.

4. A person who leases a motor vehicle from a motor vehicle lessor under a written lease.

(bd) "Demonstrator" means used primarily for the purpose of demonstration to the public.

(bg) "Early termination cost" means any expense or obligation a motor vehicle lessor incurs as a result of both the termination of a written lease before the termination date set forth in that lease and the return of a motor vehicle to a manufacturer under sub. (2) (b) 3. "Early termination cost"

includes a penalty for prepayment under a finance arrangement.

(bj) "Early termination savings" means any expense or obligation a motor vehicle lessor avoids as a result of both the termination of a written lease before the termination date set forth in that lease and the return of a motor vehicle to a manufacturer under sub. (2) (b) 3. "Early termination savings" includes an interest charge the motor vehicle lessor would have paid to finance the motor vehicle or, if the motor vehicle lessor does not finance the motor vehicle, the difference between the total amount for which the lease obligates the consumer during the period of the lease term remaining after the early termination and the present value of that amount at the date of the early termination.

(bp) "Executive" means used primarily by an executive of a licensed manufacturer, distributor or dealer, and not used for demonstration to the public.

(c) "Manufacturer" means a manufacturer as defined in s. 218.01 (1) (L) and agents of the manufacturer, including an importer, a distributor, factory branch, distributor branch and any warrantors of the manufacturer's motor vehicles, but not including a motor vehicle dealer.

(d) "Motor vehicle" means any motor driven vehicle required to be registered under ch. 341 or exempt from registration under s. 341.05 (2), including a demonstrator or executive vehicle not titled or titled by a manufacturer or a motor vehicle dealer, which a consumer purchases or accepts transfer of in this state. "Motor vehicle" does not mean a moped, semitrailer or trailer designed for use in combination with a truck or truck tractor.

(e) "Motor vehicle dealer" has the meaning given under s. 218.01 (1) (n).

(em) "Motor vehicle lessor" means a person who holds title to a motor vehicle leased to a lessee, or who holds the lessor's rights, under a written lease.

(f) "Nonconformity" means a condition or defect which substantially impairs the use, value or safety of a motor vehicle, and is covered by an express warranty applicable to the motor vehicle or to a component of the motor vehicle, but does not include a condition or defect which is the result of abuse, neglect or unauthorized modification or alteration of the motor vehicle by a consumer.

(h) "Reasonable attempt to repair" means any of the following occurring within the term of an express warranty applicable to a new motor vehicle or within one year after first delivery of the motor vehicle to a consumer, whichever is sooner:

1. The same nonconformity with the warranty is subject to repair by the manufacturer, motor vehicle lessor or any of the manufacturer's authorized motor vehicle dealers at least 4 times and the nonconformity continues.

2. The motor vehicle is out of service for an aggregate of at least 30 days because of warranty nonconformities.

(2) (a) If a new motor vehicle does not conform to an applicable express warranty and the consumer reports the nonconformity to the manufacturer, the motor vehicle lessor or any of the manufacturer's authorized motor vehicle dealers and makes the motor vehicle available for repair before the expiration of the warranty or one year after first delivery of the motor vehicle to a consumer, whichever is sooner, the nonconformity shall be repaired.

(b) 1. If after a reasonable attempt to repair the nonconformity is not repaired, the manufacturer shall carry out the requirement under subd. 2 or 3, whichever is appropriate.

2. At the direction of a consumer described under sub. (1) (b) 1, 2 or 3, do one of the following:

a. Accept return of the motor vehicle and replace the motor vehicle with a comparable new motor vehicle and refund any collateral costs.

b. Accept return of the motor vehicle and refund to the consumer and to any holder of a perfected security interest in the consumer's motor vehicle, as their interest may appear, the full purchase price plus any sales tax, finance charge, amount paid by the consumer at the point of sale and collateral costs, less a reasonable allowance for use. Under this subdivision, a reasonable allowance for use may not exceed the amount obtained by multiplying the full purchase price of the motor vehicle by a fraction, the denominator of which is 100,000 or, for a motorcycle, 20,000, and the numerator of which is the number of miles the motor vehicle was driven before the consumer first reported the nonconformity to the motor vehicle dealer.

3. a. With respect to a consumer described in sub. (1) (b) 4, accept return of the motor vehicle, refund to the motor vehicle lessor and to any holder of a perfected security interest in the motor vehicle, as their interest may appear, the current value of the written lease and refund to the consumer the amount the consumer paid under the written lease plus any sales tax and collateral costs, less a reasonable allowance for use.

b. Under this subdivision, the current value of the written lease equals the total amount for which that lease obligates the consumer during the period of the lease remaining after its early termination, plus the motor vehicle dealer's early termination costs and the value of the motor vehicle at the lease expiration date if the lease sets forth that value, less the motor vehicle lessor's early termination savings.

c. Under this subdivision, a reasonable allowance for use may not exceed the amount obtained by multiplying the total amount for which the written lease obligates the consumer by a fraction, the denominator of which is 100,000 and the numerator of which is the number of miles the consumer drove the motor vehicle before first reporting the nonconformity to the manufacturer, motor vehicle lessor or motor vehicle dealer.

(c) To receive a comparable new motor vehicle or a refund due under par. (b) 1 or 2, a consumer described under sub. (1) (b) 1, 2 or 3 shall offer to the manufacturer of the motor vehicle having the nonconformity to transfer title of that motor vehicle to that manufacturer. No later than 30 days after that offer, the manufacturer shall provide the consumer with the comparable new motor vehicle or refund. When the manufacturer provides the new motor vehicle or refund, the consumer shall return the motor vehicle having the nonconformity to the manufacturer and provide the manufacturer with the certificate of title and all endorsements necessary to transfer title to the manufacturer.

(cm) 1. To receive a refund due under par. (b) 3, a consumer described under sub. (1) (b) 4 shall offer to the manufacturer of the motor vehicle having the nonconformity to return that motor vehicle to that manufacturer. No later than 30 days after that offer, the manufacturer shall provide the refund to the consumer. When the manufacturer provides the refund, the consumer shall return the motor vehicle having the nonconformity to the manufacturer.

2. To receive a refund due under par. (b) 3, a motor vehicle lessor shall offer to the manufacturer of the motor vehicle having the nonconformity to transfer title of that motor vehicle to that manufacturer. No later than 30 days after that offer, the manufacturer shall provide the refund to the motor vehicle lessor. When the manufacturer provides the refund, the motor vehicle lessor shall provide to the manufacturer the

certificate of title and all endorsements necessary to transfer title to the manufacturer.

3. No person may enforce the lease against the consumer after the consumer receives a refund due under par. (b) 3.

(d) No motor vehicle returned by a consumer or motor vehicle lessor in this state under par. (b), or by a consumer or motor vehicle lessor in another state under a similar law of that state, may be sold or leased again in this state unless full disclosure of the reasons for return is made to any prospective buyer or lessee.

(e) The department of revenue shall refund to the manufacturer any sales tax which the manufacturer refunded to the consumer under par. (b) if the manufacturer provides to the department of revenue a written request for a refund along with evidence that the sales tax was paid when the motor vehicle was purchased and that the manufacturer refunded the sales tax to the consumer. The department may not refund any sales tax under this paragraph if it has made a refund in connection with the same motor vehicle under par. (f).

(f) The department of revenue shall refund to a consumer described under sub. (1) (b) 1, 2 or 3 all or part of the sales tax paid by the consumer on the purchase of a new motor vehicle, based on the amount of the refund of the purchase price of the motor vehicle actually received by the consumer, if all of the following apply:

1. The consumer returned the motor vehicle to its manufacturer and received a refund of all or part of the purchase price but not the corresponding amount of sales tax.

2. The consumer bought the new motor vehicle after November 2, 1983.

3. The consumer provides the department of revenue with a written request for a refund of the sales tax along with evidence that the consumer received a certain amount as a refund of the purchase price of the motor vehicle from the manufacturer, that the sales tax was paid when the motor vehicle was bought new and that the manufacturer did not refund the sales tax to the consumer.

4. The department of revenue has not made a refund under par. (e) in connection with the motor vehicle.

(3) If there is available to the consumer an informal dispute settlement procedure which is certified under sub. (4), the consumer may not bring an action under sub. (7) unless he or she first resorts to that procedure.

(4) (a) The department of transportation shall adopt rules specifying the requirements with which each informal dispute settlement procedure shall comply. The rules shall require each person establishing an informal dispute settlement procedure to do all of the following:

1. Provide rights and procedures at least as favorable to the consumer as are required under 16 CFR Part 703, in effect on November 3, 1983.

2. If after a reasonable attempt to repair the nonconformity is not repaired, require the manufacturer to provide a remedy as set forth under sub. (2) (b).

(b) The department of transportation shall investigate each informal dispute settlement procedure provided in this state to determine whether it complies with the rules adopted under par. (a). The department shall certify each informal dispute settlement procedure which complies. The department may revoke certification if it determines that an informal dispute settlement procedure no longer complies with the rules promulgated under par. (a). Annually, the department shall publish a report evaluating the informal dispute settlement procedures provided in this state, stating whether those procedures are certified and stating the reasons for the failure

of any procedure to obtain certification or for the revocation of any certification.

(c) Any person who establishes an informal dispute settlement procedure the certification of which is denied or revoked by the department of transportation may appeal that denial or revocation under ch. 227.

(d) Annually, any person who establishes an informal dispute settlement procedure shall file with the department of transportation a copy of the annual audit required under 16 CFR Part 703 or a substantially similar audit and any additional information the department requires in order to evaluate informal dispute settlement procedures.

(e) The department of transportation may consider whether a manufacturer obtains certification under this subsection in determining whether to issue a manufacturer's license to do business in this state.

(5) This section does not limit rights or remedies available to a consumer under any other law.

(6) Any waiver by a consumer of rights under this section is void.

(7) In addition to pursuing any other remedy, a consumer may bring an action to recover for any damages caused by a violation of this section. The court shall award a consumer who prevails in such an action twice the amount of any pecuniary loss, together with costs, disbursements and reasonable attorney fees, and any equitable relief the court determines appropriate.

**History:** 1983 a. 48; 1985 a. 205 ss. 1m to 6, 8; 1987 a. 105, 169, 323, 403; 1989 a. 31.

Action to recover under (1) (h) 2 was not defeated by repair of reported nonconformities. *Hartlaub v. Coachman Industries, Inc.*, 143 W (2d) 791, 422 NW (2d) 869 (Ct. App. 1988).

"Out of service" under (1) (h) 2 includes periods during which motor vehicle is incapable of providing service because of warranty nonconformity, regardless of whether vehicle is in owner's possession and driveable. *Vultaggio v. General Motors Corp.* 145 W (2d) 874, 429 NW (2d) 93 (Ct. App. 1988).

"Disbursements and reasonable attorney fees" under (7) include those disbursements and reasonable fees incurred as a result of litigating fees. *Chmill v. Friendly Ford-Mercury*, 154 W (2d) 407, 453 NW (2d) 197 (Ct. App. 1990).

"Days" under (1) (h) includes weekends and holidays. *Kletzien v. Ford Motor Co.*, 668 F Supp. 1225 (E. D. Wis. 1987).

Remedies for motor vehicle purchasers. *Nicks, WBB March*, 1985 Lemon law II. *Nicks. WBB July 1987.*

## SUBCHAPTER II

### ADJUSTMENT SERVICE COMPANIES

**218.02 Adjustment service companies. (1) DEFINITIONS.** As used in this section:

(a) "Adjustment service company," hereinafter called company, shall mean a corporation, association, partnership or individual engaged as principal in the business of prorating the income of a debtor to his creditor or creditors, or of assuming the obligations of any debtor by purchasing the accounts he may have with his several creditors, in return for which the principal receives a service charge or other consideration.

(b) "Commissioner" shall mean the commissioner of banking.

(2) **LICENSES; APPLICATIONS; FEES; BOND.** (a) Each adjustment service company shall apply to the commissioner of banking for a license to engage in such business. Application for a separate license for each office of a company to be operated under this section shall be made to the commissioner in writing, under oath, in a form to be prescribed by the commissioner. The commissioner may issue more than one license to the same licensee.

(b) At the time of making application and before engaging in business, every applicant for an adjustment service company license shall pay a fee of \$100 to the commissioner for investigating the application and the sum of \$100 as an

annual license fee. If the cost of an investigation exceeds \$100, the applicant shall, upon demand of the commissioner, pay the excess cost. No investigation fee shall be required on the renewal of a license.

(c) The commissioner may require any licensee either before or after the issuance of the license to file and maintain in force a bond in a form to be prescribed by him and acceptable to him, in such sum as he may deem necessary to safeguard the interest of the borrowers and the public, not exceeding, however, the sum of \$5,000.

(3) **CONDITIONS OF THE ISSUANCE OF LICENSES.** The commissioner shall issue a license to the applicant to conduct such business at the office specified in the application in accordance with the provisions of this section, if the commissioner shall find:

(a) That the applicant has filed the required application and paid the required fees.

(b) That the financial responsibility, experience, character and general fitness of the applicant, and of the members thereof if the applicant be a partnership or association, and of the officers and directors thereof if the applicant be a corporation, are such as to command the confidence of the community and to warrant belief that the business will be operated honestly, fairly and efficiently within the purposes of this section.

(c) That allowing such applicant to engage in business will promote the convenience and advantage of the community in which the business of the applicant is to be conducted.

(4) **ORDER DENYING APPLICATION.** If the commissioner is not satisfied as to all of the matters specified in sub. (3) he shall enter a special order denying the application for a license and shall return to the applicant his license fee. The commissioner shall make findings of fact as part of and in support of his order denying any application for a license.

(5) **LICENSES; POSTING; CHANGES OF LOCATION; RENEWAL.** (a) Every license issued shall state the address of the office at which the business is to be conducted, the name of the licensee, and if the licensee is a partnership or association, the names of the members thereof, and if a corporation the date and place of its incorporation. Such license shall be kept conspicuously posted in the office of the licensee and shall not be transferable or assignable.

(b) Whenever a licensee shall contemplate a change of his place of business to another location within the same city or village, he shall give written notice thereof to the commissioner, who shall attach to the license his authorization of such removal, specifying the date thereof and the new location. Such authorization shall be authority for the operation of such business under the same license at the specified new location. No change in the place of business of a licensee to a location outside of the original city or village shall be permitted under the same license.

(c) Every licensee shall, on or before the tenth day of each December, pay to the commissioner the annual license fee for the next succeeding calendar year.

(6) **REVOCAION; SUSPENSION; REINSTATEMENT AND TERM OF LICENSES.** The commissioner, after complaint, notice and hearings as provided in s. 217.19, shall revoke any license in the following cases:

(a) If the licensee has failed to pay the annual license fee or to maintain in effect the bond required under the provisions of this section;

(b) If the licensee has violated any provisions of this section or of any lawful order issued hereunder;

(c) If any fact or condition exists which, if it had existed at the time of the original application for such license, clearly

would have warranted the commissioner in refusing to issue such license;

(d) If the licensee has demonstrated untrustworthiness or incompetency to act in such business in a manner to safeguard the interests of the public.

**(7) POWERS OF COMMISSIONER.** It shall be the duty of the commissioner and he shall have power, jurisdiction and authority to investigate the conditions and ascertain the facts with reference to such companies and upon the basis thereof:

(a) To issue general or special orders in execution of or supplementary to this section, but not in conflict therewith, to protect debtors from oppressive or deceptive practices of licensees;

(b) To regulate advertising and solicitation of business by licensees, and to prevent evasions of this section;

(c) At any time and so often as the commissioner may determine to investigate the business and examine the books, accounts, records and files used therein of every licensee. The cost of an examination shall be determined by the commissioner and shall be paid to the commissioner by every licensee so examined within 30 days after demand therefor by the commissioner, and the state may maintain an action for the recovery of such costs in any court of competent jurisdiction;

(d) To determine and fix by general order the maximum fees or charges that such companies may make.

**(8) STATEMENT TO DEBTOR.** When any settlement or reduction of accounts has been made by such company, it shall furnish the debtor on demand a verified statement showing the amount due creditors by the terms of such settlement or reduction.

**(9) RULES AND REPORTS; FEES; ENFORCEMENT.** (a) The commissioner may make such rules and require such reports as he deems necessary for the enforcement of this section. Sections 217.17, 217.18 and 217.21 (1) and (2) apply to and are available for the purposes of this section. Orders of the commissioner under this section are subject to review by the consumer credit review board under s. 220.037.

(b) All fees and moneys received by the commissioner under authority of this chapter shall be paid by him into the state treasury within one week after the receipt thereof.

(c) The commissioner shall investigate, ascertain and determine whether this chapter or the lawful orders issued hereunder are being violated and for such purposes he shall have all of the powers conferred by ss. 217.17 and 217.18. The commissioner shall report all violations to the district attorney of the proper county for prosecution.

**(10) PENALTIES.** Any person violating any of the provisions of this section shall be punished by a fine of not more than \$500 or by imprisonment in the county jail for not more than 90 days, or by both such fine and imprisonment.

History: 1971 c. 125, 164, 215; 1973 c. 3; 1989 a. 336.

### SUBCHAPTER III

#### COLLECTION AGENCIES

**218.04 Collection agencies.** (1) **DEFINITIONS.** The following terms, as used in this section, shall have the meaning stated, unless the context requires a different meaning:

(a) "Collection agency" means any person engaging in the business of collecting or receiving for payment for others of any account, bill or other indebtedness. It shall not include attorneys at law authorized to practice in this state and resident herein, banks, express companies, savings and loan associations organized under the laws of Wisconsin, insurers and their agents, trust companies, or professional men's associations collecting accounts for its members on a non-profit basis, where such members are required by law to have

a license, diploma or permit to practice or follow their profession, real estate brokers and real estate salespersons.

(b) "Collector" or "solicitor" means any person employed by a collection agency to collect or receive payment or to solicit the receiving or collecting of payment for others of any account, bill or other indebtedness outside of the office.

(c) "Commissioner" means the commissioner of banking.

(d) "General order" means an order which is not a special order.

(e) "Licensee" means a person licensed under this section.

(f) "Person" includes individuals, partnerships, associations and corporations.

(g) "Special order" means an order against a person.

**(2) LICENSES REQUIRED.** No person shall operate as a collection agency or as a collector or solicitor in this state without first having obtained a license as required by this section.

**(3) LICENSES; APPLICATIONS; FEES; BOND.** (a) Application for licenses under the provisions of this section shall be made to the commissioner in writing, under oath, on a form to be prescribed by the commissioner. All licenses shall expire on June thirtieth next following their date of issue.

(b) At the time of making application, every applicant for a collection agency license shall pay a fee of \$100 to the commissioner for investigating the application, unless the applicant is already licensed under this section, and the sum of \$100 as an annual license fee. If the cost of investigation exceeds \$100, the applicant shall, upon demand of the commissioner, pay the excess cost. No investigation fee is required on the renewal of a license.

(c) The license fee for a collector or solicitor shall be \$2. This license shall be carried as a means of identification whenever the collector is engaged in business. The license shall state the name of the employer and in case of a change of employer the commissioner shall indorse such change on the license without charge.

(d) The commissioner may require any licensee to file and maintain in force a bond, in a form to be prescribed by the commissioner and acceptable to him, and in such sum as he may deem reasonably necessary to safeguard the interests of the public.

**(4) ISSUANCE OR DENIAL OF LICENSES.** (a) Upon the filing of such application and the payment of such fee, the commissioner shall make his investigation, and if he finds that the character and general fitness and the financial responsibility of the applicant, and the members thereof if the applicant is a partnership or association, and the officers and directors thereof if the applicant is a corporation, warrant the belief that the business will be operated in compliance with this section the commissioner shall thereupon issue a license to said applicant. Such license is not assignable and shall permit operation under it only at or from the location specified in the license. A nonresident of this state may, upon complying with all other provisions of this section, secure a collection agency license provided he maintains an active office in this state.

(b) No licensee shall conduct a collection agency business within any office, room or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, except as may be authorized in writing by the commissioner upon his finding that the character of such other business is such that the granting of such authority would not facilitate evasion of this section or the lawful orders issued thereunder.

**(5) REVOCATION; SUSPENSION; REINSTATEMENT OF LICENSES.**

(a) The commissioner may suspend or revoke any license issued under this section if he finds that:



1. The licensee has violated any of the provisions of this section or any lawful order of the commissioner made thereunder;

2. Any fact or condition exists which, if it had existed at the time of the original application for such license, would have warranted the commissioner in refusing to issue such license;

3. The licensee has failed to pay the annual license fee or to maintain in effect the bond required under sub. (3) (d);

4. The licensee has failed to remit money due to any and all claimants or forwarders within 30 days from the close of the month during which the collection was effected; or

5. The licensee or any officer or employee of it has violated chs. 421 to 427.

(b) No license shall be revoked or suspended except after a hearing. A complaint stating the grounds for suspension or revocation together with a notice of hearing shall be delivered to the licensee at least 5 days in advance of the hearing. In the event the licensee cannot be found, complaint and notice of hearing may be left at the place of business stated in the license and this shall be deemed the equivalent of delivering the notice of hearing and complaint to the licensee.

(c) In the event of the death of a licensee, if the licensee is an individual, or of the partners, if the licensee is a partnership, the license of the agency shall terminate as of the date of death of said licensee, except the commissioner may reinstate a license if the estate of the former licensee signifies to the commissioner within 45 days its intention to continue the business of the agency.

(6) LICENSES; POSTING; CHANGES OF LOCATION; RENEWAL. (a) Whenever a collection agency shall contemplate a change of its place of business to another location within the same city or village, it shall give written notice thereof to the commissioner, who shall attach to the license his authorization of such removal, specifying the date thereof and the new location. Such authorization shall be authority for the operation of such business under the same license at the specified new location. All collection agency licenses shall be conspicuously posted in the office of the licensee.

(b) Every licensee applying for a renewal of his license shall, on or before the first day of June, pay in advance to the commissioner the annual license fee.

(c) Before discontinuing operating as a collection agency under the provisions of this section, every licensee shall furnish the commissioner with proof in a form to be determined by the commissioner and approved by the advisory committee that:

1. Proper remittance has been made to all claimants or forwarders on money collected.

2. All accounts have been returned to the claimants or forwarders.

3. All valuable papers given to the licensee by the claimant or forwarder in connection with claims have been returned to the claimants or forwarders.

(7) POWERS OF COMMISSIONER; ADVISORY COMMITTEES. It shall be the duty of the commissioner and he shall have power, jurisdiction and authority to investigate the conditions and ascertain the facts with reference to the collection of accounts and upon the basis thereof:

(a) To issue any general or special order in execution of or supplementary to this chapter to protect the public from oppressive or deceptive practices of licensees and to prevent evasions of this chapter.

(b) For the purpose of discovering violations of this section the commissioner may cause an investigation to be made of the business of the licensee transacted under the provisions of this section, and shall cause an investigation to be made of convictions reported to the commissioner by any district

attorney for violation by a licensee of any of the provisions of this section. The place of business, books of accounts, papers, records, safes and vaults of said licensee shall be open to inspection and examination by the commissioner or the commissioner's representative for the purpose of such investigation and the commissioner shall have authority to examine under oath all persons whose testimony is required relative to said investigation. The cost of the first investigation or examination during any licensing year shall be paid by the licensee, but the cost of additional investigation or examination during such year shall be paid by the licensee only if such examination discloses violation of sub. (5) (a) 4. The commissioner shall determine the cost of an investigation or examination. The licensee shall pay the cost of any hearing including witness fees, unless it be found by the commissioner, board of review or court that licensee has not violated any provision of this section. All said costs shall be paid by the licensee within 30 days after demand therefor by the commissioner. The state may maintain an action for the recovery of such costs and expenses in any court of competent jurisdiction.

(c) To appoint advisers from the individuals engaged in the collection business in the state and in any locality, which advisers shall be consulted by and shall assist the commissioner in the execution of his duties under the provisions of this section. The commissioner may appoint such advisers as deputies. Such persons, either as advisers or deputies, shall receive no compensation for their services but may be reimbursed for their actual and necessary traveling expenses. Such expenses shall be audited and paid and charged to the commissioner for the administration of this chapter.

(d) To make all necessary or proper orders, rules and regulations for the administration and enforcement of this section.

(8) HEARINGS AND ORDERS. The commissioner shall have the same power to conduct hearings, take testimony and secure evidence as is provided in ss. 217.17, 217.18 and 217.19.

(9) ADMINISTRATIVE REVIEW. Any licensee or other person in interest being dissatisfied with any order of the commissioner made under this section may have a review thereof as provided in s. 220.037.

(9m) DELINQUENT COLLECTION AGENCIES; COMMISSIONER MAY TAKE POSSESSION. (a) If the commissioner finds that a licensee is insolvent or that he has collected accounts but has failed to remit money due to any claimant or forwarder within 30 days from the end of the month in which collection was made, and it is necessary to protect the interest of the public or when the license of a collection agency has expired or has terminated for any reason whatsoever, he may take possession of the assets and the books and records of the licensee for the purpose of liquidating its business, and for such other relief as the nature of the case and the interest of the claimants or forwarders may require. The liquidation of business shall be made by and under the supervision of the commissioner either in the name of the commissioner or in the name of the licensee and the commissioner or his successor shall be vested with title to all of the assets including the proceeds of the bond or bonds which have been filed with the commissioner as provided for under sub. (3) (d), and the proceeds of any and all money paid direct to the claimant or forwarder by the debtor prior to the date said license has terminated. Money paid to the licensee or to the commissioner after the termination of the license shall be disposed of by the commissioner with the approval of the circuit court.

(b) In taking possession of the property and business of any such collection agency, the commissioner shall forthwith

give notice to any and all banks or bank corporations holding or in possession of any bank balances or assets of such agency and thereafter such assets shall be held subject to the order of the commissioner.

(c) In addition to the authority conferred by par. (b), the commissioner may, with the approval of the circuit court for the county wherein the main office is located, for the purposes of collection or liquidation, sell, assign, convey and transfer or approve the sale, assignment, conveyance and transfer of the assets of such collection agency under such terms and conditions as the commissioner may deem for the best interests of the claimants of such collection agency.

(d) The provisions of s. 220.08 (3b), (4), (6), (7), (8), (13), (14) and (17) shall apply to this section insofar as they are applicable.

(e) The commissioner shall cause notice to be given by publication of a class 3 notice, under ch. 985, if no action has been commenced under par. (f), calling on all persons who may have claims against such licensee, to present the same to the commissioner, and make legal proof thereof at a place and within a time, to be therein specified. The commissioner may mail a similar notice to all persons whose names appear as claimants or forwarders upon the books and records of the licensee or as may appear in the records of the commissioner on the sworn reports required to be furnished the commissioner according to the provisions of sub. (10). Any claimant or forwarder whose portion of the collection or collections has not been properly remitted shall file a claim which shall be considered as a preferred claim for the amount actually due the claimant or forwarder after deducting any commission or fee that may be due and owing the licensee. If the commissioner doubts the justice and validity of any claim, he may reject the same and serve notice of such rejection upon the claimant either by mail or personally. An affidavit of the service of such notice, which shall be prima facie evidence thereof, shall be filed with the commissioner. An action upon a claim so rejected must be brought in the circuit court for the county wherein the licensee is located within 30 days after such service of such notice of rejection of claim has been filed. Claims presented after the expiration of the time fixed in the notice to the claimants or forwarders shall be entitled to receive only liquidating dividends declared after presentation, unless otherwise ordered by the court. The court may fix a date after which all claims shall be barred.

(f) Whenever any agency, of whose assets and business the commissioner has taken possession, as aforesaid, deems itself aggrieved thereby, it may, at any time within 10 days after such taking possession, apply to the circuit court for the county in which the main office of such agency is located to enjoin further proceedings; and such court, after citing the commissioner to show cause why further proceedings should not be enjoined and hearing the allegations and proofs of the parties and determining the facts, may, upon the merits dismiss such application or enjoin the commissioner from further proceedings, and direct him to surrender such business and property to such agency.

(g) Whenever the commissioner shall have paid to each and every claimant or forwarder of such collection agency whose claims as such claimant or forwarder have been duly proved and allowed the full amount of such claims and shall have made proper provisions for unclaimed and unpaid collections and shall have paid all the expenses of the liquidation, he shall liquidate the remaining assets exclusive of the proceeds of the bond or bonds for the benefit of the general creditors; or if no claims have been filed by or in behalf of the general creditors, the commissioner shall turn over the remaining assets to the circuit court for further disposition.

(h) All accounts and valuable papers given to the agency by the claimant or forwarder in possession of the commissioner, pertaining to accounts placed with the agency for collection shall be returned to the claimant or forwarded by the commissioner within 30 days after verification of the claim has been made.

(10) ANNUAL REPORT; RECORDS. (a) Each licensee shall annually, on or before the fifteenth day of March, file a report with the commissioner giving such reasonable and relevant information as the commissioner may, by general or special order, require concerning the business and operations conducted by such licensee within the state. Such report shall be made under oath and shall be in the form prescribed by the commissioner.

(b) The commissioner shall require the licensee to keep such books and records in his place of business as will enable the commissioner to determine whether the provisions of this section are being complied with. Every such licensee shall preserve the records of final entry used in such business for a period of at least 6 years after final remittance is made on any account placed with the licensee for collection or after any account has been returned to the claimant on which one or more payments have been paid.

(11) SUBTERFUGE. The provisions of this chapter shall apply to any licensee or other person who, by any device, subterfuge or pretense whatever, shall make a pretended purchase or a pretended assignment of accounts from any other person for the purpose of evading the provisions of this section.

(12) PENALTIES. Any person who shall violate any provision of this section shall be guilty of a misdemeanor and, for each and every such offense shall, upon conviction thereof, be punished by a fine of not more than \$1,000 or by imprisonment in the county jail for not more than 6 months, or by both such fine and imprisonment.

(13) ENFORCEMENT. It shall be the duty of the commissioner and he shall have power, jurisdiction and authority to investigate, ascertain and determine whether this section or the lawful orders issued hereunder are being violated and for such purposes the commissioner shall have all the powers conferred by subs. (4) and (5). The commissioner shall report all violations to the district attorney of the proper county for prosecution.

History: 1971 c. 125, 164, 239; 1973 c. 3; 1979 c. 102 s. 236 (4); 1979 c. 162 s. 38 (3); 1979 c. 341 s. 12 (2); 1983 a. 189; 1989 a. 336

Requirement under this section that foreign collection agency maintain Wisconsin office with records may not violate commerce clause. 69 Atty. Gen. 113

#### SUBCHAPTER IV

#### COMMUNITY CURRENCY EXCHANGES

**218.05 Community currency exchanges. (1) DEFINITIONS.** As used in this section:

(a) "Commissioner" means the commissioner of banking.

(b) "Community currency exchange" means any person, except banks incorporated under the laws of this state and national banks organized pursuant to the laws of the United States and any credit union operating under ch. 186 which obtains a certificate of authority from the commissioner, engaged in the business of and providing facilities for cashing checks, drafts, money orders and all other evidences of money acceptable to such community currency exchange for a fee, service charge or other consideration. Nothing in this section shall be held to apply to any person engaged in the business of transporting for hire, bullion, currency, securities, negotiable or nonnegotiable documents, jewels or other property of great monetary value nor to any person engaged in the

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business of selling tangible personal property at retail nor to any person licensed to practice a profession or licensed to engage in any business in this state, who, in the course of such business or profession and, as an incident thereto, cashes checks, drafts, money orders or other evidences of money.

(2) **LICENSES REQUIRED.** After July 1, 1945, no person, firm, association, partnership or corporation shall engage in the business of a community currency exchange without first securing a license to do so from the commissioner as required by this section.

(3) **LICENSES; APPLICATIONS; FEES; BOND.** (a) Application for such license shall be in writing, under oath, on a form to be prescribed by the commissioner. Each application shall contain the following information:

1. The full name and address (both of residence and place of business) of the applicant, and if the applicant is a partnership or association, of every member thereof, and the name and business address if the applicant is a corporation.

2. The county and municipality, with street and number, if any, where the community currency exchange is to be conducted; and

3. Such other information as the commissioner may require.

(b) Such application shall be accompanied by a fee of \$100 for the cost of investigating the applicant. When the application has been approved by the commissioner and the applicant so advised, the applicant shall pay an additional \$100 as an annual license fee for a period terminating on the last day of the current calendar year.

(c) Before any license is issued to a community currency exchange the applicant shall file annually with and have approved by the commissioner a surety bond in the principal sum of \$5,000, issued by an insurer authorized to do business in this state. The bond shall run to the state of Wisconsin and shall be for the benefit of any creditors of the community currency exchange for any liability incurred for any sum due to any payee of any check, draft or money order left with the community currency exchange for collection, and also for any penalties that may be imposed under this section. If the commissioner finds at any time the bond is insecure or exhausted or otherwise doubtful, an additional bond in like amount to be approved by the commissioner shall be filed by the licensee within 30 days after written demand by the commissioner.

(4) **LICENSES; ISSUANCE; DENIAL.** If the commissioner shall find after investigation that the applicant is (a) trustworthy and reputable, (b) that he has business experience qualifying him to competently conduct, operate, own, or become associated with a community currency exchange, (c) that he has a good business reputation and is worthy of a license, the commissioner shall issue to the applicant qualifying hereunder, a license to operate a community currency exchange at the location specified in the application, which license shall remain in full force and effect until it is surrendered by the licensee or revoked by the commissioner. If the commissioner shall not so find, he shall not issue such license and shall notify the applicant of such denial, retaining the investigation fee to cover the cost of investigating the applicant. The commissioner shall approve or deny every application within 30 days from the filing thereof. No application shall be denied unless the applicant has had notice of a hearing on said application and an opportunity to be heard thereon. If the application is denied, the commissioner shall, within 20 days thereafter, prepare and keep on file in his office a written order of denial which shall contain his findings with respect thereto and the reasons supporting the denial, and shall mail

a copy thereof to the applicant at the address set forth in the application, within 5 days after the filing of such order.

(5) **FORBIDDEN TO ACT AS DEPOSITORY.** No community currency exchange shall be permitted to accept money or evidences of money as a deposit to be returned to the depositor or upon the depositor's order; and no community currency exchange shall be permitted to act as bailee or agent for persons, to hold money or evidences thereof or the proceeds therefrom for the use and benefit of the owners thereof and deliver such money or proceeds of evidence of money upon request or direction of such owner.

(6) **INSURANCE.** Every applicant for a license under this section shall, after the application for a license has been approved, submit a policy or policies of insurance to be approved by the commissioner, issued by an insurer authorized to do business in this state, which insures the applicant against loss by burglary, larceny, robbery, forgery or embezzlement in a principal sum determined by the commissioner. Any such policy, with respect to forgery, may carry a condition that the community currency exchange assumes the first \$50 of each claim thereunder.

(8) **OTHER BUSINESS FORBIDDEN.** A community currency exchange shall not be conducted as a department of another business. It must be an entity, financed and conducted as a separate business unit. This shall not prevent a community currency exchange from leasing a part of the premises of another business for the conduct of this business on the same premises; provided, that no community currency exchange shall be conducted on the same premises with a business whose chief source of revenue is derived from the sale of alcohol beverages for consumption on the premises. This subsection shall not apply when such other business is subject to any statute which provides for supervision and examination by the commissioner.

(9) **TOKENS.** No community currency exchange shall issue tokens to be used in lieu of money for the purchase of goods or services from any enterprise.

(10) **LICENSES; POSTING; ASSIGNMENT; NUMBER; CHANGE OF LOCATION.** (a) Such license shall state the name of the licensee and the address at which the business is to be conducted. Such license shall be kept conspicuously posted in the place of business of the licensee and shall not be transferable or assignable.

(b) No more than one place of business shall be maintained under the same license, but the commissioner may issue more than one license to the same licensee upon the compliance with the provisions of this section governing an original issuance of a license, for each new license.

(c) Whenever a licensee shall wish to change his place of business to any location other than that originally set forth in his license, he shall give written notice thereof to the commissioner and if the change is approved the commissioner shall attach to the license, in writing, a rider stating the new address or location of the community currency exchange.

(11) **RENEWAL.** Every licensee shall, on or before December 20, pay to the commissioner the sum of \$50 as an annual license fee for the next succeeding calendar year and shall at the same time file with the commissioner the annual bond and insurance policy or policies in the same amount and of the same character as required by subs. (3) (c) and (6).

(12) **REVOCACTION; SURRENDER; NOTICE.** (a) The commissioner may, upon 10 days' notice to the licensee by mail directed to the licensee at the address set forth in the license, stating the contemplated action and in general the grounds therefor, and upon reasonable opportunity to be heard prior to such action, revoke any license issued hereunder if he shall find that:

1. The licensee has failed to pay the annual license fee or to maintain in effect the required bond or insurance policy or policies or to comply with any order, decision or finding of the commissioner made pursuant to this section.

2. The licensee has violated any provision of this section or any regulation or direction made by the commissioner under this section.

3. Any fact or condition exists which, if it had existed at the time of the original application for such license, would have warranted the commissioner in refusing the issuance of the license.

(b) The commissioner may revoke only the particular license with respect to which grounds for revocation may occur or exist, or if he shall find that such grounds for revocation are of general application to all offices or to more than one office operated by such licensee, he may revoke all of the licenses issued to such licensee or such number of licenses to which such grounds apply.

(c) A licensee may surrender any license by delivering to the commissioner written notice that he surrenders such license, but such surrender shall not affect such licensee's civil or criminal liability for acts committed prior to such surrender, or affect his bond, or entitle such licensee to a return of any part of the annual license fee.

(d) Every license issued hereunder shall remain in force until the same has been surrendered or revoked in accordance with this section, but the commissioner may on his own motion issue new licenses to a licensee whose license or licenses shall have been revoked if no fact or condition then exists which clearly would have warranted the commissioner in refusing originally the issuance of such license under this section.

(e) No license shall be revoked until the licensee has had notice of a hearing thereon and an opportunity to be heard. When any license is so revoked, the commissioner shall within 20 days thereafter, prepare and keep on file in his office, a written order or decision of revocation which shall contain his findings with respect thereto and the reasons supporting the revocation and shall send by mail a copy thereof to the licensee at the address set forth in the license within 5 days after the filing in his office of such order, finding or decision.

(13) **REVIEW OF ORDERS.** Any person aggrieved by any order of the commissioner made under this section may have a review thereof by the consumer credit review board under s. 220.037.

(14) **ANNUAL REPORT; RECORDS; EXAMINATION.** (a) A licensee shall annually, on or before February 15, file a report with the commissioner that shall be used only for the official purposes of the commissioner giving relevant information that the commissioner may reasonably require concerning, and for the purpose of examining, the business and operations during the preceding calendar year of each licensed place of business conducted by the licensee within this state. The report shall be made under oath and shall be in the form prescribed by the commissioner.

(b) 1. A licensee shall keep books, accounts and records to enable the commissioner to determine if the licensee is complying with this section and with rules promulgated by and orders issued by the commissioner.

2. A licensee shall keep within this state the books, accounts and records required by this paragraph at the licensee's place of business or a place readily accessible to the commissioner or examiners.

(c) 1. The commissioner may investigate the business and examine the books, accounts and records of a licensee at any time. For that purpose, the commissioner shall have free

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access to the offices and places of business and to the books, accounts and records of a licensee. The commissioner may examine any person under oath or affirmation whose testimony the commissioner requires relative to the licensee. The commissioner or a designated representative may administer an oath or affirmation to a person called as a witness. The commissioner or the commissioner's representative may conduct the examination.

2. The commissioner shall determine the cost of an examination. A licensee shall pay the cost of an examination within 30 days after the commissioner demands payment.

History: 1971 c. 125; 1979 c. 102; 1981 c. 79 s. 17; 1989 a. 336.

### SUBCHAPTER VI

#### MOBILE HOME DEALERS

**218.10 Definitions.** In this subchapter:

(1) "Delivery date" means the date on which a mobile home is physically delivered to the site chosen by the mobile home owner.

(1g) "Department" means the department of transportation.

(1r) "License period" means the period during which a license issued under s. 218.11 or 218.12 is effective, as established by the department under s. 218.11 (2) (b) 1 or 218.12 (2) (b) 1.

(2) "Mobile home" means a vehicle designed to be towed as a single unit or in sections upon a highway by a motor vehicle and equipped and used, or intended to be used, primarily for human habitation, with walls of rigid uncollapsible construction. "Mobile home" includes the mobile home structure, including the plumbing, heating and electrical systems and all appliances and all other equipment carrying a manufacturer's warranty.

(3) "Mobile home dealer" means a person who, for a commission or other thing of value, sells, exchanges, buys or rents, or offers or attempts to negotiate a sale or exchange of an interest in mobile homes or who is engaged wholly or in part in the business of selling mobile homes, whether or not the mobile homes are owned by him, but does not include:

(a) A receiver, trustee, administrator, executor, guardian or other person appointed by or acting under the judgment or order of any court.

(b) Any public officer while performing his official duty.

(c) Any employe of a person enumerated in par. (a) or (b).

(d) Any lender as defined in s. 421.301 (22).

(e) A person transferring a mobile home registered in his own name and used for his personal, family or household purposes, if the transfer is an occasional sale and is not part of the business of the transferor.

(4) "Mobile home manufacturer" means any person within or without this state who manufactures or assembles mobile homes for sale in this state.

(5) "Mobile home owner" means any person or lessee thereof who purchases a mobile home primarily for use for personal, family or household purposes.

(6) "Mobile home salesperson" means any person who is employed by a mobile home manufacturer or dealer to sell or lease mobile homes.

(7) "New mobile home" means a mobile home which has never been occupied, used or sold for personal or business use.

(8) "Primary housing unit" means a mobile home exceeding the statutory size under s. 348.07.

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89-90 Wis. Stats. 3202

(9) "Used mobile home" means a mobile home which has previously been occupied, used or sold for personal or business use.

History: 1973 c. 116, 132; 1989 a. 31

**218.11 Mobile home dealers regulated.** (1) No person shall engage in the business of selling mobile homes to the ultimate consumer or to the retail market in this state unless first licensed to do so by the department as herein provided.

(2) (a) Application for license and renewal license shall be made to the department on forms prescribed and furnished by the department, accompanied by the license fee required under par. (c) or (d).

(b) 1. The department shall promulgate rules establishing the license period under this section.

2. The department may promulgate rules establishing a uniform expiration date for all licenses issued under this section.

(c) Except as provided in par. (d), the fee for a license issued under this section equals \$50 multiplied by the number of years in the license period. The fee shall be prorated if the license period is not evenly divisible into years.

(d) If the department issues a license under this section during the license period, the fee for the license shall equal \$50 multiplied by the number of calendar years, including parts of calendar years, during which the license remains in effect. A fee determined under this paragraph may not exceed the license fee for the entire license period under par. (c).

(3) A license shall be issued only to persons whose character, fitness and financial ability, in the opinion of the licensing agency, is such as to justify the belief that they can and will deal with and serve the buying public fairly and honestly, will maintain a permanent office and place of business and an adequate service and parts department during the license year, and will abide by all the provisions of law and lawful orders of the department.

(5) A licensee shall conduct the licensed business continuously during the license year.

(5m) Any person who shall violate any provision of this section shall be fined not less than \$25 nor more than \$100 for each offense.

(6) The department may deny, suspend or revoke a license on the following grounds:

(a) Proof of unfitness.

(b) Material misstatement in application for license.

(c) Filing a materially false or fraudulent income tax return as certified by the department of revenue.

(d) Wilful failure to comply with any provision of this section or any rule promulgated by the department under this section.

(e) Wilfully defrauding any retail buyer to the buyer's damage.

(f) Wilful failure to perform any written agreement with any retail buyer.

(g) Failure or refusal to furnish and keep in force any bond required.

(h) Having made a fraudulent sale, transaction or repossession.

(i) Fraudulent misrepresentation, circumvention or concealment through whatsoever subterfuge or device of any of the material particulars or the nature thereof required hereunder to be stated or furnished to the retail buyer.

(j) Employment of fraudulent devices, methods or practices in connection with compliance with the statutes with respect to the retaking of goods under retail instalment contracts and the redemption and resale of such goods.

(k) Having indulged in any unconscionable practice relating to said business.

(m) Having sold a retail instalment contract to a sales finance company not licensed hereunder.

(n) Having violated any law relating to the sale, distribution or financing of mobile homes.

(7) (a) The licensor may without notice deny the application for a license within 60 days after receipt thereof by written notice to the applicant, stating the grounds for such denial. Within 30 days after such notice, the applicant may petition the office of the commissioner of transportation to conduct a hearing to review the denial, and a hearing shall be scheduled with reasonable promptness.

(b) No license shall be suspended or revoked except after a hearing thereon. The licensor shall give the licensee at least 5 days' notice of the time and place of such hearing. The order suspending or revoking such license shall not be effective until after 10 days' written notice thereof to the licensee, after such hearing has been had; except that the licensor, when in its opinion the best interest of the public or the trade demands it, may suspend a license upon not less than 24 hours' notice of hearing and with not less than 24 hours' notice of the suspension of the license. Matters involving suspensions and revocations brought before the department shall be heard and decided upon by the office of the commissioner of transportation.

(c) The licensor may inspect the pertinent books, records, letters and contracts of a licensee. The actual cost of each such examination shall be paid by such licensee so examined within 30 days after demand therefor by the licensor, and the licensor may maintain an action for the recovery of such costs in any court of competent jurisdiction.

History: 1971 c. 239; 1973 c. 116; Stats. 1973 s. 218 11; 1977 c. 29 ss. 1373, 1654 (7) (a), (e); 1981 c. 45; 1981 c. 347 s. 80 (2); 1983 a. 192; 1989 a. 31.

**218.12 Mobile home dealer salespersons regulated.** (1)

No person shall engage in the business of selling mobile homes to the ultimate consumer or to the retail market in this state without a license therefor from the department. If a mobile home dealer acts as a mobile home salesperson the dealer shall secure a mobile home salesperson's license in addition to the license for engaging as a mobile home dealer.

(2) (a) Applications for mobile home salesperson's license and renewals thereof shall be made to the department on such forms as the department prescribes and furnishes and shall be accompanied by the license fee required under par. (c) or (d). The application shall require such pertinent information as the department requires.

(b) 1. The department shall promulgate rules establishing the license period under this section.

2. The department may promulgate rules establishing a uniform expiration date for all licenses issued under this section.

(c) Except as provided in par. (d), the fee for a license issued under this section equals \$4 multiplied by the number of years in the license period. The fee shall be prorated if the license period is not evenly divisible into years.

(d) If the department issues a license under this section during the license period, the fee for the license shall equal \$4 multiplied by the number of calendar years, including parts of calendar years, during which the license remains in effect. A fee determined under this paragraph may not exceed the license fee for the entire license period under par. (c).

(3) Every licensee shall carry his or her license when engaged in his or her business and display the same upon request. The license shall name his or her employer, and in case of a change of employer, the salesperson shall immedi-

ately mail his or her license to the licensor who shall endorse such change on the license without charge.

(5) The provision of s. 218.01 (3) relating to the denial, suspension and revocation of a motor vehicle salesperson's license shall apply to the denial, suspension and revocation of a mobile home salesperson's license so far as applicable.

(6) The provisions of s. 218.01 (3) (g) and (5) shall apply to this section, mobile home sales practices and the regulation of travel trailer or mobile home salespersons, as far as applicable.

**History:** 1973 c. 116; Stats. 1973 s. 218.12; 1977 c. 29 s. 1654 (7) (a); 1977 c. 273; 1979 c. 221; 1989 a. 31.

**218.14 Warranty and disclosure. (1)** A one-year written warranty is required for every new primary housing unit sold or leased by a mobile home manufacturer, dealer or salesperson in this state, and for every new primary housing unit sold by any person who induces a resident of the state to enter into the transaction by personal solicitation in this state or by mail or telephone solicitation directed to the particular customer in this state. The warranty shall contain the following terms:

(a) That the primary housing unit meets those standards prescribed by law or administrative rule of the department of industry, labor and human relations, which are in effect at the time of its manufacture.

(b) That the primary housing unit is free from defects in material and workmanship and is reasonably fit for human habitation if it receives reasonable care and maintenance as defined by rule of the department of industry, labor and human relations.

(c) 1. That the primary housing unit manufacturer and dealer shall take corrective action for defects which become evident within one year from the delivery date and as to which the primary housing unit owner has given notice to the manufacturer or dealer not later than one year and 10 days after the delivery date and at the address set forth in the warranty; and that the primary housing unit manufacturer and dealer shall make the appropriate adjustments and repairs, within 30 days after notification of the defect, at the site of the primary housing unit without charge to the primary housing unit owner. If the dealer makes the adjustment, the manufacturer shall fully reimburse the dealer.

2. If a repair, replacement, substitution or alteration is made under the warranty and it is discovered, before or after expiration of the warranty period, that the repair, replacement, substitution or alteration has not restored the primary housing unit to the condition in which it was warranted except for reasonable wear and tear, such failure shall be deemed a violation of the warranty and the primary housing unit shall be restored to the condition in which it was warranted to be at the time of the sale except for reasonable wear and tear, at no cost to the purchaser or his assignee notwithstanding that the additional repair may occur after the expiration of the warranty period.

(d) That if during any period of time after notification of a defect, the primary housing unit is uninhabitable, as defined by rule of the department of industry, labor and human relations, that period of time shall not be considered part of the one-year warranty period.

(e) A list of all parts and equipment not covered by the warranty.

(2) Action by a lessee to enforce his rights under this subchapter shall not be grounds for termination of the rental agreement.

(3) The warranty required under this section shall apply to the manufacturer of the primary housing unit as well as to the dealer who sells or leases the primary housing unit to the customer, and shall be in addition to any other rights and

privileges which the customer may have under any instrument or law. The waiver of any remedies under any law and the waiver, exclusion, modification or limitation of any warranty, express or implied, including the implied warranty of merchantability and fitness for a particular purpose, is expressly prohibited. Any such waiver is unenforceable and void.

(4) The transfer of a primary housing unit from one owner or lessee to another during the effective period of the warranty does not terminate the warranty, and subsequent owners or lessees shall be entitled to the full protection of the warranty for the duration of the warranty period as if the original owner or lessee had not transferred the primary housing unit.

**History:** 1973 c. 116; 1973 c. 132 s. 5; 1973 c. 336

**218.15 Sale or lease of used primary housing units.** In the sale or lease of any used primary housing unit, the sales invoice or lease agreement shall contain the point of manufacture of the used primary housing unit, the name of the manufacturer and the name and address of the previous owner.

**History:** 1973 c. 116; 1973 c. 132 s. 5.

**218.16 Departmental rules.** The department of industry, labor and human relations shall promulgate rules and establish standards necessary to carry out the purposes of ss. 218.14 and 218.15.

**History:** 1973 c. 116.

**218.165 Jurisdiction and venue over out-of-state manufacturers. (1)** The importation of a primary housing unit for sale in this state by an out-of-state manufacturer is deemed an irrevocable appointment by such out-of-state manufacturer of the secretary of state to be his true and lawful attorney upon whom may be served all legal processes in any action or proceeding against such manufacturer arising out of the importation of such primary housing unit into this state.

(2) The secretary of state upon whom processes and notices may be served under this section shall, upon being served with such process or notice, mail a copy by registered mail to the out-of-state manufacturer at the nonresident address given in the papers so served. The original shall be returned with proper certificate of service attached for filing in court as proof of service. The service fee shall be \$4 for each defendant so served. The secretary of state shall keep a record of all such processes and notices, which record shall show the day and hour of service.

**History:** 1973 c. 116; 1973 c. 132 s. 5.

**218.17 Penalties. (1)** Any person who violates ss. 218.14 to 218.16, or any rule promulgated under ss. 218.14 to 218.16, may be fined not more than \$1,000 or imprisoned for not more than 6 months, or both.

(2) In any court action brought by the department of industry, labor and human relations for violations of this subchapter, the department may recover all costs of testing and investigation, in addition to costs otherwise recoverable, if it prevails in the action.

(3) Nothing in this subchapter prohibits the bringing of a civil action against a mobile home manufacturer, dealer or salesperson by an aggrieved customer. If judgment is rendered for the customer based on an act or omission by the manufacturer, dealer or salesperson, which constituted a violation of this subchapter, the plaintiff shall recover actual and proper attorney's fees in addition to costs otherwise recoverable.

**History:** 1973 c. 116.

## SUBCHAPTER VII

## MOTOR VEHICLE SALVAGE DEALERS

**218.20 Definitions.** In this subchapter:

(1) "Department" means the department of transportation.

(1g) "License period" means the period during which a license issued under s. 218.22 is effective, as established by the department under s. 218.22 (2) (b) 1.

(1r) "Motor vehicle salvage dealer" means a person who purchases and resells motor vehicles for wrecking, processing, scrapping, recycling or dismantling purposes or who carries on or conducts the business of wrecking, processing, scrapping or dismantling motor vehicles or selling parts of motor vehicles so processed.

(2) "Scrap metal processor" means a motor vehicle salvage dealer who sells no motor vehicles or motor vehicle parts and whose business is limited to a fixed location at which machinery and equipment are utilized for the processing and manufacturing of iron, steel or nonferrous metallic scrap into prepared grades and whose principal product is scrap iron, scrap steel or nonferrous metal scrap for sale for remelting purposes.

History: 1987 a. 351; 1989 a. 31.

**218.205 Motor vehicle salvage dealers to be licensed. (1)**

No person may carry on or conduct the business of a motor vehicle salvage dealer unless licensed to do so by the department. Any person violating this section may be fined not less than \$25 nor more than \$200 or imprisoned for not more than 60 days or both.

(2) This section shall not apply to:

(a) Motor vehicle dealers licensed under s. 218.01 (2) who remove, but do not sell, as such, parts of motor vehicles prior to sale of such vehicles to motor vehicle salvage dealers or scrap metal processors.

(b) Scrap metal processors and portable scrap metal crushers who accept motor vehicles from only:

1. Licensed motor vehicle dealers;
2. Licensed motor vehicle salvage dealers; or
3. Municipalities, all of whom shall submit titles and reports to the department and retain records.

(c) Any person who acquires a motor vehicle for salvage purposes for his or her own use and then sells the remainder to a motor vehicle salvage dealer or to another person who will further use that motor vehicle for salvage purposes for his or her own use before selling it to a motor vehicle salvage dealer.

(d) Collectors of special interest vehicles who purchase or sell parts cars in compliance with s. 341.266.

History: 1971 c. 40; 1975 c. 288; 1977 c. 29 s. 1654 (7) (a); 1977 c. 415; 1987 a. 351 s. 2; Stats. 1987 s. 218.205.

**218.21 Application for salvage dealer's license. (1)**

Application for license shall be made to the department, at such time, in such form and contain such information as the department requires and shall be accompanied by the required fee. Except as provided in sub. (1m), the department may require in the application, or otherwise, information relating to the applicant's solvency, financial standing or other pertinent matter commensurate with the safeguarding of the public interest in the locality in which the applicant proposes to engage in business, all of which may be considered by the department in determining the fitness of the applicant to engage in business as set forth in this section.

(1m) The department may not require information relating to the applicant's solvency or financial standing if the appli-

cant provides a bond in the amount provided in sub. (4) and under conditions specified in s. 218.01 (2) (h).

(2) Application for a motor vehicle salvage dealer's license shall be made upon the form prescribed by the department and shall contain:

(a) The name under which the applicant is transacting business within the state.

(b) The place or places where the business is to be conducted, which must be an established place of business.

(c) If the applicant is a sole proprietorship, the personal name and address of the applicant.

(d) If the applicant is a partnership, the name and address of each partner.

(e) If the applicant is a corporation, the names and addresses of its principal officers.

(f) Such other pertinent information as may be required by the department for the purpose of determining the eligibility of the applicant to be licensed.

(3) Every application shall be executed by the applicant, if an individual, or in the event the applicant is a partnership or corporation, by a partner or officer thereof. Every such application shall be accompanied by the fee required by law.

(4) (a) Unless the applicant furnishes a bond, or other adequate collateral as security, of not less than \$25,000 under conditions provided by s. 218.01 (2) (h), every application shall be accompanied by a current financial statement to determine the applicant's solvency as required under sub. (1). Except as provided in par. (b), this paragraph does not apply to the application of a scrap metal processor.

(b) Paragraph (a) does not preclude the department from requiring an applicant who is a scrap metal processor to provide information relating to the applicant's solvency or financial standing if the applicant does not furnish a bond or other collateral as specified in par. (a) and the department has reasonable cause to believe that the applicant is financially insolvent.

(5) (a) Except as provided in par. (b), when a motor vehicle salvage dealer has an established place of business in more than one municipality in this state, he or she shall make separate application and submit a separate license fee remittance for each such municipality. A motor vehicle salvage dealer who fails to apply for each such separate license may be required to forfeit not more than \$200.

(b) A scrap metal processor with an established place of business in more than one municipality may make a single application listing all places of business to be licensed and pay a single fee for the licensing of the listed places of business.

(6) A bond may be required under conditions as provided by s. 218.01 (2) (h).

(7) Any person who knowingly makes a false statement in an application for a motor vehicle salvage dealer license may be fined not more than \$5,000 or imprisoned not more than 5 years or both.

History: 1975 c. 288; 1977 c. 29 s. 1654 (7) (a); 1977 c. 272, 415, 447; 1979 c. 32; 1987 a. 351.

See note to 19.21, citing 66 Atty. Gen. 302.

**218.22 When department to license salvage dealers. (1)**

The department shall issue a license to the applicant for a motor vehicle salvage dealer's license upon the receipt of a properly completed application form accompanied by the fee required under sub. (2) (c) or (d), upon being satisfied that the applicant is financially solvent or that the applicant has furnished a bond, or other adequate collateral as security, of not less than \$25,000 under conditions provided by s. 218.01 (2) (h), and of good character and:

- (a) If the application is for renewal of an existing license, upon being satisfied that the applicant has complied with and will comply with this subchapter;
- (b) If the application is for an original license, upon being satisfied that:
1. The applicant will comply with this subchapter; and
  2. The proposed site or operation will comply with all laws, the rules promulgated by the department and the locally applicable zoning or permit requirements, before beginning operations, including all laws, rules and local requirements already enacted as promulgated as of the date of application and scheduled to take effect at a later date.
- (2) (a) A motor vehicle salvage dealer's license entitles the licensee to carry on and conduct the business of a motor vehicle salvage dealer during the license period.
- (b) 1. The department shall promulgate rules establishing a license period.
2. The department may promulgate rules establishing a uniform expiration date for all licenses issued under this section.
- (c) Except as provided in par. (d), the fee for a license issued under this section equals \$75 multiplied by the number of years in the license period. The fee shall be prorated if the license period is not evenly divisible into years.
- (d) If the department issues a license under this section during the license period, the fee for the license shall equal \$75 multiplied by the number of calendar years, including parts of calendar years, during which the license remains in effect. A fee determined under this paragraph may not exceed the license fee for the entire license period under par. (c).
- (2m) License fees collected under this subchapter shall be deposited in the transportation fund.
- (3) The department may deny, suspend or revoke a license on any of the following grounds:
- (a) Proof of financial insolvency or other unfitness.
  - (b) Material misstatement in application for license.
  - (c) Filing a materially false or fraudulent income tax return as certified by the department of revenue.
  - (d) Wilful failure to comply with any provision of this section or any rule promulgated by the department under this section.
  - (e) Wilfully defrauding any retail buyer to the buyer's damage.
  - (f) Wilful failure to perform any written agreement with any retail buyer.
  - (g) Failure or refusal to furnish and keep in force any bond required.
  - (h) Having made a fraudulent sale, transaction or repossession.
  - (i) Fraudulent misrepresentation, circumvention or concealment through whatsoever subterfuge or device of any of the material particulars or the nature thereof required hereunder to be stated or furnished to the retail buyer.
  - (j) Employment of fraudulent devices, methods or practices in connection with compliance with the statutes with respect to the retaking of goods under retail instalment contracts and the redemption and resale of such goods.
  - (k) Having indulged in any unconscionable practice relating to said business.
  - (L) Having charged interest in excess of 15 per cent per year.
  - (m) Having sold a retail instalment contract to a sales finance company not licensed under s. 218.01.
  - (n) Having violated any law relating to the sale, distribution or financing of salvaged parts.
  - (o) Failure to comply with this subchapter.

(4) PROCEDURE IN DENIAL, SUSPENSION OR REVOCATION. (a) The licensor may without notice deny the application for a license within 60 days after receipt thereof by written notice to the applicant, stating the grounds for such denial. Within 30 days after such notice, the applicant may petition the office of the commissioner of transportation to conduct a hearing to review the denial, and a hearing shall be scheduled with reasonable promptness.

(b) No license shall be suspended or revoked except after a hearing thereon. The licensor shall give the licensee at least 5 days' notice of the time and place of such hearing. The order suspending or revoking such license shall not be effective until after 10 days' written notice thereof to the licensee, after such hearing has been had; except that the licensor, when in its opinion the best interest of the public or the trade demands it, may suspend a license upon not less than 24 hours' notice of hearing and with not less than 24 hours' notice of the suspension of the license. Matters involving suspensions and revocations brought before the department shall be heard and decided upon by the office of the commissioner of transportation.

(c) The licensor may inspect the pertinent books, records, letters and contracts of a licensee. The actual cost of each such examination shall be paid by such licensee so examined within 30 days after demand therefor by the licensor, and the licensor may maintain an action for the recovery of such costs in any court of competent jurisdiction.

(5) No salvage dealer licensed under ss. 218.205 to 218.23 shall be licensed as a dealer under s. 218.01 (2) at his salvage dealer location, provided that nothing herein shall prohibit licensing and transacting of both businesses at the same location where the salvage operations are physically separated.

**History:** 1975 c. 288; 1977 c. 29 ss. 1373m, 1374, 1654 (7) (a), (e); 1977 c. 415; 1979 c. 110 s. 60 (13); 1981 c. 347 s. 80 (2); 1983 a. 192; 1987 a. 351; 1989 a. 31.

**218.23 Licensee to maintain records; sale of vehicles by licensee.** (1) Whenever a licensed motor vehicle salvage dealer acquires a motor vehicle for the purpose of wrecking it, the dealer shall mail or deliver the certificate of title or if the transfer to the salvage dealer was by a bill of sale, the bill of sale, for such vehicle to the department within 30 days after the vehicle is delivered to the salvage yard unless the previous owner already has done so. If he or she subsequently wishes to transfer such vehicle to another person, he or she shall make such transfer only by bill of sale. In such bill of sale, he or she shall describe the vehicle and shall state that the certificate of title for the vehicle has been mailed or delivered to the department because the vehicle was to have been junked.

(2) Every licensed motor vehicle salvage dealer shall maintain a record of every vehicle which is bought or otherwise acquired and wrecked by the salvage dealer, which record shall state the name and address of the person from whom such vehicle was acquired and the date thereof. The record shall be in the form prescribed by the department.

(3) Any person violating this section may be fined not less than \$25 nor more than \$200 or imprisoned not more than 60 days or both.

**History:** 1971 c. 164 s. 83; 1975 c. 288; 1977 c. 29 s. 1654 (7) (a); 1977 c. 273.

**218.24 Salvage dealer license number displayed on trucks and truck-tractors.** (1) Each motor vehicle salvage dealer licensed under this subchapter shall prominently display his or her salvage dealer license number on both sides of each truck or truck-tractor owned by such dealer and operated for hauling, towing or pushing salvage vehicles.



**218.24 AUTO DEALERS—FINANCE COMPANIES**

(2) The letters "DMV SAL" shall be placed directly ahead of the assigned license certificate number.

(3) The markings required by this section shall be not less than 2 inches in height and not less than one-fourth inch brush stroke, and in sharp color contrast to the background on which it is applied. Such identification shall be maintained in such manner as to remain legible while the vehicle is in operation.

(4) Any person violating this section may be fined not less than \$25 nor more than \$200 or imprisoned not more than 60 days or both.

History: 1975 c. 288.

**218.25 Rules.** The department shall make rules under ch. 227 and establish the standards necessary to carry out the purposes of this subchapter and to provide for the orderly operation of motor vehicle salvage sites.

History: 1975 c. 288; 1977 c. 29 s. 1654 (7) (a).

**SUBCHAPTER VIII****MOTOR VEHICLE AUCTION DEALERS**

**218.30 Definitions.** In this subchapter:

(1) "Department" means the department of transportation.

(2) "License period" means the period during which a license issued under s. 218.32 is effective, as established by the department under s. 218.32 (2) (b) 1.

History: 1989 a. 31.

**218.305 Motor vehicle auction dealers to be licensed.** No person shall carry on or conduct the business of auctioning motor vehicles at wholesale unless licensed to do so by the department. Any person violating this section may be fined not less than \$25 nor more than \$200 or imprisoned not more than 60 days, or both.

History: 1971 c. 40; 1977 c. 29 s. 1654 (7) (a); 1989 a. 31 s. 2487dp; Stats. 1989 s. 218.305.

**218.31 Application for auction dealer's license.** (1) Application for a motor vehicle auction dealer's license shall be made upon the form prescribed by the department and shall contain:

(a) The name and address of the applicant.

(b) When the applicant is a partnership, the name and address of each partner.

(c) When the applicant is a corporation, the names of the principal officers of the corporation and the name of the state in which incorporated.

(d) The place or places where the business is to be conducted and the nature of the business.

(e) Such other pertinent information as may be required by the department for the purpose of determining the eligibility of the applicant to be licensed.

(2) Every application shall be executed by the applicant, if an individual, or in the event the applicant is a partnership or corporation, by a partner or officer thereof. Every such application shall be accompanied by the fee required by law.

History: 1977 c. 29 s. 1654 (7) (a).

**218.32 When department to license auction dealer.** (1) The department shall issue a license certificate to the applicant for a motor vehicle auction dealer's license upon receipt of a properly completed application form accompanied by the fee required under sub. (2) (c) or (d) and upon being satisfied that the applicant is of good character and that, so far as can be ascertained, the applicant has complied with and will comply with the laws of this state with reference to ss. 218.305 to 218.33.

(2) (a) A motor vehicle auction dealer's license entitles the licensee to carry on and conduct the business of a motor vehicle auction dealer during the license period.

(b) 1. The department shall promulgate rules establishing a license period.

2. The department may promulgate rules establishing a uniform expiration date for all licenses issued under this section.

(c) Except as provided in par. (d), the fee for a license issued under this section equals \$50 multiplied by the number of years in the license period. The fee shall be prorated if the license period is not evenly divisible into years.

(d) If the department issues a license under this section during the license period, the fee for the license shall equal \$50 multiplied by the number of calendar years, including parts of calendar years, during which the license remains in effect. A fee determined under this paragraph may not exceed the license fee for the entire license period under par. (c).

(3) The department may deny, suspend or revoke a license on the following grounds:

(a) Proof of unfitness.

(b) Material misstatement in application for license.

(c) Filing a materially false or fraudulent income tax return as certified by the department of revenue.

(d) Wilful failure to comply with any provision of this section or any rule promulgated by the department under this section.

(e) Wilfully defrauding any retail buyer to the buyer's damage.

(f) Wilful failure to perform any written agreement with any retail buyer.

(g) Failure or refusal to furnish and keep in force any bond required.

(h) Having made a fraudulent sale, transaction or repossession.

(i) Fraudulent misrepresentation, circumvention or concealment through whatsoever subterfuge or device of any of the material particulars or the nature thereof required hereunder to be stated or furnished to the retail buyer.

(j) Employment of fraudulent devices, methods or practices in connection with compliance with the statutes with respect to the retaking of goods under retail instalment contracts and the redemption and resale of such goods.

(k) Having indulged in any unconscionable practice relating to said business.

(L) Having charged interest in excess of 15 per cent per year.

(m) Having sold a retail instalment contract to a sales finance company not licensed hereunder.

(n) Having violated any law relating to the sale, distribution or financing of motor vehicles.

(o) Failure to comply with ss. 218.305 to 218.33.

(4) (a) The licensor may without notice deny the application for a license within 60 days after receipt thereof by written notice to the applicant, stating the grounds for such denial. Within 30 days after such notice, the applicant may petition the office of the commissioner of transportation to conduct a hearing to review the denial, and a hearing shall be scheduled with reasonable promptness.

(b) No license shall be suspended or revoked except after a hearing thereon. The licensor shall give the licensee at least 5 days' notice of the time and place of such hearing. The order suspending or revoking such license shall not be effective until after 10 days' written notice thereof to the licensee, after such hearing has been had; except that the licensor, when in its opinion the best interest of the public or the trade demands it, may suspend a license upon not less than 24 hours' notice

of hearing and with not less than 24 hours' notice of the suspension of the license. Matters involving suspensions and revocations brought before the department shall be heard and decided upon by the office of the commissioner of transportation.

(c) The licensor may inspect the pertinent books, records, letters and contracts of a licensee. The actual cost of each such examination shall be paid by such licensee so examined within 30 days after demand therefor by the licensor, and the licensor may maintain an action for the recovery of such costs in any court of competent jurisdiction.

**History:** 1977 c. 29 ss. 1375, 1654 (7) (a), (e); 1977 c. 273; 1979 c. 110 s. 60 (13); 1981 c. 347 s. 80 (2); 1983 a. 192; 1989 a. 31.

**218.33 Motor vehicle auction dealer to be bonded; conduct of auction business.** (1) Each licensee under s. 218.32 shall furnish and maintain a corporate surety bond in the amount of \$25,000 in such form as the department approves, conditioned upon the licensee's complying with the laws applicable to the licensee and as indemnity for any loss sustained by any person by reason of acts of the licensee constituting grounds for refusal or revocation of the auction dealer's license. The bond shall run to the state of Wisconsin for the benefit of aggrieved parties, but the aggregate liability of the surety for all such parties shall not exceed the amount of said bond.

(2) The following rules shall govern the conduct of motor vehicle auction sales:

(a) Sales of motor vehicles shall be confined to those offered by licensed motor vehicle dealers and shall be sold only to licensed motor vehicle dealers.

(b) Every motor vehicle offered for sale shall be sold with the understanding that a clear title will be furnished, or in lieu of such an agreement, the obtaining of title insurance on each motor vehicle sold. A dealer's reassignment form shall be filed on each motor vehicle sold at the auction.

(c) Payment for motor vehicles bought and sold shall be made immediately after sale.

(3) Any person violating this section may be fined not less than \$25 nor more than \$200 or imprisoned not more than 60 days, or both.

**History:** 1977 c. 29 s. 1654 (7) (a); 1977 c. 273.

## SUBCHAPTER IX

### MOPED DEALERS

**218.40 Definitions.** In this subchapter:

(1) "Department" means the department of transportation.

(1m) "License period" means the period during which a license granted under s. 218.41 is effective, as established by the department under s. 218.41 (2m) (a) 1.

(2) "Moped" has the meaning designated in s. 340.01 (29m).

(3) "Moped dealer" means any person, firm or corporation, who is engaged wholly or in part in the business of selling mopeds. Provided, however, that a person, firm or corporation who is also a motor vehicle dealer under s. 218.01 shall be governed and regulated by the provisions of s. 218.01 and not this section.

**History:** 1977 c. 288; 1981 c. 20; 1989 a. 31.

**218.41 Moped dealers regulated.** (1) No person may engage in the business of selling mopeds in this state without a license therefor as provided in this section.

(2) (a) Application for license shall be made to the department at such time and in such form, and containing such information, as the department requires.

(b) The application shall be accompanied by the fee required under sub. (2m) (b) or (c).

(c) The department may require in such application, or otherwise, information relating to the applicant's solvency, financial standing or other pertinent matter, commensurate with the safeguarding of the public interest in the locality in which the applicant proposes to engage in business, all of which may be considered by the department in determining the fitness of the applicant to engage in business as set forth in this section.

(d) All licenses shall be granted or refused within 30 days after the department receives the application for the license.

(e) Each license shall specify the location of the office or branch for which it is issued and must be available for inspection there. In case such location is changed, the department shall endorse the change of location on the license without charge if it is within the same municipality. A change of license to another municipality shall require a new license.

(2m) (a) 1. The department shall promulgate rules establishing a license period.

2. The department may promulgate rules establishing a uniform expiration date for all licenses granted under this section.

(b) The department shall establish by rule the amount of the fee for a license granted under this section. The fee may not exceed a total of \$50 per year for each year that the license is effective. The fee shall be prorated if the license period is not evenly divisible into years.

(c) If the department grants a license under this section during the license period, the fee for the license shall equal the annual amount established under par. (b) multiplied by the number of calendar years, including parts of calendar years, during which the license remains in effect. A fee determined under this paragraph may not exceed the total license fee for the entire license period under par. (b).

(3) A license may be denied, suspended or revoked on any of the following grounds:

(a) Proof of unfitness of applicant.

(b) Material misstatement in application for license.

(c) Filing a materially false or fraudulent income tax return as certified by the department of revenue.

(d) Wilful failure to comply with any provision of this section or any rule or regulation promulgated by the department under this section.

(e) Wilfully defrauding any retail buyer to the buyer's damage.

(f) Wilful failure to perform any written agreement with any retail buyer.

(4) The department may without notice deny the application for a license within 30 days after receipt thereof by written notice to the applicant, stating the grounds for such denial. Upon request by the applicant whose license has been so denied, the office of the commissioner of transportation shall set the time and place of hearing a review of such denial, the same to be heard with reasonable promptness.

(5) (a) No license may be suspended or revoked except after a hearing thereon.

(b) Except as provided in par. (c), the office of the commissioner of transportation shall give the licensee at least 5 days' notice of the time and place of the hearing. The order suspending or revoking the license shall not be effective until after 10 days' written notice thereof to the licensee, after the hearing has been had.

(c) When the department finds that the best interest of the public or the trade demands such action, the department may suspend a license upon not less than 24 hours' notice of

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hearing and with not less than 24 hours' notice of the suspension of the license.

(6) The department may inspect the pertinent books, records, letters and contracts of a licensee. The actual cost of each such examination shall be paid by the licensee so examined within 30 days after demand therefor by the department, and the department may maintain an action for the recovery of the costs in any court of competent jurisdiction.

(7) If a licensee is a firm or corporation, it shall be sufficient cause for the denial, suspension or revocation of a license that any officer, director or trustee of the firm or corporation, or any member in case of a partnership, has been guilty of any act or omission which would be cause for refusing, suspending or revoking a license to the party as an individual. Each licensee shall be responsible for the acts of any or all salespersons while acting as the licensee's agent, if the licensee approved of or had knowledge of the acts or other similar acts and after such approval or knowledge retained the benefit, proceeds, profits or advantages accruing from the acts or otherwise ratified the acts.

(8) Any department or other person in interest being dissatisfied with an order of the office of the commissioner of transportation may have a review thereof as provided in ch. 227.

History: 1977 c. 288; 1981 c. 347 s. 80 (2); 1989 a. 31.

**218.42 Examination by department.** No licensee is subject to examination or audit by the department under this subchapter other than as provided in s. 218.41 (6).

History: 1977 c. 288.

**218.43 Penalty.** Any person violating s. 218.41 or a lawful rule or order issued thereunder shall, upon conviction, be subject to a fine of not less than \$25 and not more than \$100.

(1) The department may cancel the license of the convicted licensee.

(2) The license issued to any convicted licensee shall be surrendered to any police officer upon direction of the department without any refund of the fees paid.

(3) Any license canceled under this section may not be renewed for 12 months.

History: 1977 c. 288.

**SUBCHAPTER X****MOTOR VEHICLE SALVAGE POOLS AND BUYER IDENTIFICATION**

**218.50 Definitions.** In this subchapter:

(1) "Buyer identification card" means a card issued by the department authorizing the cardholder to bid on and purchase motor vehicles being held and offered for sale by a motor vehicle salvage pool and containing the full name, business and residence address and a brief description of the cardholder, the buyer identification number assigned to the cardholder by the department, either a facsimile of the cardholder's signature or a space upon which the cardholder shall write his or her name immediately upon receipt of the card and such other information as the department specifies.

(1m) "Buyer identification card period" means the period during which a buyer identification card issued under s. 218.51 is effective, as established by the department under s. 218.51 (3) (b) 1.

(2) "Buyer identification number" means the distinguishing sequence of numbers or numbers and letters assigned by the department to a cardholder and appearing on that cardholder's buyer identification card.

(3) "Cardholder" means a person to whom the department has issued a buyer identification card.

(4) "Department" means the department of transportation.

(5) "Motor vehicle salvage pool" means a person who is engaged primarily in the business of selling or distributing damaged motor vehicles at wholesale, whether or not the motor vehicles are owned by that person.

(6) "Qualified applicant" means a motor vehicle dealer, wholesaler salvage dealer licensed under this chapter, a motor vehicle dealer, wholesaler or salvage dealer licensed in another jurisdiction or an employe of a motor vehicle dealer, wholesaler or salvage dealer under this subsection.

History: 1987 a. 349; 1989 a. 31, 56.

**218.505 Salvage pools to be licensed as wholesalers.** No motor vehicle salvage pool may engage in business as such unless licensed as a wholesaler under s. 218.01.

History: 1987 a. 349.

**218.51 Buyer identification cards.** (1) The department shall issue buyer identification cards to qualified applicants who wish to purchase or submit bids for the purchase of used or damaged motor vehicles from a motor vehicle salvage pool. The department shall specify the form of the buyer identification card.

(2) A buyer identification card entitles a cardholder to purchase or submit bids for the purchase of a motor vehicle from a motor vehicle salvage pool during the buyer identification card period.

(3) (a) The department shall administer this section and specify the form of the application for a buyer identification card and the information required to be provided in the application.

(b) 1. The department shall promulgate rules establishing the buyer identification card period.

2. The department may promulgate rules establishing a uniform expiration date for all buyer identification cards issued under this section.

(c) The department shall establish by rule the amount of the fee for a buyer identification card issued under this section.

(d) If the department issues a buyer identification card under this section during the buyer identification card period, the fee for the buyer identification card shall equal the amount established under par. (c), expressed at an annual rate, multiplied by the number of calendar years, including parts of calendar years, during which the buyer identification card remains in effect. A fee determined under this paragraph may not exceed the total buyer identification card fee for the entire buyer identification card period under par. (b).

(4) The department may deny, suspend or revoke a buyer identification card on any of the following grounds:

(a) Proof of unfitness.

(b) Material misstatement in the application for a buyer identification card.

(c) Filing a materially false or fraudulent income tax return as certified by the department of revenue.

(d) Wilful failure to comply with any provision of this subchapter or any rule promulgated by the department under this subchapter.

(e) Failure or refusal to furnish and keep in force any bond required.

(f) Having made a fraudulent transaction or having permitted the fraudulent use of his or her buyer identification card.

(g) Fraudulent misrepresentation, circumvention or concealment through whatsoever subterfuge or device of any of

the material particulars required under this subchapter to be stated or furnished to a motor vehicle salvage pool.

(h) Having violated any law relating to the sale, distribution or financing of salvaged parts.

(5) (a) The department may without notice deny the application for a buyer identification card within 60 days after receipt thereof by written notice to the applicant, stating the grounds for such denial. Within 30 days after such notice, the applicant may petition the office of the commissioner of transportation to conduct a hearing to review the denial, and a hearing shall be scheduled with reasonable promptness.

(b) No buyer identification card may be suspended or revoked except after a hearing thereon. The department shall give the cardholder at least 5 days' notice of the time and place of such hearing. The order suspending or revoking a buyer identification card shall not be effective until after 10 days' written notice thereof to the cardholder, after such hearing has been had; except that the department, when in its opinion the best interest of the public or the trade demands it, may suspend a buyer identification card upon not less than 24 hours' notice of hearing and with not less than 24 hours' notice of the suspension of the buyer identification card. Matters involving suspensions and revocations brought before the department shall be heard and decided upon by the office of the commissioner of transportation.

(c) The department may inspect the pertinent books, records, letters and contracts of a cardholder. The actual cost of each such examination shall be paid by the cardholder so examined within 30 days after demand therefor by the department, and the department may maintain an action for

the recovery of such costs in any court of competent jurisdiction.

History: 1987 a. 349; 1989 a. 31.

**218.52 Purchases from motor vehicle salvage pools. (1)**

No person may purchase or submit a bid for the purchase of a motor vehicle from a motor vehicle salvage pool unless the following conditions are satisfied:

(a) The person is a cardholder and the person's buyer identification card has not been suspended or revoked.

(b) The person displays his or her valid buyer identification card to the salvage pool and includes his or her buyer identification number on each sheet of any bid submitted to a motor vehicle salvage pool for the purchase of a motor vehicle or other document evidencing the purchase of a motor vehicle from a motor vehicle salvage pool.

(2) No motor vehicle salvage pool may accept a bid for the purchase of a motor vehicle or complete the sales transaction unless the person who submits the bid or offers to purchase a motor vehicle from the motor vehicle salvage pool satisfies the conditions under sub. (1) (b) and the motor vehicle salvage pool verifies that the buyer identification number displayed on the person's buyer identification card and included on each sheet of that person's bid or other document evidencing the purchase of a motor vehicle are identical.

History: 1987 a. 349.

**218.53 Penalties.** Any person who violates this subchapter shall be fined not less than \$1,000 nor more than \$10,000 and may be imprisoned for not more than 90 days or both.

History: 1987 a. 349.