DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

August 6, 1999

Representative Pettis:

Please review this bill carefully to make sure it achieves your intent. In particular, please note the following:

1. The requirement that an owner forward the notice of the transfer of interest to DOT only applies if an owner transfers a vehicle for which a certificate of title was issued after the effective date of this bill. Thus, owners of vehicles for which the certificate of title was issued prior to the effective date of this bill are not required to forward a notice to DOT. Is this your intent? The notice requirement also does not apply to involuntary transfers or transfers by a motor vehicle dealer. Examples of involuntary transfers are transfers that occur as a result of the death of an owner or the sale of a vehicle under a security agreement by a secured party. Is this your intent?

2. This bill only requires DOT to keep a record of any notices it receives. Do you want to impose additional duties on DOT.

3. Finally, under current law, an owner remains liable as an owner for damages that result from the operation of a vehicle only until the owner executes an assignment and warranty of title, discloses the vehicle's mileage to the purchaser and removes the registration plates from the vehicle. This bill does not impose any additional requirements on an owner before the owner may not be held liable as an owner. Thus, regardless of whether an owner sends in a notice of transfer of interest to DOT, as long as the owner complies with all of the other transfer requirements, the owner will not be liable as an owner for any damages that result from operation of the vehicle. An owner who does not send in a notice of transfer of interest will, however, be subject to a forfeiture of up to \$500. OK?

If you have any questions or comments, please feel free to contact me.

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