



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1086/P1

BH:...:km

cmr/kgr

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

*W.P.O.s
Please
proof
all amended
sections
w/
state.*

sun cat
1 **AN ACT** *!*; **relating to:** certain statutes dealing with motor vehicle dealers,
2 salespersons and sales finance companies (Revision Bill).

Analysis by the Legislative Reference Bureau

This bill, drafted pursuant to s. 13.93 (2) (j), restructures section 218.01, the statute dealing with motor vehicle dealers, salespersons and sales finance companies, to divide that statute into more workable sections. Cross-references are changed accordingly. Language is modified to increase conformity with current drafting style, particularly to replace non-specific references with specific references. Certain specific changes are further explained by NOTES inserted by the Revisor. *No substantive changes are intended.* A table showing the relationship between the new statutory numbering and the old statutory numbering follows:

NEW NUMBER	TITLE	OLD NUMBER
	DEFINITIONS	
218.0101	Definitions.	218.01 (1)
(1)		(a) ✓
(2)		(ar)
(3)		(b)

*WPU
delete
row*

2/2/01

(1)

(4)		(ct)
(5)	(a)	(df) 1.
	(b)	2.
	(c)	3.
	(d)	4.
	(e)	5.
	(f)	6.
(6)		(e)
(7)		(f)
(8)		(g)
(9)		(gm)
(10)		(h)
(11)		(i)
(12)		(j)
(13)		(je)
(14)		(jg)
(15)		(ji)
(16)		(jj)
(17)		(jk)
(18)		(jm)
(19)		(k)
(20)		(L)
(21)		(Lm)
(22)		(m)
(23)	(a)1.	(n) 1.
	(a)2.	2.
	(b)1.	(o) 1.
	(b)2.	2.
	(b)3.	3.
	(b)4.	4.
	(b)5.	5.
(24)		(p)
(25)		(pt)
(26)		(q)

*WFO:
insert table
row
(13m)*

(jf)

2082-0107

(2)

(27)		(qm)
(28)		(qr)
(29)		(qt)
(30)		(r)
(31)		(s)
(32)		(t)
(33)		(u)
(34)		(v)
(35)		(w)
(36)		(x)
(37)		(xm)
LICENSING AND REPORTING		
218.0111	Authority of licensors.	218.01 (1a)
218.0113	Licenses for dealers, distributors, manufacturers or transporters of semitrailers and trailers.	218.01 (1b)
218.0114	Licenses, how granted; agreements, filing.	218.01 (2)
(1)	<i>~~~~~</i>	(a)
(2)		(am)
(2m)		(bd) 3.
(3)		(an)
(4)		(b)
(5) (a)	<i>~~~~~</i>	(bb) 1.
(b)		2.
(6)		(bc)
(7) (a)		(bd) 1.
(b)		1g.
(c)		1r.
(d)		2.
(8)		(bf)
(9) (a) (int.)		(bm)1.(int.)
(a)1.		1.a.

W.P.O. ignore this scribble (in green)

218. SURV (4)

~~218.~~

(2)

(a)2.		1.b.
(a)3.		1.c.
(b)1.		2.a.
(b)2.		2.b.
(c)		3.
(10) (int.)		(bo) (int.)
(a)		1.
(b)		2.
(11)		(bs)
(12) (a)		(c) 1.
(b)1.		2.a.
(b)2.		2.b.
(13) (a)		(cm) 1.
(b)		2.
(c)		3.
(d)		4.
(e)		5.
(14) (int.)		(d) (int.)
(a)		1.
(b)		2.
(c)		3.
(d)		4.
(e)		5.
(f)		6.
(g)1.		8.a.
(g)2.		8.b.
(15) (a)		(dm) 1.
(b)		2.
(16)		(dr)
(17)		(e)
(18)		(f)
(19)		(g)
(20) (a)		(h) 1.
(b)		2.

WPOs: create 2 ^{new} table rows

(21e)

(21g)

(i)

(ig)

(c)		3.
(21)		(i)
(22)		(j)
(23) (int.)		(k) (int.)
(a)		1.
(b)		2.
(c)		3.
(d)		4.
(e)		5.
(f)		6.
218.0116	Licenses, how denied, suspended or revoked.	218.01 (3)
(1) (int.)		(a) (int.)
(a)		1.
(am)		2.
(b)		3.
(bm)		4.
(c)		5.
(cm)		6.
(d)		7.
(dm)		8.
(e)		9.
(em)		10.
(f)		11.
(fm)		12.
(g)		13.
(gm)		14.
(h)		15.
(hm)		16.
(i)		17.
(im)		18.
(j)		19.
(jm)		20.
(k)		21.

(13)

(km)		22.
(L)		23.
(Lm)		24.
(m)		25.
(mm)		26.
(n)		27.
(nm)		28.
(o)		29.
(om)		30.
(p)		31.
(pm)		32.
(q)		35.
(qm)		36.
(intro.)		(intro.)
(qm)1.		36.a.
(qm)2.		36.b.
(qm)3.		36.c.
(qm)4.		36.d.
(r)		37.
(rm)		38.
(s)		39.
(sm)		40.
(t)		41.
(tm)		42.
(u)		43.
(2)		(b)
(3)	(a)1.	(bf) 1.a.
	(a)2.	1.b.
	(b)	2.
	(c)	3.
(4)	(a)	(c) 1.
	(b)	2.
	(c)	3.
(5)		(d)

WFOs:
create 2 new
table rows

(1g)

(1m)

(ag)
~~(ag)~~
~~(am)~~
(am)

(6)		(e)
(7) (a)		(f) 1.
(b)1.		2.a.
(b)2.		2.b.
(b)3.		2.c.
(b)4.		2.d.
(b)5.		2.e.
(b)6.		2.f.
(b)7.		2.g.
(b)8.		2.h.
(c)		3.
(d)		4.
(intro.)		(intro.)
(d)1.		4.a
(d)2.		4.b.
(d)3.		4.c.
(d)4.		4.d.
(d)5.		4.e.
(8) (a)		(fm) 1.
(b)		2.
(intro.)		(intro.)
(b)1.		2.a.
(b)2.		2.b.
(b)3.		2.c.
(b)4.		2.d.
(b)5.		2.e.
(b)6.		2.f.
(c)		3.
(9)		(g)
(10)		(h)
218.0117	Revocation of license of dealer, distributor, manufacturer, or transporter.	218.01 (3a)
(1)		(a)
(2)		(b)

(Handwritten initials)

(3)		(c)
(4)		(d)
218.0119	Changes in places of business to be reported.	218.01 (2a)
(1)		(a)
(2)		(b)
(3)		(c)
(4)		(d)
	MANUFACTURERS, IMPORTERS AND DISTRIBUTORS	
218.0121	Factory stores.	218.01 (2c)
(intro.)		(intro.)
(1)		(a)
(2)		(b)
(3)		(c)
218.0122	Damages to delivered vehicles.	218.01 (2d)
(1)		(a)
(2)		(b)
(3)		(c)
218.0123	Vehicle allocations.	218.01 (2f)
218.0124	Performance standards.	218.01 (2g)
218.0125	Warranty reimbursement.	218.01 (2w)
(1)		(a)
(2)		(b)
(3)		(c)
(4)		(d)
(5)		(e)
(6)		(f)
(7)		(g)
218.0126	Promotional allowances.	218.01 (2x)
	FRANCHISE AGREEMENTS AND LICENSEE DISPUTES	

218.0131	Family member's right to succeed deceased or incapacitated dealer under existing franchise agreement.	218.01 (3c)
(1)		(b)
(2)		(c)
(3)		(d)
(4)		(e)
218.0132	Termination provisions.	218.01 (3n)
(1)		(a)
(2) (int.) (a)		(b) (int.) 1.
(b)		2.
(c)		3.
(d) (intro.)		4. (intro.)
(d) 1.		4.a.
(d) 2.		4.b.
(d) 3.		4.c.
(d) 4.		4.d.
(d) 5.		4.e.
218.0133	Agreement termination benefits.	218.01 (3r)
(1) (int.)		(a) (int.)
(a)		1.
(b)		2.
(2) (a)		(b) 1.
(b)		2.
(c)		3.
(d)		4.
(e)		5.
(3) (a)		(c) 1.
(b)		2.
(4) (a)		(d) 1.
(b)		2.
(c)		3.
(d)		4.
(5) (a) (int.)		(e) 1. (int.)

(a)1.		1.a.
(a)2.		1.b.
(a)3.		1.c.
(a)4.		1.d.
(a)5.		1.e.
(a)6.		1.f.
(b)		2.
(c)		3.
(d)		4.
(6) (a)		(f) 1.
(b)		2.
218.0134	Dealership changes.	218.01 (3x)
(1)		(a)
(2) (a)		(b) 1.
(b)		2.
(c)		3.
(3) (a) (int.)		(c) 1. (int.)
(a)1.		1.a.
(a)2.		1.b.
(a)3.		1.c.
(a)4.		1.d.
(a)5.		1.e.
(a)6.		1.f.
(b)		2.
(4) (int.)		(d) (int.)
(a)		1.
(b)		2.
(c)		3.
(intro.)		(intro.)
(c)1.		3.a.
(c)2.		3.b.
(c)3.		3.c.
(d)		4.
218.0136	Mediation of disputes between licensees.	218.01 (7m)

(1)		(a)
(2)		(b)
(3)		(c)
(4)		(d)
218.0137	Arbitration of disputes between licensees.	218.01 (7r)
218.0138	Immunity and presumption of good faith.	218.01 (7t)
	RETAIL SALES AND LEASE	
218.0141	Contract provisions.	218.01 (5m)(a)
218.0142	Instalment sales.	218.01 (6)
(1)		(a)
(2)		(b)
(3)		(bp)
(4)		(c)
(5)		(d)
(6)		(e)
(7)		(em)
(8)		(f)
(9)		(g)
(10)		(h)
(11)		(k)
218.0143	Notice of insurance to buyer under instalment sales contract.	218.01 (6m)
218.0144	Prelease agreements.	218.01 (6x)
(1)		(a)
(2) (int.)		(b) (int.)
(a)		(a)
(b)		2.
(3)		(c)
(4)		(d)
(5)		(e)
218.0145	Prohibited acts.	218.01 (7)

(1) (int.)		(a) (int.)
(a)		1.
(b)		2.
(c)		3.
(d)		4.
(2)		(b)
(3) (int.)		(c) (int.)
(a)		1.
(b)		2.
(c)		3.
(4)		(d)
(5)		(e)
(6)		(f)
218.0146	Motor vehicles.	218.01 (7a)
(1)		(a)
(2)		(b)
(3) (int.)		(c) (int.)
(a)		1.
(b)		2.
(c)		3.
(d)		4.
218.0147	Purchase or lease of motor vehicle by minor.	218.01 (7b)
	POWERS OF REGULATORS	
218.0151	Advisory committee.	218.01 (4)
218.0152	Rules and regulations.	218.01 (5)
(1)		(a)
(2) (a)		(b) 1.
(b)		2.
(c)		3.
(3)		(c)

REMEDIES		
218.0161	Penalties.	218.01 (8)
218.0162	Commencement of action.	218.01 (8m)
218.0163	Civil damages.	218.01 (9)
(1) (int.)		(a) (int.)
(a)		1.
(b)		2.
(1m)		(am)
(2)		(b)
REPAIRS AND WARRANTIES		
218.0171	Repair, replacement and refund under new motor vehicle warranties.	218.015
218.0172	Motor vehicle adjustment programs.	218.017

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

INS
13-1
✓

1
2
3
4
5
6
7
8
9
10
11

SECTION 1. 73.03^x (37) of the statutes is amended to read:

73.03 (37) To make refunds in connection with motor vehicles returned to the manufacturers by a consumer, as provided under s. 218.015^x 218.0171^x (2) (e) and (f).

SECTION 2. 77.53^x (1m) (intro.) of the statutes is amended to read:

77.53 (1m) (intro.) For motor vehicles that are used for a purpose in addition to retention, demonstration or display while held for sale in the regular course of business by a dealer who is licensed under ~~s. 218.01~~[✓] ss. 218.0101[✓] to 218.0163[✓], the base for the tax imposed under sub. (1) is the following:

SECTION 3. 100.45 (1)^x (ag) of the statutes is amended to read:

100.45 (1) (ag) "Distributor" has the meaning given in s. 218.01^x (1) (e) 218.0101[✓]

(6).

1 **SECTION 4.** 100.45 (1)^x (ar) of the statutes is amended to read:

2 100.45 (1) (ar) “Manufacturer” has the meaning given in s. ~~218.01 (1) (L)~~^x
3 ~~218.0101 (20)~~[✓], except that, if more than one person satisfies the definition in s. ~~218.01~~^x
4 ~~(1) (L)~~ ~~218.0101 (20)~~[✓] with respect to a motor vehicle, “manufacturer” means the
5 person who installs the mobile air conditioner that is in the motor vehicle when the
6 motor vehicle is distributed for sale in this state.

7 **SECTION 5.** 135.07^x (1) of the statutes is amended to read:

8 135.07 (1) To a dealership to which a motor vehicle dealer or motor vehicle
9 distributor or wholesaler as defined in s. ~~218.01 (1)~~^x ~~218.0101~~[✓] is a party in such
10 capacity.

11 **SECTION 6.** 138.04^x of the statutes is amended to read:

12 **138.04 Legal rate.** The rate of interest upon the loan or forbearance of any
13 money, goods or things in action shall be \$5 upon the \$100 for one year and according
14 to that rate for a greater or less sum or for a longer or a shorter time; but parties may
15 contract for the payment and receipt of a rate of interest not exceeding the rate
16 allowed in ss. 138.041 to 138.056, 138.09 to 138.12, ~~218.01~~^x ~~218.0101~~[✓] to ~~218.0163~~[✓], or
17 422.201, in which case such rate shall be clearly expressed in writing.

18 **SECTION 7.** 138.051^x (8) of the statutes is amended to read:

19 138.051 (8) The contract rate is not subject to rate limitations imposed under
20 this chapter or ~~s. 218.01~~[✓] ~~ss. 218.0101 to 218.0163~~[✓] or under s. 422.201.

21 **SECTION 8.** 138.052^x (11) of the statutes is amended to read:

22 138.052 (11) The contract rate is not subject to rate limitations imposed under
23 this chapter or ~~s. 218.01~~^x ~~ss. 218.0101 to 218.0163~~[✓] or under s. 422.201.

24 **SECTION 9.** 138.09^x (3) (e) 1. c. of the statutes is amended to read:

1 138.09 (3) (e) 1. c. A loan, finance or discount business under s. ~~218.01~~ [✓] ss.
2 ~~218.0101 to 218.0163.~~ [✓]

3 **SECTION 10.** 218.01 [✓] (title) of the statutes is repealed.

 NOTE: The title of s. 218.01 is repealed to reflect the division of s. 218.01 into a
number of different sections.

4 **SECTION 11.** 218.01 [✓] (1) (intro.) of the statutes is renumbered 218.0101 [✓] (intro.)
5 and amended to read:

6 **218.0101 Definitions.** (intro.) In this section ~~ss. 218.0101 to 218.0163,~~ [✓] unless
7 the context requires otherwise ~~requires, the following words and terms shall have~~
8 ~~the following meanings:~~ [✓]

9 **SECTION 12.** 218.01 [✓] (1) (a) of the statutes is renumbered 218.0101 [✓] (1).

10 **SECTION 13.** 218.01 [✓] (1) (b) of the statutes is renumbered 218.0101 [✓] (3) and
11 amended to read:

12 218.0101 (3) "Cash price" means the retail seller's price in dollars for the sale
13 of the goods, and the transfer of unqualified title ~~thereto to those goods,~~ [✓] upon
14 payment of ~~such the retail seller's price in cash or the a cash equivalent thereof.~~ [✓]

15 **SECTION 14.** 218.01 [✓] (1) (ct) of the statutes is renumbered 218.0101 [✓] (4).

16 **SECTION 15.** 218.01 [✓] (1) (df) of the statutes is renumbered 218.0101 [✓] (5).

17 **SECTION 16.** 218.01 [✓] (1) (e) of the statutes is renumbered 218.0101 [✓] (6).

18 **SECTION 17.** 218.01 [✓] (1) (f) of the statutes is renumbered 218.0101 [✓] (7).

19 **SECTION 18.** 218.01 [✓] (1) (g) of the statutes is renumbered 218.0101 [✓] (8).

20 **SECTION 19.** 218.01 [✓] (1) (gm) of the statutes is renumbered 218.0101 [✓] (9).

21 **SECTION 20.** 218.01 [✓] (1) (h) of the statutes is renumbered 218.0101 [✓] (10).

22 **SECTION 21.** 218.01 [✓] (1) (i) of the statutes is renumbered 218.0101 [✓] (11).

23 **SECTION 22.** 218.01 [✓] (1) (j) of the statutes is renumbered 218.0101 [✓] (12).

1 **SECTION 23.** 218.01 (1) (je) of the statutes is renumbered 218.0101 (13).

2 **SECTION 24.** 218.01 (1) (jf) of the statutes is renumbered 218.0101 (13m).

3 **SECTION 25.** 218.01 (1) (jg) of the statutes is renumbered 218.0101 (14).

4 **SECTION 26.** 218.01 (1) (ji) of the statutes is renumbered 218.0101 (15).

5 **SECTION 27.** 218.01 (1) (jj) of the statutes is renumbered 218.0101 (16).

6 **SECTION 28.** 218.01 (1) (jk) of the statutes is renumbered 218.0101 (17).

7 **SECTION 29.** 218.01 (1) (jm) of the statutes is renumbered 218.0101 (18) and

8 amended to read:

9 218.0101 (18) "License period" means the period during which a particular
10 type of license described in sub. (2) (d) s. 218.0114 (14) is effective, as established by
11 the department of transportation or division of banking under sub. (2) (cm) 2. or 4.
12 s. 218.0114 (13) (b) or (d).

13 **SECTION 30.** 218.01 (1) (k) of the statutes is renumbered 218.0101 (19) and

14 amended to read:

15 218.0101 (19) "Licensor" means the body, either the division of banking or the
16 department of transportation or both, issuing a license hereunder under ss. 218.0101
17 to 218.0163.

18 **SECTION 31.** 218.01 (1) (L) of the statutes is renumbered 218.0101 (20) (intro.)

19 and amended to read:

20 218.0101 (20) (intro.) "Manufacturer" means any person, resident or
21 nonresident, who manufactures does any of the following:

22 (a) Manufactures or assembles motor vehicles ~~or who manufactures.~~

23 (b) Manufactures or installs on previously assembled truck chassis, special
24 bodies or equipment which when installed form an integral part of the motor vehicle

1 and which constitutes a major manufacturing alteration and which completed unit
2 is owned by ~~such~~ the manufacturer.

3 **SECTION 32.** 218.01 (1) (L[✓]m) of the statutes is renumbered 218.0101 (21).[✓]

4 **SECTION 33.** 218.01 (1) (m) of the statutes is renumbered 218.0101 (22).[✓]

5 **SECTION 34.** 218.01 (1) (n) of the statutes is renumbered 218.0101 (23) (a), and
6 218.0101 (23) (a) (intro.) and 2., as renumbered, are amended to read:

7 218.0101 (23) (a) (intro.) "Motor vehicle dealer" means any person, firm or
8 corporation, not excluded by par. ~~(e)~~ ^(b) who:

9 2. Is engaged wholly or in part in the business of selling or leasing motor
10 vehicles, including motorcycles, whether or not ~~such~~ the motor vehicles are owned
11 by ~~such~~ that person, firm or corporation.

12 **SECTION 35.** 218.01 (1) (o) ~~intro.~~ and ~~1 to 4~~ of the statutes ~~are~~ renumbered ^{is}
13 218.0101 (23) (b) ~~intro.~~ and ~~1 to 4~~, and 218.0101 (23) (b) 1. to ~~4.~~ ^{stat.} as renumbered, ^(no change)
14 are amended to read:

15 218.0101 (23) (b) 1. Receivers, trustees, administrators, executors, guardians
16 or other persons appointed by or acting under the judgment or order of any court; ~~or~~

17 2. Public officers while performing their official duties; ~~or~~

18 3. Employees of persons, corporations or associations enumerated in subds. 1.
19 and 2., when engaged in the specific performance of their duties as ~~such~~ [✓] employes
20 of the enumerated persons, corporations or associations.

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

1 **SECTION 36.** 218.01 (1) (o) 5. of the statutes, as affected by 1997 Wisconsin Act
2 48, is renumbered 218.0101 (23) (b) 5.

3 **SECTION 37.** 218.01 (1) (p) of the statutes is renumbered 218.0101 (24) and
4 amended to read:

5 218.0101 (24) "Motor vehicle salesperson" means sales representative, sales
6 manager, general manager or other person who is employed by a motor vehicle dealer
7 for the purpose of selling or approving retail sales, or leasing or approving consumer
8 leases, of motor vehicles. Any motor vehicle salesperson licensed ~~hereunder~~ under
9 ss. 218.0101 to 218.0163 shall be licensed to sell or lease only for only one dealer at
10 a time.

11 **SECTION 38.** 218.01 (1) (p^t) of the statutes is renumbered 218.0101 (25).

12 **SECTION 39.** 218.01 (1) (q) of the statutes is renumbered 218.0101 (26).

13 **SECTION 40.** 218.01 (1) (q^m) of the statutes is renumbered 218.0101 (27).

14 **SECTION 41.** 218.01 (1) (q^r) of the statutes is renumbered 218.0101 (28).

15 **SECTION 42.** 218.01 (1) (q^t) of the statutes is renumbered 218.0101 (29).

16 **SECTION 43.** 218.01 (1) (r) of the statutes is renumbered 218.0101 (30).

17 **SECTION 44.** 218.01 (1) (s) of the statutes is renumbered 218.0101 (31).

18 **SECTION 45.** 218.01 (1) (t) of the statutes is renumbered 218.0101 (32) and
19 amended to read:

20 218.0101 (32) "Retail instalment contract" or "instalment contract" means and
21 includes every contract to sell one or more motor vehicles at retail, in which the price
22 thereof of the motor vehicle is payable in one or more instalments over a period of
23 time and in which the seller has either retained title to the goods or has taken or
24 retained a security interest in the goods under a form of contract designated either
25 as a conditional sale, chattel mortgage or otherwise.

1 **SECTION 46.** 218.01 (1) (u) of the statutes is renumbered 218.0101 (33) and
2 amended to read:

3 218.0101 (33) “Retail seller” means a person, firm or corporation selling or
4 agreeing to sell one or more motor vehicles under a retail instalment contract to a
5 buyer for the latter’s buyer’s personal use or consumption thereof.

6 **SECTION 47.** 218.01 (1) (v) of the statutes is renumbered 218.0101 (34) (a) and
7 amended to read:

8 218.0101 (34) (a) “Sales finance company” means ~~and includes~~ any person, firm
9 or corporation engaging in the business, in whole or in part, of acquiring by purchase
10 or by loan on the security thereof, or otherwise, retail instalment contracts or
11 consumer leases from retail sellers or lessors in this state, ~~including~~.

12 (b) “Sales finance company” includes any motor vehicle dealer who sells or
13 leases any motor vehicle on an instalment contract or consumer lease or acquires any
14 retail instalment contracts in the dealer’s retail sales or leases of motor vehicles.

15 **SECTION 48.** 218.01 (1) (w) of the statutes is renumbered 218.0101 (35).

16 **SECTION 49.** 218.01 (1) (x) of the statutes is renumbered 218.0101 (36).

17 **SECTION 50.** 218.01 (1) (xm) of the statutes is renumbered 218.0101 (37).

18 **SECTION 51.** 218.01 (1a) (title) of the statutes is renumbered 218.0111 (title).

19 **SECTION 52.** 218.01 (1a) of the statutes is renumbered 218.0111 (1) (intro.) and
20 amended to read:

21 218.0111 (1) (intro.) The department of transportation shall issue the licenses
22 provided for in ~~sub. (2) (d) 1. to 6. s. 218.0114 (14) (a) to (f)~~ and have supervision over
23 the licensees ~~thereunder~~ in respect to all of the provisions of ~~this section~~ ss. 218.0101
24 to 218.0163, except only as to such matters as that the division of banking shall have
25 jurisdiction and control over all of the following:

1 (a) Matters that relate to the sale of motor vehicles on retail instalment
2 contracts and the financing and servicing of such those retail instalment contracts
3 ~~and as to such matters as.~~

4 (b) Matters that relate to prelease agreements under sub. ~~(6x)~~ s. 218.0144 and
5 consumer leases under chs. 421 to 427 and 429, ~~over which matter the division of~~
6 ~~banking shall have jurisdiction and control, and the division of banking shall issue~~
7 ~~the.~~

8 (c) The issuance of licenses to sales finance companies.

9 (2) Either licensor ~~hereunder~~ under sub. (1) shall, upon request, furnish the
10 other licensor with any information it may have in respect to any licensee or
11 applicant for license or any transaction in which such a licensee or applicant may be
12 a party or be interested. No license shall be issued under sub. (2) ~~(d) 1. and 8.~~ s.
13 218.0114 (14) (a) and (g) until both licensors have approved the application. The
14 suspension or revocation of either the license issued under s. 218.0114 (14) (a) or (g)
15 of such licenses shall automatically ~~likewise~~ suspend or revoke the other license; ~~and~~
16 ~~such.~~ Any suspension or revocation shall be certified by the licensor ordering it to
17 the other licensor.

NOTE: Text order is changed for improved readability.

18 **SECTION 53.** 218.01 ~~(1b)~~ of the statutes is renumbered 218.0113 and amended
19 to read:

20 **218.0113 Licenses for dealers, distributors, manufacturers or**
21 **transporters of semitrailers and trailers.** Subject to ch. 180 where applicable,
22 any dealer, distributor, manufacturer or transporter of semitrailers or trailers
23 designed for use in combination with a truck or truck tractor is deemed considered
24 licensed under ~~this section~~ ss. 218.0101 to 218.0163 where for purposes of chs. 341

move
stricken
text

1 and 342 a license under ~~this section~~ [✓] ss. 218.0101 to 218.0163 is required. This
 2 ~~subsection~~ [✓] section is enacted to remove an undue burden on interstate commerce
 3 from a class of commercial transactions in which the business character of the parties
 4 does not require the protection provided by ~~this section~~ [✓] ss. 218.0101 to 218.0163 and
 5 to promote the expansion of credit for truck operators who require banking and
 6 financing facilities throughout the United States.

7 ^{gn} **SECTION 54.** 218.01 (2) (title) of the statutes is renumbered 218.0114 (title). [✓]

8 **SECTION 55.** 218.01 (2) (a) of the statutes is renumbered 218.0114 (1) and
 9 amended to read:

10 218.0114 (1) No motor vehicle dealer, motor vehicle salesperson or sales
 11 finance company ~~shall~~ may engage in business as such a motor vehicle dealer, motor
 12 vehicle salesperson or sales finance company in this state without a license therefor
 13 as provided in ~~this section~~ [✓] ss. 218.0101 to 218.0163. If any motor vehicle dealer acts
 14 as a motor vehicle salesperson, he or she shall secure a motor vehicle salesperson's
 15 license in addition to a license for motor vehicle dealer license. Every motor vehicle
 16 dealer shall be responsible for the licensing of every motor vehicle salesperson in his
 17 or her employ.

18 **SECTION 56.** 218.01 (2) (am) of the statutes is renumbered 218.0114 (2) and
 19 amended to read:

20 218.0114 (2) No manufacturer, importer or distributor ~~shall~~ may engage in
 21 business as such a manufacturer, importer or distributor in this state without a
 22 license therefor as provided in ~~this section~~ [✓] ss. 218.0101 to 218.0163.

23 **SECTION 57.** 218.01 (2) (an) of the statutes is renumbered 218.0114 (3) and
 24 amended to read:

INS
25-18

1 218.0114 (3) No factory representative or distributor representative shall may
2 engage in business as ~~such a factory representative or distributor representative~~ in
3 this state without a license therefor as provided in ~~this section~~ [✓] [✓] [✓] ss. 218.0101 to
4 218.0163.

5 **SECTION 58.** 218.01 (2) (b) of the statutes is renumbered 218.0114 (4) and
6 amended to read:

7 218.0114 (4) Application for a license under this section [✓] shall be made to the
8 licensor, at such time, in such form and with such information as the licensor shall
9 require and shall be accompanied by the required fees. An applicant for a sales
10 finance company license, other than a motor vehicle dealer, shall pay to the division
11 of banking a nonrefundable \$300 investigation fee in addition to the license fee under
12 ~~par. (d)~~ [✓] sub. (16) [✓]. If the cost of an investigation exceeds \$300, the applicant shall,
13 upon demand of the division of banking, pay the amount by which the cost of the
14 investigation exceeds the nonrefundable fee. A licensee is not required to pay an
15 investigation fee for the renewal of a license. The licensor may require the applicant
16 to provide information relating to any pertinent matter that is commensurate with
17 the safeguarding of the public interest in the locality in which the applicant proposes
18 to engage in business, except that information relating to the applicant's solvency
19 and financial standing may not be required for motor vehicle dealers except as
20 provided in ~~par. (h) 1.~~ [✓] sub. (20) (a) [✓]. The information provided may be considered by
21 the licensor in determining the fitness of the applicant to engage in business as set
22 forth in ~~this section~~ [✓] [✓] [✓] ss. 218.0101 to 218.0163.

23 **SECTION 59.** 218.01 (2) (bb) of the statutes is renumbered 218.0114 (5) and
24 amended to read:

1 218.0114 (5) (a) A motor vehicle dealer or an applicant for a motor vehicle
2 dealer license shall provide and maintain in force a bond or irrevocable letter of credit
3 of not less than \$25,000 or, if the dealer or applicant sells or proposes to sell
4 motorcycles and not other types of motor vehicles, a bond or irrevocable letter of
5 credit of not less than \$5,000. The bond or letter of credit shall be executed in the
6 name of the department of transportation for the benefit of any person who sustains
7 a loss because of an act of a motor vehicle dealer that constitutes grounds for the
8 suspension or revocation of a license under ~~this section~~ [✓] ss. 218.0101[✓] to 218.0163[×].

9 (b) A sales finance company or an applicant for a sales finance company license
10 shall provide and maintain in force a bond or irrevocable letter of credit of not less
11 than \$25,000 issued by a surety company licensed to do business in this state or a
12 federally insured financial institution, as defined in s. 705.01 (3). The bond or letter
13 of credit shall be payable to the state of Wisconsin for the use of the state and of any
14 person who sustains a loss because of an act of a sales finance company that
15 constitutes grounds for the suspension or revocation of a license under ~~this section~~
16 [✓] ss. 218.0101 to 218.0163[✓].

17 **SECTION 60.** 218.01 (2) [✓] (bc) of the statutes is renumbered 218.0114 (6) and
18 amended to read:

19 218.0114 (6) Except as provided in this ~~subsection~~ [✓] section [✓] every dealer and
20 distributor of new motor vehicles shall, at the time of application for a license, file
21 with the department of transportation a certified copy of the applicant's written
22 agreement and a certificate of appointment as dealer or distributor, respectively. The
23 certificate of appointment shall be signed by an authorized agent of the
24 manufacturer of domestic vehicles on direct manufacturer–dealer agreements; or,
25 where the manufacturer is wholesaling through an appointed distributorship, by an

1 authorized agent of the distributor on indirect distributor-dealer agreements. The
2 certificate shall be signed by an authorized agent of the importer on direct
3 importer-dealer agreements of foreign-made vehicles; or by an authorized agent of
4 the distributor on indirect distributor-dealer agreements. The distributor's
5 certificate of appointment shall be signed by an authorized agent of the
6 manufacturer; or by an agent of the manufacturer or importer of foreign
7 manufactured vehicles.

8 **SECTION 61.** 218.01 (2) (bd) 1. of the statutes is renumbered 218.0114 (7) (a) 1.
9 (intro.) and amended to read:

10 218.0114 (7) (a) 1. (intro.) A written agreement need not be filed for each dealer
11 or distributor if the manufacturer ~~on~~ or importer, for direct dealerships, or
12 distributor ~~on, for~~ indirect dealerships or importer on direct dealerships, utilizes the
13 identical basic agreement for all its dealers or distributors in Wisconsin and certifies
14 all of the following in the certificate of appointment ~~that such:~~

15 a. That the blanket agreement is on file and such written with the department
16 of transportation.

17 b. That the manufacturer's, distributor's or importer's agreement with such
18 dealer each of its dealers or distributor distributors, respectively, is identical with to
19 the filed blanket agreement, and.

20 c. That the manufacturer, distributor or importer has filed with the department
21 of transportation one such basic agreement together with a list of its authorized
22 dealers or distributors. Such with the department of transportation.

23 2. A manufacturer, distributor or importer shall notify the department of
24 transportation immediately of any of the following:

1 a. The appointment of any additional dealers or distributors, of any not
2 included in the list filed under subd. 1. c.

3 b. Any revisions of or additions to the basic agreement on file, or of any under
4 subd. 1. a.

5 c. Any individual dealer or distributor supplements to such the basic
6 agreement on file under subd. 1. a.

7 3. Except as provided in ~~subd. 1g.~~[✓], the ~~par. (b).~~[✓] a manufacturer, distributor or
8 importer shall notify ~~the a~~ dealer or distributor ~~and forward,~~ forwarding a copy of
9 ~~such the~~ notice to the department of transportation, of the discontinuation or
10 cancellation of the agreement of any of its dealers or distributors at least 60 days
11 before the effective date ~~thereof~~ of the discontinuation or cancellation together with
12 the specific grounds for discontinuation or cancellation of the agreement, ~~if~~
13 ~~discontinued or canceled.~~

14 (e) Agreements and certificates of appointment are ~~deemed~~ considered to be
15 continuing unless the manufacturer, distributor or importer has notified the
16 department of transportation of the discontinuation or cancellation of the agreement
17 of any of its dealers or distributors, and annual renewal of certifications filed as
18 provided in this ~~subsection~~[✓] section[✓] is not necessary.

19 **SECTION 62.** 218.01 (2) (bd) 1g. of the statutes is renumbered 218.0114 (7) (b).[✓]

20 **SECTION 63.** 218.01 (2) (bd) 1r. of the statutes is renumbered 218.0114 (7) (c),
21 and 218.0114 (7) (c) (intro.), as renumbered, is amended to read:

22 218.0114 (7) (c) (intro) The notice served upon a motor vehicle dealer under
23 ~~subds. 1. and 1g.~~[✓] pars. (a), 3,[✓] and (b)[✓] is not effective unless it conspicuously displays
24 the following statement:

1 **SECTION 64.** 218.01 (2) (bd) 2. of the statutes is renumbered 218.0114 (7) (d) and
2 amended to read:

3 218.0114 (7) (d) Any dealer or distributor discontinued or canceled may, on or
4 before the date on which the discontinuation or cancellation becomes effective, file
5 with the department of transportation and division of hearings and appeals and
6 serve upon the respondent manufacturer, distributor or importer a complaint for a
7 determination of unfair discontinuation or cancellation under ~~sub. (3) (a) 17. s.~~ [✓]
8 218.0116 (1) (i). Allowing opportunity for an answer, the division of hearings and
9 appeals shall ~~thereafter~~ schedule a hearing on and decide the matter. Agreements
10 and certificates of appointment shall continue in effect until final determination of
11 the issues raised in ~~such the~~ complaint. If the complainant prevails ~~he or she~~ the
12 complainant shall have a cause of action against the ~~defendant~~ respondent for
13 reasonable expenses and attorney fees incurred by ~~him or her~~ the complainant in
14 ~~such the~~ matter.

15 **SECTION 65.** 218.01 (2) (bd) 3. of the statutes is renumbered 218.0114 (2m) and
16 amended to read:

17 218.0114 (2m) No manufacturers', distributors' or importers' vehicles shall be
18 sold in this state unless either the manufacturer on direct dealerships of domestic
19 vehicles, the importer of foreign manufactured vehicles on direct dealerships or the
20 distributor on indirect dealerships of either domestic or foreign vehicles are licensed
21 under ~~s. 218.01~~ [✓] ss. 218.0101 to 218.0163. The obtaining of a license under ~~s. 218.01~~
22 ss. 218.0101 to 218.0163 shall conclusively establish that ~~such a~~ manufacturer,
23 distributor or importer is doing business in this state and shall subject the licensee
24 to all provisions of the Wisconsin statutes regulating manufacturers, importers and
25 distributors.

1 **SECTION 66.** 218.01 (2) (bf) of the statutes is renumbered 218.0114 (8) and
2 amended to read:

3 218.0114 (8) Within 60 days after the department of transportation issues a
4 declaratory ruling under s. 227.41 that an agreement is inconsistent with ~~par. (bm)~~
5 sub. (9), a manufacturer, distributor or importer shall remove or revise any provision
6 of the agreement declared to be inconsistent with ~~par. (bm)~~ sub. (9).

7 **SECTION 67.** 218.01 (2) (bm) 1. (intro.) of the statutes is renumbered 218.0114
8 (9) (a) (intro.) and amended to read:

9 218.0114 (9) (a) (intro.) Except as provided in ~~par. (be)~~ sub. (10), provisions of
10 an agreement which do any of the following are void and prohibited:

11 **SECTION 68.** 218.01 (2) (bm) 1. a. of the statutes is renumbered 218.0114 (9) (a)
12 1. and amended to read:

13 218.0114 (9) (a) 1. Waive a remedy or defense available to a distributor or dealer
14 or other provision protecting the interests of a distributor or dealer under ~~this section~~
15 ss. 218.0101 to 218.0163 or under rules promulgated by the department of
16 transportation under ~~this section~~ ss. 218.0101 to 218.0163.

17 **SECTION 69.** 218.01 (2) (bm) 1. b. of the statutes is renumbered 218.0114 (9) (a)
18 2.

19 **SECTION 70.** 218.01 (2) (bm) 1. c. of the statutes is renumbered 218.0114 (9) (a)
20 3.

21 **SECTION 71.** 218.01 (2) (bm) 2. of the statutes is renumbered 218.0114 (9) (b)
22 and amended to read:

23 218.0114 (9) (b) 1. Notwithstanding ~~subd. 1. b.~~ par. (a) 2. and subject to ~~sub. (3)~~
24 (a) ~~36. d.~~ s. 218.0116 (1) (qm) 4., an agreement may provide for the resolution of
25 disputes by arbitration, including binding arbitration, if both parties to the

1 agreement voluntarily agree to an arbitration provision. An arbitrator acting under
2 this ~~subd. 2. a.~~ [✓] subdivision shall be bound by the laws of this state, including ~~par. (bd)~~
3 ~~2. sub. (7) (d)~~ [✓] and other provisions of ~~this section~~ [✓] ss. 218.0101 to 218.0163.

4 2. No finding of an arbitrator is binding upon any person who is not a party to
5 the agreement. A finding of an arbitrator does not bind the department of
6 transportation with respect to enforcement of ~~this section~~ [✓] ss. 218.0101 to 218.0163.

7 **SECTION 72.** 218.01 (2) (bm) [✓] 3. of the statutes is renumbered 218.0114 [✓] (9) (c)
8 and amended to read:

9 218.0114 (9) (c) Notwithstanding ~~subd. 1. b.~~ [✓] par. (a) 2., an agreement may
10 require a dealer or distributor to submit disputes to a nonbinding and reasonably
11 prompt dispute resolution procedure before bringing an action in another forum.

12 **SECTION 73.** 218.01 (2) (bo) [✓] (intro.) of the statutes is renumbered 218.0114 [✓] (10)
13 (intro.) and amended to read:

14 218.0114 (10) (intro.) ~~Paragraph (bm)~~ [✓] Subsection (9) does not apply to any of
15 the following:

16 **SECTION 74.** 218.01 (2) (bo) [✓] 1. of the statutes is renumbered 218.0114 [✓] (10) (a).

17 **SECTION 75.** 218.01 (2) (bo) [✓] 2. of the statutes is renumbered 218.0114 [✓] (10) (b)

18 and amended to read:

19 218.0114 (10) (b) An agreement, made after a dealer receives notice under ~~sub.~~
20 ~~(3) (f) 1.~~ [✓] s. 218.0116 (7) (a), which waives the dealer's right to file a complaint
21 protesting the establishment or relocation of a dealership proposed in the notice.

22 **SECTION 76.** 218.01 (2) [✓] (bs) of the statutes is renumbered 218.0114 [✓] (11) and
23 amended to read:

24 218.0114 (11) A manufacturer, distributor or importer shall designate in
25 writing the area of sales responsibility assigned to a motor vehicle dealer. A

1 manufacturer, distributor or importer may not modify the area of sales responsibility
2 to avoid the requirements of ~~sub. (3) (f)~~ s. 218.0116 (7).

3 **SECTION 77.** 218.01 (2) (c) 1. of the statutes is renumbered 218.0114 (12) (a) and
4 amended to read:

5 218.0114 (12) (a) Except as provided in ~~subd. 2. par. (b)~~, all licenses shall be
6 granted or refused within 60 days after the licensor receives the application for the
7 license.

8 **SECTION 78.** 218.01 (2) (c) 2. a. of the statutes is renumbered 218.0114 (12) (b)
9 1.

10 **SECTION 79.** 218.01 (2) (c) 2. b. of the statutes is renumbered 218.0114 (12) (b)
11 2. and amended to read:

12 218.0114 (12) (b) 2. In cases where a complaint has been filed under ~~sub. (3)~~
13 ~~(f)~~ s. 218.0116 (7) protesting the proposed establishment or relocation of a dealership
14 in a relevant market area, no license may be issued until the division of hearings and
15 appeals has rendered a decision permitting the issuance of the license.

16 **SECTION 80.** 218.01 (2) (cm) of the statutes is renumbered 218.0114 (13) and
17 amended to read:

18 218.0114 (13) (a) Licenses described in ~~par. (dr)~~ sub. (16) expire on December
19 31 of the calendar year for which the licenses are granted.

20 (b) The department of transportation shall promulgate rules establishing the
21 license period for each type of license described in ~~par. (d) 1. to 6.~~ sub. (14) (a) to (f).

22 (c) The department of transportation may promulgate rules establishing
23 expiration dates for the various types of licenses described in ~~par. (d) 1. to 6.~~ sub. (14)
24 (a) to (f).

1 (d) The division of banking shall promulgate rules establishing the license
2 period for the license described in ~~par. (d) 8.~~ sub. (14) (g).

3 (e) The division of banking may promulgate rules establishing expiration dates
4 for licenses issued under ~~par. (d) 8.~~ sub. (14) (g).

5 **SECTION 81.** 218.01 (2) (d) (intro.) of the statutes is renumbered 218.0114 (14)
6 (intro.) and amended to read:

7 218.0114 (14) (intro.) Subject to ~~par. (dm)~~ sub. (15), the fee for licenses
8 described in this ~~paragraph~~ subsection equals the number of years in a license period
9 multiplied by whichever of the following applies:

10 **SECTION 82.** 218.01 (2) (d) 1. of the statutes is renumbered 218.0114 (14) (a) and
11 amended to read:

12 218.0114 (14) (a) For motor vehicle dealers, to the department of
13 transportation, \$20 for each office or branch ~~thereof~~ of the motor vehicle dealer, plus
14 \$1 for a supplemental license for each used motor vehicle lot within the same
15 municipality, but not immediately adjacent to the office or to a branch.

16 **SECTION 83.** 218.01 (2) (d) 2. of the statutes is renumbered 218.0114 (14) (b).

17 **SECTION 84.** 218.01 (2) (d) 3. of the statutes is renumbered 218.0114 (14) (c).

18 **SECTION 85.** 218.01 (2) (d) 4. of the statutes is renumbered 218.0114 (14) (d) and
19 amended to read:

20 218.0114 (14) (d) Any person licensed under ~~subd. 2. or 3. next preceding,~~ par.
21 (b) or (c) may also operate as a motor vehicle dealer, without any additional fee.

22 **SECTION 86.** 218.01 (2) (d) 5. of the statutes is renumbered 218.0114 (14) (e).

23 **SECTION 87.** 218.01 (2) (d) 6. of the statutes is renumbered 218.0114 (14) (f).

24 **SECTION 88.** 218.01 (2) (d) 8. of the statutes is renumbered 218.0114 (14) (g) and
25 amended to read:

1 218.0114 (14) (g) 1. Except as provided in subd. ~~8. b. 2.~~^{x ✓}, for motor vehicle
2 dealers, to the division of banking, \$10.

3 2. For motor vehicle dealers that operate as a sales finance company or that
4 carry or retain retail instalment contracts or consumer leases for more than 30 days,
5 to the division of banking, the same as for sales finance companies under ~~par. (dr)~~^x
6 sub. (16).

7 **SECTION 89.** 218.01 (2) (dm)[✓] of the statutes is renumbered 218.0114 (15) and
8 amended to read:

9 218.0114 (15) (a) If the department of transportation or division of banking
10 establishes a license period that is not evenly divisible into years, the department of
11 transportation or division of banking shall prorate the remainder when determining
12 the license fee under ~~par. (d)~~^x sub. (14)[✓].

13 (b) If the department of transportation or division of banking grants a license
14 described under ~~par. (d)~~^x sub. (14)[✓] during the license period, the fee for the license
15 shall equal the applicable dollar amount under ~~par. (d) 1. to 8.~~^x sub. (14) (a) to (g)[✓]
16 multiplied by the number of calendar years, including parts of calendar years, during
17 which the license remains in effect. A fee determined under this subdivision[✓]
18 paragraph[✓] may not exceed the license fee for an entire license period under ~~par. (d)~~^x
19 sub. (14)[✓].

20 **SECTION 90.** 218.01 (2) (dr) of the statutes, ~~as affected by 1997 Wisconsin Act~~
21 ~~10~~ is renumbered 218.0114 (16).

22 **SECTION 91.** 218.01 (2) (e)[✓] of the statutes is renumbered 218.0114 (17) and
23 amended to read:

24 218.0114 (17) The licenses of dealers, manufacturers, factory branches,
25 distributors, distributor branches and sales finance companies shall specify the

1 location of the office or branch and must be conspicuously displayed ~~there~~ at that
2 location. In case ~~such~~ the location be of the office or branch is changed, the licensor
3 shall indorse the change of location on the license, without charge, if ~~it be~~ the new
4 location is within the same municipality as the previous location. A change of
5 location to another municipality shall require a new license, except for sales finance
6 companies.

7 **SECTION 92.** 218.01 (2) (f) of the statutes is renumbered 218.0114 (18) and
8 amended to read:

9 218.0114 (18) Every salesperson, factory representative or distributor
10 representative shall carry his or her license when engaged in business, and display
11 the license upon request. The license shall name ~~his or her~~ the licensee's employer,
12 ~~and in case of,~~ Upon leaving an employer, the ~~salesperson~~ licensee shall immediately
13 surrender the license to his or her employer who shall mail the license to the licensor.
14 If during the license period the individual licensee again is employed or acts as a
15 salesperson, he or she shall make application for reissue of a salesperson's license.
16 There shall be no fee in connection with ~~such~~ the subsequent applications.

17 **SECTION 93.** 218.01 (2) (g) of the statutes is renumbered 218.0114 (19).

18 **SECTION 94.** 218.01 (2) (h) 1. of the statutes is renumbered 218.0114 (20) (a) and
19 amended to read:

20 218.0114 (20) (a) If the licensor has reasonable cause to doubt the financial
21 responsibility of the applicant or licensee or the compliance by the applicant or
22 licensee with ~~this section~~ ss. 218.0101 to 218.0163, the licensor may require the
23 applicant or licensee to furnish information relating to the applicant's or licensee's
24 solvency and financial standing.

1 **SECTION 95.** 218.01 (2) (h) 2. of the statutes is renumbered 218.0114 (20) (b) and
2 amended to read:

3 218.0114 (20) (b) ~~Provided~~ If the licensor has reasonable cause to doubt the
4 financial responsibility of the applicant or licensee or the compliance by the
5 applicant or licensee with ~~this section~~ ss. 218.0101 to 218.0163, the licensor may
6 require the applicant or licensee to furnish and maintain a bond in the form, amount
7 and with the sureties it approves, but not less than \$5,000, nor more than \$100,000,
8 conditioned upon the applicant or licensee complying with the statutes applicable to
9 the licensee and as indemnity for any loss sustained by any person by reason of any
10 acts of the licensee constituting grounds for suspension or revocation of the license
11 under ~~this section~~ ss. 218.0101 to 218.0163. The bonds shall be executed in the name
12 of the department of transportation for the benefit of any aggrieved parties;
13 ~~provided, except~~ that the aggregate liability of the surety to all such aggrieved
14 parties shall, in no event, exceed the amount of the bond. The bonding requirements
15 in this ~~subdivision~~ paragraph shall not apply to manufacturers, factory branches,
16 and their agents and is in addition to the bond or letter of credit required of a motor
17 vehicle dealer under ~~par. (bb) 1.~~ sub. (5) (a).

18 **SECTION 96.** 218.01 (2) (h) 3. of the statutes is renumbered 218.0114 (20) (c) and
19 amended to read:

20 218.0114 (20) (c) An applicant or licensee furnishing information under ~~subd.~~
21 ~~1. par. (a)~~ (a) may designate the information as a trade secret, as defined in s. 134.90 (1)
22 (c), or as confidential business information. The licensor shall notify the applicant
23 or licensee providing the information 15 days before any information designated as
24 a trade secret or as confidential business information is disclosed to the legislature,
25 a state agency, as defined in s. 13.62 (2), a local governmental unit, as defined in s.

1 605.01 (1), or any other person. The applicant or licensee furnishing the information
 2 may seek a court order limiting or prohibiting the disclosure. In such cases, in which
 3 case the court shall weigh the need for confidentiality of the information against the
 4 public interest in the disclosure.

INS
34-5
✓

5 **SECTION 97.** 218.01 (2) (i) of the statutes is renumbered 218.0114 (21) and
 6 amended to read:

7 218.0114 (21) Application for dealers' licenses shall be submitted to the
 8 department of transportation in duplicate and shall contain such information as the
 9 licensors require. Application for sales finance company licenses shall contain such
 10 information as the division of banking requires. No motor vehicle dealer or sales
 11 finance company, unless so licensed, shall be permitted to register or receive or use
 12 registration plates under ss. 341.47 to 341.57. The department of transportation
 13 shall transmit the duplicate copy of each application for a dealer's license to the
 14 division of banking with the fee required under ~~par. (d) 8. sub. (14) (g).~~ The division
 15 of banking may not refund the fee required under ~~par. (d) 8. sub. (14) (g).~~ The division
 16 of banking shall approve a sales finance company license for a dealer if no prior sales
 17 finance company license has been suspended or revoked, and if the applicant meets
 18 the requirements of ~~this section~~ ss. 218.0101 to 218.0163 relating to sales finance
 19 companies.

INS
34-2020
✓

20 **SECTION 98.** 218.01 (2) (j) of the statutes is renumbered 218.0114 (22) and
 21 amended to read:

22 218.0114 (22) A motor vehicle dealer licensed in accordance with the provisions
 23 of ~~this section~~ ss. 218.0101 to 218.0163 shall make reports to the licensor at such
 24 intervals and showing such information as the licensor may require.

25 **SECTION 99.** 218.01 (2) (k) of the statutes is renumbered 218.0114 (23).

1 **SECTION 100.** 218.01 (2a) (title) of the statutes is renumbered 218.0119 (title). ✓

2 **SECTION 101.** 218.01 (2a) (a) of the statutes is renumbered 218.0119 (1). ✓

3 **SECTION 102.** 218.01 (2a) (b) of the statutes is renumbered 218.0119 (2) and ✓
4 amended to read:

5 218.0119 (2) Whenever a licensed dealer, distributor, manufacturer or
6 transporter opens a new place of business, the licensee shall promptly report ~~such~~
7 that fact, including the address thereof of the new place of business, to the
8 department of transportation.

9 **SECTION 103.** 218.01 (2a) (c) of the statutes is renumbered 218.0119 (3) and ✓
10 amended to read:

11 218.0119 (3) Whenever a licensed dealer, distributor or manufacturer
12 discontinues or disposes of his or her business, ~~such person~~ that dealer, distributor
13 or manufacturer shall promptly report ~~such~~ that fact to the department of
14 transportation and return the license and registration plates issued. Whenever a
15 licensed dealer, distributor or manufacturer discontinues business due to license
16 suspension or revocation, ~~such person~~ that dealer, distributor or manufacturer shall
17 surrender the licenses and registration plates to the department of transportation
18 for ~~such~~ the suspension or revocation period.

19 **SECTION 104.** 218.01 (2a) (d) of the statutes is renumbered 218.0119 (4) and ✓
20 amended to read:

21 218.0119 (4) Any dealer, distributor, manufacturer or transporter who fails to
22 comply with the requirements of this ~~subsection~~ section may be fined not more than
23 \$200 or imprisoned for not more than 6 months or both.

24 **SECTION 105.** 218.01 (2c) of the statutes is renumbered 218.0121 and amended
25 to read:

plain
space

1 **218.0121 Factory stores.** A manufacturer, importer or distributor, or a
2 subsidiary ~~thereof of a manufacturer, importer or distributor~~, shall ~~not own, operate~~
3 ~~or control a motor vehicle dealership in this state. This subsection~~ ^{section} does not prohibit
4 any of the following: ^{strike}

5 (1) The ownership and operation by a manufacturer, importer or distributor,
6 or a subsidiary ~~thereof of a manufacturer, importer or distributor~~, of a dealership for
7 a temporary period, not to exceed one year, during the transition from one owner or
8 operator to another.

9 (2) The ownership or control of a dealership by a manufacturer, importer or
10 distributor, or a subsidiary ~~thereof of a manufacturer, importer or distributor~~, if the
11 dealership is being sold under a bona fide contract or purchase option to the operator
12 of the dealership, or a contract exists under which the operator of the dealership can
13 expect to acquire full ownership of or a controlling interest in the dealership, and
14 after the transfer of ownership is completed the dealership will no longer be owned,
15 operated or controlled by the manufacturer, importer or distributor, or a subsidiary
16 ~~thereof of the manufacturer, importer or distributor.~~

17 (3) The ownership, operation or control of a dealership by a manufacturer,
18 importer or distributor, or subsidiary ~~thereof of a manufacturer, importer or~~
19 ~~distributor~~, which does not meet the conditions under ~~par. (a) or (b)~~ [✓] ~~sub. (1) or (2)~~ [✓], if
20 the division of hearings and appeals determines, after a hearing on the matter at the
21 request of any party, that there is no prospective independent dealer available to own
22 and operate the dealership in a manner consistent with the public interest and that
23 meets the reasonable standard and uniformly applied qualifications of the
24 manufacturer, importer or distributor.

1 **SECTION 106.** 218.01 (2d) of the statutes is renumbered 218.0122 and amended
2 to read:

3 **218.0122 Damages to delivered vehicles. (1)** A manufacturer, importer or
4 distributor shall disclose in writing to a motor vehicle dealer, at or before delivery to
5 the dealer, any damage and repair to a new motor vehicle occurring after the
6 manufacturing process is complete but before delivery to the dealer, if the cost of the
7 repair exceeds 6% of the manufacturer's suggested retail price, as measured by retail
8 repair costs. Replacement of glass, tires, bumpers, fenders, moldings, audio
9 equipment, instrument panels, hoods and deck lids with identical manufacturer's
10 original equipment is not considered damage and repair under this ~~paragraph~~
11 subsection. If a manufacturer, importer or distributor fails to make a disclosure of
12 damage and repair under this ~~paragraph~~ subsection, it shall be liable to the dealer
13 for any liability imposed on the dealer for a failure on the part of the dealer to disclose
14 that damage and repair.

15 **(2)** If the cost of repairing damage to a new motor vehicle that occurs before
16 delivery to the dealer's location exceeds 6% of the manufacturer's suggested retail
17 price, as measured by retail repair costs, the dealer may reject or, if title has passed
18 to the dealer, require the manufacturer, importer or distributor who delivered the
19 vehicle to repurchase the vehicle within 10 business days after delivery, unless the
20 damage occurred during shipment and the method of transportation, carrier or
21 transporter of the motor vehicle was designated by the motor vehicle dealer. Upon
22 repurchase, the manufacturer, importer or distributor shall be subrogated to all of
23 the dealer's rights against the carrier or transporter of the motor vehicle regarding
24 damage. The cost of repairing glass, tires, bumpers, moldings and audio equipment

1 with identical manufacturer's original equipment shall not be included in
2 determining the cost of repairing damage under this ~~paragraph~~ subsection.

3 (3) This ~~subsection~~ section does not apply to motorcycles that are delivered in
4 a crated, disassembled condition to the dealer or the dealer's agent.

5 **SECTION 107.** 218.01 (2f) of the statutes is renumbered 218.0123.

6 **SECTION 108.** 218.01 (2g) of the statutes is renumbered 218.0124.

7 **SECTION 109.** 218.01 (2w) (title) of the statutes is renumbered 218.0125 (title).

8 **SECTION 110.** 218.01 (2w) (a) of the statutes is renumbered 218.0125 (1) and
9 amended to read:

10 218.0125 (1) In this ~~subsection~~ section, "dealer cost" means the wholesale cost
11 for a part as listed in the manufacturer's, importer's or distributor's current price
12 schedules or, if the part is not so listed, the dealer's original invoice cost for the part.

13 **SECTION 111.** 218.01 (2w) (b) of the statutes is renumbered 218.0125 (2).

14 **SECTION 112.** 218.01 (2w) (c) of the statutes is renumbered 218.0125 (3) and
15 amended to read:

16 218.0125 (3) To be eligible for compensation for parts under ~~par. (b)~~ sub. (2),
17 a dealer shall notify the manufacturer, importer or distributor in writing of the
18 amounts that the dealer charges its other retail service customers for parts and
19 request that it be paid for parts in accordance with this ~~subsection~~ section. The notice
20 may be limited to the dealer's average markup over dealer cost that the dealer
21 charges its other retail service customers for parts used to perform similar work. The
22 notice shall be served upon the manufacturer, importer or distributor not less than
23 30 days before the date on which the dealer requests that the manufacturer, importer
24 or distributor begin paying the dealer for parts at the stated amounts. The
25 manufacturer, importer or distributor shall pay the dealer, as provided in this

1 ~~subsection~~ section, at the amounts stated in the dealer notice for parts used in work
2 performed on and after the beginning date stated in the notice.

3 **SECTION 113.** 218.01 (2w) (d) of the statutes is renumbered 218.0125 (4).

4 **SECTION 114.** 218.01 (2w) (e) of the statutes is renumbered 218.0125 (5) and
5 amended to read:

6 218.0125 (5) A manufacturer, importer or distributor who fails to compensate
7 a dealer for parts at an amount not less than the amount the dealer charges its other
8 retail service customers for parts used to perform similar work shall not be found to
9 have violated this ~~subsection~~ section if the manufacturer, importer or distributor
10 shows that the amount is not reasonably competitive to the amounts charged to retail
11 service customers by other similarly situated franchised motor vehicle dealers in this
12 state for the same parts when used by those dealers to perform similar work.

13 **SECTION 115.** 218.01 (2w) (f) of the statutes is renumbered 218.0125 (6) and
14 amended to read:

15 218.0125 (6) If a manufacturer, importer or distributor furnishes a part to a
16 dealer at no cost for use by the dealer in performing work for which the manufacturer,
17 importer or distributor is required to compensate the dealer under this ~~subsection~~
18 section, the manufacturer, importer or distributor shall compensate the dealer for
19 the part at an amount not less than the amount the dealer charges its other retail
20 customers for parts when used to perform similar work less the wholesale cost for
21 such the furnished part as listed in the manufacturer's current price schedules. A
22 manufacturer, importer or distributor may pay the dealer a reasonable handling fee
23 instead of the compensation otherwise required by this ~~subsection~~ section for special
24 high-performance complete engine assemblies furnished to the dealer at no cost,
25 provided that the manufacturer, importer or distributor excludes special

1 high-performance complete engine assemblies in determining whether the amounts
2 requested in the dealer's notice are consistent with the amounts that the dealer
3 charges its other retail service customers for parts used by the dealer to perform
4 similar work.

5 **SECTION 116.** 218.01 (2w) (g) of the statutes is renumbered 218.0125 (7) and
6 amended to read:

7 218.0125 (7) A claim made by a franchised motor vehicle dealer for
8 compensation under this ~~subsection~~ section shall be either approved or disapproved
9 within 30 days after the claim is submitted to the manufacturer, importer or
10 distributor in the manner and on the forms the manufacturer, importer or distributor
11 reasonably prescribes. An approved claim shall be paid within 30 days after its
12 approval; ~~and, if,~~ If a claim is not specifically disapproved in writing or by electronic
13 transmission within 30 days after the date on which the manufacturer, importer or
14 distributor receives it, the claim shall be considered to be approved and payment
15 shall follow within 30 days. A manufacturer, importer or distributor retains the right
16 to audit claims for a period of one year after the date on which the claim is paid and
17 to charge back any amounts paid on claims that are false or unsubstantiated. If there
18 is evidence of fraud, this ~~paragraph~~ subsection does not limit the right of the
19 manufacturer to audit for longer periods and charge back for any fraudulent claim,
20 subject to the limitations period under s. 893.93 (1) (b).

21 **SECTION 117.** 218.01 (2x) of the statutes is renumbered 218.0126 and amended
22 to read:

23 **218.0126 Promotional allowances.** A claim made by a franchised motor
24 vehicle dealer for promotional allowances or other incentive payments shall be either
25 approved or disapproved within 30 days after the claim is submitted to the

1 manufacturer, importer or distributor in the manner and on the forms the
2 manufacturer, importer or distributor reasonably prescribes. An approved claim
3 shall be paid within 30 days after its approval; ~~and, if~~ If a claim is not specifically
4 disapproved in writing or by electronic transmission within 30 days after the date
5 on which the manufacturer, importer or distributor receives it, the claim shall be
6 considered to be approved and payment shall follow within 30 days after approval.
7 A manufacturer, importer or distributor retains the right to audit a claim for a period
8 of 2 years after the date on which the claim is paid and to charge back any amounts
9 paid on claims that are false or unsubstantiated. If there is evidence of fraud, this
10 ~~subsection~~ section does not limit the right of the manufacturer to audit for longer
11 periods and charge back for any fraudulent claim, subject to the limitations period
12 under s. 893.93 (1) (b).

13 **SECTION 118.** 218.01 (3) (title) of the statutes is renumbered 218.0116 (title).

14 **SECTION 119.** 218.01 (3) (a) (intro.) of the statutes is renumbered 218.0116 (1)
15 (intro.).

16 **SECTION 120.** 218.01 (3) (a) 1. of the statutes is renumbered 218.0116 (1) (a).

17 **SECTION 121.** 218.01 (3) (a) 2. of the statutes is renumbered 218.0116 (1) (am).

18 **SECTION 122.** 218.01 (3) (a) 3. of the statutes is renumbered 218.0116 (1) (b).

19 **SECTION 123.** 218.01 (3) (a) 4. of the statutes is renumbered 218.0116 (1) (bm)

20 and amended to read:

21 218.0116 (1) (bm) Wilful failure to comply with any provision of ~~this section~~ ss.
22 218.0101 to 218.0163 or any rule or regulation promulgated by the licensor under
23 ~~this section~~ ss. 218.0101 to 218.0163.

24 **SECTION 124.** 218.01 (3) (a) 5. of the statutes is renumbered 218.0116 (1) (c).

25 **SECTION 125.** 218.01 (3) (a) 6. of the statutes is renumbered 218.0116 (1) (cm).

1 **SECTION 126.** 218.01 (3) (a) [✓]7. of the statutes is renumbered 218.0116 (1) (d). [✓]

2 **SECTION 127.** 218.01 (3) (a) [✓]8. of the statutes is renumbered 218.0116 (1) (dm). [✓]

3 **SECTION 128.** 218.01 (3) (a) [✓]9. of the statutes is renumbered 218.0116 (1) (e). [✓]

4 **SECTION 129.** 218.01 (3) (a) [✓]10. and [✓]11. of the statutes are renumbered 218.0116

5 (1) (em) and (f) and amended to read:

6 218.0116 (1) (em) Employment of fraudulent devices, methods or practices in
7 connection with compliance with the statutes with respect to the retaking of goods
8 under retail instalment contracts or consumer leases and the redemption and resale
9 or subsequent lease of such the retaken goods.

10 (f) Having ~~indulged~~ engaged in any unconscionable practice relating to ~~said the~~
11 licensed business activity.

NOTE: Inserts specific references and preferred term. Section 218.01 (3) (a) which
was contained in the original s. 218.01, created by Chapter 474 of the Laws of 1933, has
never contained an antecedent to the "said business" in subd. 11.

12 **SECTION 130.** 218.01 (3) (a) [✓]12. of the statutes is renumbered 218.0116 (1) (fm). [✓]

13 **SECTION 131.** 218.01 (3) (a) [✓]13. of the statutes is renumbered 218.0116 (1) (g) [✓]

14 and amended to read:

15 218.0116 (1) (g) Having sold a retail instalment contract or consumer lease to
16 a sales finance company that is not licensed hereunder under ss. 218.0101 to
17 218.0163.

18 **SECTION 132.** 218.01 (3) (a) [✓]14. of the statutes is renumbered 218.0116 (1) (gm). [✓]

19 **SECTION 133.** 218.01 (3) (a) [✓]15. of the statutes is renumbered 218.0116 (1) (h) [✓]

20 and amended to read:

21 218.0116 (1) (h) Being a manufacturer, importer or distributor who has coerced
22 or attempted to coerce any motor vehicle dealer to order any commodity or service
23 or to accept delivery of or pay for any commodity or service that the motor vehicle

1 dealer has not ordered. This ~~subdivision~~ [✓] paragraph [✓] does not modify or prohibit
2 reasonable requirements in a franchise agreement that require a dealer to market
3 and service a representative line of new motor vehicles that the manufacturer,
4 importer or distributor is publicly advertising.

5 **SECTION 134.** 218.01 (3) (a) [✓] 16. of the statutes is renumbered 218.0116 (1) (hm) [✓]
6 and amended to read:

7 218.0116 (1) (hm) Being a manufacturer of motor vehicles, factory branch,
8 distributor, field representative, officer, agent or any representative ~~whatsoever~~ of
9 ~~such a~~ motor vehicle manufacturer or factory branch, who has attempted to induce
10 or coerce, or has induced or coerced, any motor vehicle dealer to enter into any
11 agreement with ~~such the~~ manufacturer, factory branch or representative thereof of
12 the motor vehicle manufacturer or factory branch, or to do any other act unfair to said
13 the dealer, by threatening to cancel any franchise existing between ~~such the~~
14 manufacturer, factory branch or representative thereof of the motor vehicle
15 manufacturer or factory branch and said the dealer.

16 **SECTION 135.** 218.01 (3) (a) [✓] 17. of the statutes is renumbered 218.0116 (1) (i) [✓]
17 2. and amended to read:

18 218.0116 (1) (i) 2. Subject to ~~sub. (3n)~~ [✓] s. 218.0132, [✓] being a manufacturer,
19 importer or distributor who has unfairly, without due regard to the equities or
20 without just provocation, directly or indirectly canceled or failed to renew the
21 franchise of any motor vehicle dealer; or being a manufacturer or importer, who has
22 unfairly, without due regard to the equities or without just provocation, directly or
23 indirectly canceled or failed to renew the franchise of any distributor. If there is a
24 change in a manufacturer, importer or distributor, a motor vehicle dealer's franchise
25 granted by the former manufacturer, importer or distributor shall continue in full

1 force and operation under the new manufacturer, importer or distributor unless a
2 mutual agreement of cancellation is filed with the department of transportation
3 between the new manufacturer, importer or distributor and the dealer. In this
4 subdivision, [✓]“due regard to the equities” means treatment in enforcing an agreement
5 that is fair and equitable to a motor vehicle dealer or distributor and that is not
6 discriminatory compared to similarly situated dealers or distributors; and “just
7 provocation” means a material breach by a motor vehicle dealer or distributor, due
8 to matters within the dealer’s or distributor’s control, of a reasonable and necessary
9 provision of an agreement and the breach is not cured within a reasonable time after
10 written notice of the breach has been received from the manufacturer, importer or
11 distributor.

NOTE: The stricken definitions are recreated by this bill as s. 218.0116 (1) (i) 1. for proper location according to current style.

12 **SECTION 136.** 218.01 (3) (a) 18. of the statutes, ~~as affected by 1997 Wisconsin~~
13 ~~Act 48~~ is renumbered 218.0116 (1) (im) 2. and amended to read:

14 218.0116 (1) (im) 2. Having accepted an order or contract of purchase from a
15 buyer or a consumer lease or prelease agreement from a lessee or prospective lessee
16 if such the arrangement results in the practice of bushing. For the purpose of this
17 section, [✓]“bushing” means, with respect to an order or contract of purchase, the
18 practice of increasing the selling price of a motor vehicle above that originally quoted
19 the purchaser as evidenced by a purchase order or contract which has been signed
20 by both the purchaser and dealer licensee and, with respect to a consumer lease or
21 prelease agreement, the practice of increasing the gross capitalized cost above that
22 originally quoted the lessee or prospective lessee as evidenced by a consumer lease

1 ~~or prelease agreement which has been signed by both the lessee or prospective lessee~~
2 ~~and the dealer licensee.~~

NOTE: The stricken definition is recreated by this bill as s. 218.0116 (1) (im) 1. by
this bill for proper location according to current style.

3 **SECTION 137.** 218.01 (3) (a) 19. of the statutes is renumbered 218.0116 (1) (j).

4 **SECTION 138.** 218.01 (3) (a) 20. of the statutes is renumbered 218.0116 (1) (jm)

5 and amended to read:

6 218.0116 (1) (jm) Having set up, promoted or aided in the promotion of a plan
7 by which motor vehicles are sold or leased to a person for a consideration and upon
8 the further consideration that the purchaser or lessee agrees to secure one or more
9 persons to participate in the plan by respectively making a similar purchase or lease
10 and in turn agreeing to secure one or more persons likewise to join in ~~said~~ the plan,
11 each purchaser or lessee being given the right to secure money, credits, goods or
12 something of value, depending upon the number of persons joining in the plan.

13 **SECTION 139.** 218.01 (3) (a) 21. of the statutes is renumbered 218.0116 (1) (k)

14 and amended to read:

15 218.0116 (1) (k) Being a dealer who keeps open the dealer's place of business
16 on Sunday for the purpose of buying, leasing or selling motor vehicles; but nothing
17 in this ~~subdivision~~ paragraph shall apply to any person who conscientiously believes
18 that the 7th day of the week, from sunset Friday to sunset Saturday, should be
19 observed as the Sabbath and who actually refrains from conducting or engaging in
20 the business of buying, leasing, selling or offering for lease or sale motor vehicles, or
21 performing other secular business on that day.

22 **SECTION 140.** 218.01 (3) (a) 22. of the statutes is renumbered 218.0116 (1) (km)

23 and amended to read:

1 218.0116 (1) (km) Being a manufacturer, importer or distributor who violates
2 sub. ~~(2e)~~, ~~(2d)~~, ~~(2f)~~, ~~(2g)~~ or ~~(2w)~~ s. 218.0121, 218.0122, 218.0123, 218.0124 or
3 218.0125.

4 **SECTION 141.** 218.01 (3) (a) 23. of the statutes is renumbered 218.0116 (1) (L)
5 and amended to read:

6 218.0116 (1) (L) Being a motor vehicle dealer who, in breach of an agreement,
7 voluntarily changes its ownership or executive management, transfers its
8 dealership assets to another person, adds another franchise at the same location as
9 its existing franchise, or relocates a franchise without first complying with the
10 procedures in sub. ~~(3x)~~ s. 218.0134.

11 **SECTION 142.** 218.01 (3) (a) 24. of the statutes is renumbered 218.0116 (1) (Lm)
12 and amended to read:

13 218.0116 (1) (Lm) Being a manufacturer, importer or distributor who fails to
14 comply with the procedures in sub. ~~(3x)~~ s. 218.0134 regarding a dealer's request for
15 approval of a change of ownership or executive management, transfer of its
16 dealership assets to another person, adding another franchise at the same location
17 as its existing franchise, or relocation of a franchise or who fails to comply with an
18 order of the division of hearings and appeals issued under sub. ~~(3x)~~ s. 218.0134.

19 **SECTION 143.** 218.01 (3) (a) 25. of the statutes is renumbered 218.0116 (1) (m).

20 **SECTION 144.** 218.01 (3) (a) 26. of the statutes is renumbered 218.0116 (1) (mm)
21 and amended to read:

22 218.0116 (1) (mm) Being a manufacturer, factory branch, distributor, field
23 representative, officer, agent or any representative of ~~such a~~ manufacturer, factory
24 branch or distributor who, notwithstanding the terms of any agreement, refuses to
25 honor the succession to the ownership or operation of a dealership under an existing

1 franchise agreement by a designated family member of a deceased or incapacitated
2 dealer, except in the manner prescribed by ~~sub. (3e)~~ s. 218.0131, or who unreasonably
3 withholds its approval of a change of ownership or executive management of the
4 dealership after the dealer's death or incapacity.

5 **SECTION 145.** 218.01 (3) (a) [✓]27. of the statutes is renumbered 218.0116 (1) (n). [✓]

6 **SECTION 146.** 218.01 (3) (a) 28. of the statutes is renumbered 218.0116 (1) (nm)
7 and amended to read:

8 218.0116 (1) (nm) Wilful failure to provide and maintain facilities and business
9 records as required by ~~this section~~ ss. 218.0101 [✓] to 218.0163 or by any rule
10 promulgated by the licensor pertaining to facility and business records.

11 **SECTION 147.** 218.01 (3) (a) [✓]29. of the statutes is renumbered 218.0116 (1) (o). [✓]

12 **SECTION 148.** 218.01 (3) (a) [✓]30. of the statutes is renumbered 218.0116 (1) (om). [✓]

13 **SECTION 149.** 218.01 (3) (a) [✓]31. of the statutes is renumbered 218.0116 (1) (p)
14 and amended to read:

15 218.0116 (1) (p) Having violated an order issued under ~~par. (h)~~ sub. (10). [✓]

16 **SECTION 150.** 218.01 (3) (a) [✓]32. of the statutes is renumbered 218.0116 (1) (pm)
17 and amended to read:

18 218.0116 (1) (pm) Being a manufacturer, factory branch or distributor who
19 enters into a franchise agreement establishing or relocating a motor vehicle
20 dealership, parts outlet or service outlet in a relevant market area without first
21 complying with the procedure in ~~par. (f) 1.~~ sub. (7) (a). [✓]

22 **SECTION 151.** 218.01 (3) (a) [✓]35. of the statutes is renumbered 218.0116 (1) (q)
23 and amended to read:

1 218.0116 (1) (q) Being a manufacturer, factory branch or distributor who
2 engages in any action which transfers to a motor vehicle dealer any responsibility of
3 the manufacturer, factory branch or distributor under s. ~~218.015~~ 218.0171.

4 **SECTION 152.** 218.01 (3) (a) [✓]36. (intro.) of the statutes is renumbered 218.0116
5 (1) (qm) (intro.).

6 **SECTION 153.** 218.01 (3) (a) [✓]36. a. of the statutes is renumbered 218.0116 (1)
7 (qm) 1. and amended to read:

8 218.0116 (1) (qm) 1. Fails to notify the department of transportation of any
9 revision or addition to an agreement as required under sub. ~~(2)~~ ^(bd) 1. s. 218.0114 (7)

10 ^(a) ~~(a)~~ ^{2.}

11 **SECTION 154.** 218.01 (3) (a) [✓]36. b. of the statutes is renumbered 218.0116 (1)
12 (qm) 2. and amended to read:

13 218.0116 (1) (qm) 2. Fails to revise or remove portions of an agreement that the
14 department of transportation declares to contain provisions which are inconsistent
15 with sub. ~~(2)~~ ^(bm) s. 218.0114 (9).

16 **SECTION 155.** 218.01 (3) (a) [✓]36. c. of the statutes is renumbered 218.0116 (1)
17 (qm) 3. and amended to read:

18 218.0116 (1) (qm) 3. Requires or coerces a dealer or distributor to ~~execute~~ sign
19 an agreement, as a condition of obtaining or continuing a franchise, that contains
20 provisions that are void or prohibited under sub. ~~(2)~~ ^(bm) s. 218.0114 (9) or attempts
21 to enforce an agreement with void or prohibited provisions.

22 **SECTION 156.** 218.01 (3) (a) [✓]36. d. of the statutes is renumbered 218.0116 (1)
23 (qm) 4. (intro.) and amended to read:

24 218.0116 (1) (qm) 4. (intro.) Requires or coerces a dealer or distributor to
25 ~~execute~~ sign an agreement that requires arbitration as a condition of obtaining or

1 continuing a franchise, unless the dealer or distributor has the option of signing an
2 otherwise identical agreement without the arbitration provision or unless the
3 agreement provides for arbitration on a case-by-case basis and only when both
4 parties elect to refer the matter to arbitration. This ~~subd. 36. d.~~ [✓] subdivision [✓] does not
5 apply to a manufacturer or distributor who enters into an agreement that creates a
6 new franchise for a new line make of motor vehicle, if ~~the~~ each of the following is
7 applicable:

8 a. The arbitration provision was the subject of good faith negotiations with a
9 representative group of dealers, ~~and if each.~~

10 b. Each dealer voluntarily accepts the arbitration provision after receiving a
11 franchise offering circular under s. 553.27 (4) that discloses the existence and effect
12 of the arbitration provision, ~~and if the.~~

13 c. The manufacturer or dealer files a copy of the franchise offering circular and
14 proof of good faith negotiation and voluntary acceptance of the arbitration with any
15 filing required under ~~sub. (2) (bd) 1.~~ [✓] s. 218.0114 (7) (a).

16 **SECTION 157.** 218.01 (3) (a) 37. of the statutes is renumbered 218.0116 (1) (r)
17 and amended to read:

18 218.0116 (1) (r) Being a manufacturer, distributor or importer who fails to
19 designate in writing the area of sales responsibility assigned to a motor vehicle
20 dealer or who changes or attempts to change an area of sales responsibility to avoid
21 the requirements of ~~par. (f)~~ [✓] sub. (7).

22 **SECTION 158.** 218.01 (3) (a) 38. of the statutes is renumbered 218.0116 (1) (rm)
23 and amended to read:

1 218.0116 (1) (rm) Being a grantor, as defined in ~~sub. (3r) (a) 2.~~ [✓] s. 218.0133 (1)
2 (b), who fails to pay a motor vehicle dealer agreement termination benefits under
3 ~~sub. (3r)~~ [✓] s. 218.0133. ✓

4 **SECTION 159.** 218.01 (3) (a) [✓] 39. of the statutes is renumbered 218.0116 (1) (s)
5 and amended to read:

6 218.0116 (1) (s) Being a manufacturer or distributor who modifies a motor
7 vehicle dealer agreement during the term of the agreement or upon its renewal
8 without complying with ~~par. (fm)~~ [✓] sub. (8).

9 **SECTION 160.** 218.01 (3) (a) [✓] 40. of the statutes is renumbered 218.0116 (1) (sm)
10 and amended to read:

11 218.0116 (1) (sm) Having violated s. ~~218.017~~ [✓] 218.0172. ✓

12 **SECTION 161.** 218.01 (3) (a) [✓] 41. of the statutes is renumbered 218.0116 (1) (t)
13 and amended to read:

14 218.0116 (1) (t) Being a manufacturer, importer or distributor who compels a
15 dealer, through a financing subsidiary of the manufacturer, importer or distributor,
16 to agree to unreasonable operating requirements or who directly or indirectly cancels
17 or fails to renew a dealer's franchise, except as allowed under ~~subs. (3) (a) 17. and (3n)~~
18 [✓] par. (i) and s. 218.0132, through the actions of a financing subsidiary of the
19 manufacturer, importer or distributor. This ~~subdivision~~ [✓] paragraph does not limit the
20 right of a financing subsidiary to engage in business practices in accordance with the
21 usages of the trade in which it is engaged.

22 **SECTION 162.** 218.01 (3) (a) [✓] 42. of the statutes is renumbered 218.0116 (1) (tm)
23 and amended to read:

1 218.0116 (1) (tm) Being a licensee who wilfully refuses or fails to participate
2 in mediation pursuant to a demand for mediation served under sub. [✓](7m) (a) s.
3 218.0136 (1).

4 **SECTION 163.** 218.01 (3) (a) 43. of the statutes is renumbered 218.0116 (1) (u).

INSERT
51-5

5 **SECTION 164.** 218.01 (3) (b) of the statutes is renumbered 218.0116 (2) and
6 amended to read:

7 218.0116 (2) The licensor may without prior notice deny the application for a
8 license within 60 days after receipt ~~thereof~~ of the application by written notice to the
9 applicant, stating the grounds for ~~such~~ the denial. Within 30 days after ~~such~~
10 receiving the notice, the applicant may petition the division of hearings and appeals
11 to conduct a hearing to review the denial, and a hearing shall be scheduled with
12 reasonable promptness.

NOTE: "[P]rior" is inserted to eliminate an internal inconsistency.

13 **SECTION 165.** 218.01 (3) (bf) of the statutes is renumbered 218.0116 (3) and
14 amended to read:

15 218.0116 (3) (a) 1. Except as provided in subd. [✓]1. ~~b.~~ [✓]2., the department of
16 transportation shall not license an applicant as a dealer ~~an applicant~~ for the sale or
17 lease of motor vehicles at retail unless ~~such~~ the applicant owns or leases a vehicle
18 display lot and a permanent building ~~wherein~~ in which there are facilities to display
19 motor vehicles and ~~facilities~~ to repair functional and nonfunctional parts of motor
20 vehicles ~~and,~~ where replacement parts, repair tools and equipment to service motor
21 vehicles are kept, and at which ~~place of business shall be kept and maintained~~ the
22 books, records and files necessary to conduct the dealer's business shall be kept and
23 maintained.

1 1m. A residence, tent or temporary stand is not a sufficiently permanent place
2 of ~~business building~~ within the meaning of ~~this paragraph~~ ^x subd. 1. [✓]

3 2. The requirements in [✓] subd. 1. ~~a.~~ [✓] that an applicant own or lease a vehicle
4 display lot and that the permanent building owned or leased by the applicant contain
5 facilities to display motor vehicles do not apply to persons who are engaged only in
6 the leasing of motor vehicles and who do not maintain an inventory of motor vehicles
7 offered for lease.

8 (b) An approved service contract with an established repair shop having the
9 repair parts and repair facilities specified in ~~subd. par. (a)~~ ^x 1. [✓] shall serve in lieu of the
10 applicant's owning or leasing the applicant's own repair facilities if ~~such~~ the service
11 connection is within a reasonable distance from the applicant's place of business and
12 if ~~such~~ the service connection guarantees in writing the making of the repairs or
13 replacements ordered by the dealer.

14 (c) This ~~paragraph~~ ^x subsection [✓] does not apply to persons who deal only in
15 mopeds or motor bicycles.

16 **SECTION 166.** 218.01 (3) [✓] (c) of the statutes is renumbered
17 218.0116 [✓] (4) and amended to read:

18 218.0116 (4) (a) No license may be suspended or revoked except after a hearing
19 ~~thereon on the possible suspension or revocation.~~ ^x Except as provided in subd. 2. par. [✓]
20 (b), the licensor shall give the licensee at least 5 days' notice of the time and place of
21 such the hearing, and the. The order suspending or revoking such the license shall
22 not be effective until after 10 days' written notice thereof of the order to the licensee,
23 after such the hearing under this paragraph [✓] has been had held.

24 (b) When in the licensor's opinion the best interest of the public or the trade
demands it, for conduct or under circumstances specified in ~~this section~~ [✓] ss. 218.0101 [✓]

1 to 218.0163[✓] or in rules promulgated by the licensor, the licensor may suspend a
2 license upon not less than 24 hours' notice of hearing and with not less than 24 hours'
3 notice of the suspension of the license.

4 (c) Matters involving suspensions or revocations brought before the
5 department of transportation shall be heard and decided upon by the division of
6 hearings and appeals. If the department of transportation requests the division of
7 hearings and appeals to hear a matter brought before the department of
8 transportation under ~~subd. 2, par. (b)~~[✓], the division of hearings and appeals shall hear
9 and decide the matter within 30 days after the date of the department of
10 transportation's request.

11 **SECTION 167.** 218.01 (3) (d)[✓] of the statutes is renumbered 218.0116 (5)[✓] and
12 amended to read:

13 218.0116 (5) The licensor may inspect the pertinent books, records, letters and
14 contracts of a licensee and shall determine the cost of an examination. The cost of
15 an examination shall be paid by ~~such the~~ licensee so examined within 30 days after
16 demand ~~therefor for the examination~~ by the licensor, ~~and the~~. The licensor may
17 maintain an action for the recovery of ~~such the~~ costs of the examination in any court
18 of competent jurisdiction.

19 **SECTION 168.** 218.01 (3) (e)[✓] of the statutes is renumbered 218.0116 (6)[✓] and
20 amended to read:

21 218.0116 (6) If a licensee is a firm, corporation or limited liability company, it
22 shall be sufficient cause for the denial, suspension or revocation of a license that any
23 officer, director, trustee or manager of the firm, corporation or limited liability
24 company, or any member in case of a partnership, has been guilty of any act or
25 omission which would be cause for refusing, suspending or revoking a license to ~~such~~

1 that party as an individual. Each licensee shall be responsible for the acts of any or
2 all of his or her salespersons while acting as his or her agent, if the licensee approved
3 of or had knowledge of the acts or other similar acts and after ~~such approval~~
4 approving of or obtaining knowledge of the acts retained the benefit, proceeds, profits
5 or advantages accruing from the acts or otherwise ratified the acts.

6 **SECTION 169.** 218.01 (3) (f) 1. of the statutes is renumbered 218.0116 (7) (a) 1.
7 and amended to read:

8 218.0116 (7) (a) 1. A manufacturer, importer or distributor who seeks to enter
9 into a franchise agreement establishing or relocating a motor vehicle dealership,
10 parts outlet or service outlet within the relevant market area of an existing
11 enfranchised dealer of the line make of motor vehicle shall first notify, in writing, the
12 department of transportation and ~~each such~~ that existing enfranchised dealer of its
13 intention to establish or relocate a dealership or outlet. Within 30 days of receiving
14 the notice or within 30 days after the end of any appeal procedure provided by the
15 manufacturer, importer or distributor, whichever is later, any existing enfranchised
16 dealer of the same line make to whom the manufacturer, importer or distributor is
17 required to give notice under this ~~subdivision~~ paragraph may file with the
18 department of transportation and the division of hearings and appeals a complaint
19 protesting the proposed establishment or relocation of the dealership or outlet within
20 the relevant market area of the existing enfranchised dealer.

21 2. If a complaint is filed under subd. 1., the department of transportation shall
22 inform the manufacturer, importer or distributor that a timely complaint has been
23 filed, that a hearing is required, and that the proposed franchise agreement may not
24 be entered into until the division of hearings and appeals has held a hearing, nor
25 thereafter, if the division of hearings and appeals determines that there is good cause

1 for not permitting the proposed establishment or relocation of the dealership or
2 outlet. In the event of multiple complaints, hearings shall be consolidated to expedite
3 the disposition of the issue.

4 **SECTION 170.** 218.01 (3) (f) 2. of the statutes is renumbered 218.0116 (7) (b), and
5 218.0116 (7) (b) 8., as renumbered, is amended to read:

6 218.0116 (7) (b) 8. The effect the denial of such the proposed establishment or
7 relocation would have on the license applicant, dealer or outlet operator who is
8 seeking to establish or relocate a dealership or outlet.

9 **SECTION 171.** 218.01 (3) (f) 3. of the statutes is renumbered 218.0116 (7) (c).

10 **SECTION 172.** 218.01 (3) (f) 4. (intro.) of the statutes is renumbered 218.0116
11 (7) (d) (intro.) and amended to read:

12 218.0116 (7) (d) (intro.) For purposes of this paragraph subsection:

13 **SECTION 173.** 218.01 (3) (f) 4. a. of the statutes is renumbered 218.0116 (7) (d)
14 1h. and amended to read:

15 218.0116 (7) (d) 1h. The reopening or replacement of a dealership or outlet that
16 has been closed for less than 2 years, at the original location or within 2 miles of the
17 original location by the closest highway route, is not the establishment of a motor
18 vehicle dealership or outlet, unless the location is within 4 miles, by the closest
19 highway route, of another franchised dealer of the same line make and is closer to
20 that dealer than the closed dealership or outlet. ~~In this subd. 4. a., "closed" means~~
21 ~~the effective date of the termination or expiration of the dealership's or outlet's~~
22 ~~license or franchise, whichever is earlier.~~

23 1m. The reopening or replacement of a dealership or outlet that has been closed
24 for less than 2 years at a location other than the original location and other than a
25 location within 2 miles of the original location by the closest highway route, but

1 within the area of sales responsibility that had been assigned to the closed dealership
2 or outlet by the manufacturer, importer or distributor is not the establishment of a
3 motor vehicle dealership or outlet, unless the new location is within 6 miles, by the
4 closest highway route, of another franchised dealer of the same line make and is
5 closer to that dealer than the closed dealership or outlet.

6 1q. The reopening or replacement of a dealership or outlet that has been closed
7 for 2 or more years or that is at a location outside of the area of sales responsibility
8 that had been assigned to the closed dealership or outlet by the manufacturer,
9 importer or distributor is the establishment of a dealership or outlet.

NOTE: The definition of "closed" is recreated by this bill as s. 218.0116 (7) (d) 1d.
for proper placement consistent with current style.

10 **SECTION 174.** 218.01 (3) (f) 4. b. of the statutes is renumbered 218.0116 (7) (d)
11 2.

12 **SECTION 175.** 218.01 (3) (f) 4. c. of the statutes is renumbered 218.0116 (7) (d)
13 3. and amended to read:

14 218.0116 (7) (d) 3. The establishment or relocation of a service or parts outlet
15 requires that notice be given under ~~subd. 1.~~ ^x par. (a) ^v to existing enfranchised dealers
16 who are otherwise entitled to receive ~~such~~ notice under par. (a) and who are
17 authorized to perform work to rectify product or warranty defects or delivery and
18 preparation obligations on the same line make as the proposed service outlet or to
19 use a trade name, trademark or service mark that is also proposed to be used by the
20 proposed service or parts outlet, except that the establishment or relocation of a
21 service or parts outlet that is owned and operated by a motor vehicle dealership
22 enfranchised by the manufacturer, importer or distributor requires that notice be
23 given only to existing dealers who are otherwise entitled to receive ~~such~~ notice under

1 par. (a) and who hold a franchise to sell the same line make as the dealership that
2 will own and operate the proposed service or parts outlet.

3 **SECTION 176.** 218.01 (3) (f) 4. d. of the statutes is renumbered 218.0116 (7) (d)
4 and amended to read:

5 218.0116 (7) (d) 4. A manufacturer's, importer's or distributor's authorization
6 of a fleet owner to perform warranty or delivery and preparation work only on the
7 fleet owner's own vehicles is not the establishment of a service outlet. In this subd.

8 4. d. subdivision, "fleet".

← move stricken text

9 a. "Fleet owner" means a person who owns for its own use or for the use of others
10 10 or more motor vehicles of the current or preceding model year manufactured or
11 sold by the manufacturer, importer or distributor who is authorizing the warranty
12 work to be performed, ~~except that "fleet~~.

13 b. "Fleet owner" does not include persons engaged in the business of leasing
14 motor vehicles to individual consumers.

15 **SECTION 177.** 218.01 (3) (f) 4. e. of the statutes is renumbered 218.0116 (7) (d)
16 5.

17 **SECTION 178.** 218.01 (3) (fm) of the statutes is renumbered 218.0116 (8).

18 **SECTION 179.** 218.01 (3) (g) of the statutes, ~~as affected by 1997 Wisconsin Act~~

19 ~~179~~ is renumbered 218.0116 (9) and amended to read:

20 218.0116 (9) Any person in interest aggrieved by a decision of the division of
21 hearings and appeals or an order of the division of banking may have a review ~~thereof~~
22 of the decision as provided in ch. 227.

23 **SECTION 180.** 218.01 (3) (h) of the statutes is renumbered 218.0116 (10) and
24 amended to read: