

2001 DRAFTING REQUEST

Bill

Received: **02/23/2001**

Received By: **phurley**

Wanted: **As time permits**

Identical to LRB:

For: **Robert Ziegelbauer (608) 266-0315**

By/Representing: **tom kelly**

This file may be shown to any legislator: **NO**

Drafter: **phurley**

May Contact:

Addl. Drafters:

Subject: **Transportation - motor vehicles**

Extra Copies: **TNF, ARG**

Submit via email: **NO**

Requester's email:

Pre Topic:

No specific pre topic given

Topic:

Title branding for hail-damaged motor vehicles

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	phurley 05/16/2001	gilfokm 05/17/2001	rschluet 05/21/2001	_____	lrb_docadmin 05/21/2001		State
/2	phurley 05/24/2001	gilfokm 05/24/2001	pgreensl 05/24/2001	_____	lrb_docadmin 05/24/2001	lrb_docadminState 06/27/2001	

FE Sent For:

↳ At Intro.

<END>

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FE Sent For:

*12-5/KMG
12-24-01*

*3/24
pg*

*self
<END>*

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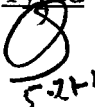
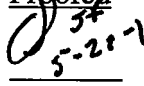
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Instructions:

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1?	phurley	1-5 / KMG 1/17-01	 5-21-01	 5-21-01			State

FE Sent For:

<END>

LEGISLATIVE REFERENCE BUREAU

BILL REQUEST FORM

Legal Section, 5th Floor, 100 N. Hamilton St.
(608) 266-3561

Use of this form is optional. It is often helpful to talk directly with the LRB attorney who will draft the bill. Use this form only for **BILL** drafts. Attach more pages if necessary.

Date of request: 2-22-01	Legislator or agency requesting this draft: Rep. Bob Ziegelbauer
Name/phone number of person submitting request: Tom Kelly / 266-0315	
Persons to contact for questions about this draft (names and phone numbers please): Rep. Ziegelbauer (920) 684-6783 Tom Kelly or Luanne Kostelic 266-0315	
Describe the problem, including any helpful examples. How do you want to solve the problem? Rep. Ziegelbauer would like to introduce a bill to modify the current salvaged vehicle brand branding law and create a hail damaged vehicle brand. This idea comes in the aftermath of a powerful storm that hit the village of St. Nazianz on May 12, 2000. The storm damaged hundreds of cars many of which received a salvaged vehicle brand even though the damage was largely superficial.	
If you know of any statute sections that might be affected, please list them or provide a marked (not re-typed) copy.	

Please attach a copy of any correspondence or material that may help us. You may also attach a marked (not re-typed) copy of any LRB draft, or provide its number (e.g., 1997 LRB-2345/1 or 1995 AB-67):

Please see attached notes.

Requests are confidential unless stated otherwise.

May we tell others that we are working on this for you? YES NO

If yes, anyone who asks? YES NO But keep the details confidential.

Any legislator? YES NO ONLY the following persons:

Do you consider this urgent? YES NO If yes, please indicate why:

Is this request of higher priority than other pending request(s) you have made?

YES NO If yes, please sign your name here:

Thomas M Kelly III



BOB ZIEGELBAUER

STATE REPRESENTATIVE • TWENTY FIFTH ASSEMBLY DISTRICT

HAIL DAMAGED VEHICLE LEGISLATION

1) DEFINITION OF SALVAGE VEHICLE

- Revise Section 342.065 (C) of the Wisconsin Statute to define insurance claim to exclude "airbag modules and any damage or defective restraint system parts." 2

2) HAIL DAMAGE TITLE BRAND

- Create a "hail damage title" brand, which meets the following criteria:
 - "Hail damage vehicles" means any motor vehicle that is not precluded from subsequent registration or title which is damaged by hail to the extent that the estimated actual cost, whichever is greater, of appearing to be a quote exceeds 70% of its fair market value.
 - "Hail damage vehicles" to not need to be inspected.
 - "Hail damage vehicles" are exempt from the "salvage vehicle" brand and inspection.

3) SALVAGE VEHICLE INSPECTION

- Amend Section 342.07 to provide that the Department of Transportation is authorized to contract with certified private inspectors to conduct repaired salvage vehicle inspections.
- DOT by rule will establish a certification program for private inspectors. The rule will include the requirements that must be met by an individual that wishes to become a certified inspector.
- The rule will also include a provision that prohibits the certified inspector from inspecting vehicles that were repaired by the inspector or by the business from which the inspector works.
- Inspection of VIN numbers will remain the function of a "law enforcement officer"
- Inspection fees as established by the Legislature will be divided with 75% going to the certified private inspector and 25% going to the law enforcement officer.

STATE CAPITOL: P.O. BOX 8953, MADISON, WI 53708-8953 • (608) 266-0315
TOLL FREE: 1-888-529-0025 • FAX (608) 266-0316 • E-MAIL: bob.ziegelbauer@legis.state.wi.us
DISTRICT: 1213 S. 8TH STREET, P.O. BOX 325, MANITOWOC, WI 54221-0325
MANITOWOC OFFICE: (920) 684-6783 • HOME: (920) 684-4362

PRINTED ON RECYCLED PAPER

Printed in
Manitowoc Co.



PJH: King

2001 BILL

D-note
5-16-01
soon

granting rule -
making authority,
and making
an appropriation

Gen. Cat.

1 AN ACT relating to: hail-damaged vehicles and salvage vehicles.

Analysis by the Legislative Reference Bureau

This bill defines "hail-damaged vehicles" as vehicles that are damaged by hail to the extent that the estimated or actual cost, whichever is greater, of repairing the vehicle exceeds 70% of its fair market value. If a vehicle is hail-damaged, its owner must disclose that fact to any new purchaser of the vehicle, and when a new or duplicate certificate of title is issued for the vehicle, the department of transportation (DOT) permanently records ~~the fact that it is a hail-damaged vehicle~~ on the new or duplicate certificate of title. *that*

Under current law, a "salvage vehicle" is defined as a vehicle that may be subsequently titled or registered and ~~which~~ is damaged by collision or other occurrence to the extent that the estimated or actual cost, whichever is greater, of repairing the vehicle exceeds 70% of its fair market value. If a new or duplicate certificate of title is issued for a salvage vehicle, DOT will record the fact that the vehicle is a salvage vehicle on the certificate of title. If an insurer pays an insurance claim on the vehicle that exceeds 70% of the vehicle's fair market value but does not take ownership interest in the vehicle, the insurer must notify DOT that the vehicle meets the definition of a salvage vehicle. *that*

Under current law, if a salvage vehicle is repaired, it must be examined by an inspector authorized by DOT. If the vehicle passes the inspection, a new certificate of title is issued for the vehicle that permanently records that the vehicle was previously a salvage vehicle. *the fact*

Under current law, if a salvage vehicle inspector is employed by a city, town, village, or county, 75% of the \$80 inspection fee is returned to that governmental unit; DOT retains the rest.

and

BILL

This bill allows DOT to contract with a private individual or agency to inspect salvage vehicles after repair, except that a private individual or agency may not verify the vehicle identification number (VIN) on a salvage vehicle. In addition, a certified inspector may not inspect a salvage vehicle that has been repaired by the inspector, his or her employer, or his or her employee. Under the bill, if a private individual or agency under contract with DOT performs everything but the VIN inspection, the individual or agency receives 75% of the fee and the remaining 25% goes to the city, town, village, or county that employs the VIN inspector.

The bill also excludes all costs of replacing or repairing any airbag or component of an airbag, or repairing or replacing any safety belt or restraint system or any component of a safety belt or restraint system from the amount paid by an insurer for purposes of determining whether a vehicle meets the statutory definition of a salvage vehicle.

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

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

1 **SECTION 1.** 20.395 (5) (ch) (title) of the statutes is amended to read:

2 20.395 (5) (ch) (title) *Repaired salvage vehicle examinations, municipal and*
3 *county reimbursements, state funds.*

4 **SECTION 2.** 20.395 (5) (dj) of the statutes is created to read:

5 20.395 (5) (dj) *Repaired salvage vehicle examinations, private inspector*
6 *reimbursements, state funds.* From the general fund, all moneys received from the
7 repaired salvage vehicle examination fee under s. 342.07 (3) (a) that are distributed
8 under s. 342.07 (3) (c) for the purpose of providing reimbursement to inspectors
9 under s. 342.07 (3) (c) for examinations under s. 342.07 (2).

10 **SECTION 3.** 25.40 (1) (a) 21. of the statutes is created to read:

11 25.40 (1) (a) 21. Fees collected under s. 342.07 (3) (a) that are deposited in the
12 general fund and credited to the appropriation account under s. 20.395 (5) (dj).

13 **SECTION 4.** 340.01 (20m) of the statutes is created to read:

BILL

1 340.01 (20m) "Hail-damaged vehicle" means a vehicle that is not precluded
 2 from subsequent registration and titling and ~~which~~^{that} is damaged by hail to the extent
 3 that the estimated or actual cost, whichever is greater, of repairing the vehicle
 4 exceeds 70% of its fair market value.

5 **SECTION 5.** 340.01 (55g) of the statutes is amended to read:

6 340.01 (55g) "Salvage vehicle" means a vehicle less than 7 years old that is not
 7 precluded from subsequent registration and titling and which is damaged by
 8 collision or other occurrence to the extent that the estimated or actual cost,
 9 whichever is greater, of repairing the vehicle exceeds 70% of its fair market value.

10 The term does not include hail-damaged vehicles.

History: 1971 c. 100 s. 23; 1971 c. 201, 211, 233, 277, 307; 1973 c. 86, 157, 182, 185, 272, 333, 335; 1973 c. 336 s. 79; 1975 c. 25, 120, 121, 136, 192, 199, 320, 326; 1975 c. 429 ss. 2m, 2r, 3, 4, 8, 9; 1977 c. 5; 1977 c. 29 ss. 1405 to 1410, 1654 (3); 1977 c. 30 s. 5; 1977 c. 43, 55, 57, 116, 193, 272, 288, 418; 1979 c. 36, 221; 1979 c. 333 s. 5; 1979 c. 345; 1981 c. 20, 159, 329; 1983 a. 27, 78, 124, 130, 175; 1983 a. 189 ss. 249, 329 (17m), (24); 1983 a. 223, 227, 243, 270, 457, 459; 1983 a. 512 s. 8; 1983 a. 538; 1985 a. 29, 65; 1985 a. 146 s. 8; 1985 a. 165, 187, 287; 1987 a. 259, 270, 349, 399; 1989 a. 31; 1989 a. 75 s. 1; 1989 a. 102; 1989 a. 105 ss. 13 to 30, 37, 41, 42; 1989 a. 134, 170; 1991 a. 39, 239, 269, 277, 316; 1993 a. 15, 16, 63, 159, 198, 213, 246, 260, 399, 436, 490; 1995 a. 27 s. 9145 (1); 1995 a. 36, 77, 113, 138, 225, 436, 448; 1997 a. 27, 164, 252, 277; 1999 a. 9, 31, 80, 85, 109, 140.

11 **SECTION 6.** 342.065 (1) (c) of the statutes is amended to read:

12 342.065 (1) (c) If the interest of an owner in a salvage vehicle that is titled in
 13 this state is not transferred upon payment of an insurance claim that, including any
 14 deductible amounts exceeds 70% of the fair market value of the vehicle, any insurer
 15 of the vehicle shall, within 30 days of payment of the insurance claim, notify the
 16 department in writing of the claim payment and that the vehicle meets the statutory
 17 definition of a salvage vehicle, in the manner and form prescribed by the department.
 18 Calculation of the amount paid under an insurance claim shall exclude any amounts
 19 paid to repair or replace any airbag or component of an airbag, or any safety belt or
 20 restraint system or component of a safety belt or restraint system.

History: 1993 a. 63 s. 5, 6, 11; 1997 a. 283.

21 **SECTION 7.** 342.07 (2m) of the statutes is created to read:

22 342.07 (2m) Notwithstanding sub. (2), the department may contract with a
 23 private individual or agency to examine a repaired salvage vehicle for the purposes

BILL

1 of sub. (2) (b) and (c). The contract shall contain a provision prohibiting the inspector
2 from examining a vehicle that was repaired by the inspector, any employer that
3 employs the inspector, or any employee employed by the inspector.

4 **SECTION 8.** 342.07 (3) (b) of the statutes is renumbered 342.07 (3) (b) 1. and
5 amended to read:

6 342.07 (3) (b) 1. If Except as provided in subd. 2., if the examination is
7 conducted by an inspector employed by a city, village, town or county, 75% of the fee
8 paid under par. (a) shall be credited to the appropriation under s. 20.395 (5) (ch) and
9 the city, village, town or county employing the inspector shall be reimbursed this
10 amount from that appropriation.

History: 1975 c. 385, 421; 1977 c. 29 s. 1654 (7) (a); 1987 a. 349; 1993 a. 16, 437; 1999 a. 9.

11 **SECTION 9.** 342.07 (3) (b) 2. of the statutes is created to read:

12 342.07 (3) (b) 2. If an inspector employed by a city, village, town, or county
13 conducts only the examination under sub. (2) (a), 25% of the fee paid under par. (a)
14 shall be credited to the appropriation under s. 20.395 (5) (ch) and the city, village,
15 town, or county employing the inspector shall be reimbursed this amount from that
16 appropriation.

17 **SECTION 10.** 342.07 (3) (c) of the statutes is created to read:

18 342.07 (3) (c) If an inspector ~~employed~~ ^{contracted with} by the department under sub. (2m)
19 conducts the examination under sub. (2) (b) and (c), 75% of the fee paid under par.
20 (a) shall be credited to the appropriation under s. 20.395 (5) (dj) and the inspector
21 shall be reimbursed this amount from that appropriation.

22 **SECTION 11.** 342.07 (5) of the statutes is created to read:

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2630/1dn

PJH: King

Representative Ziegelbauer:

Please review this draft carefully to ensure that it is consistent with your intent.

Please note that under current law, the department of transportation (DOT) retains 25% of the \$80 inspection fee if the salvage vehicle is inspected by a law enforcement officer; the law enforcement agency is reimbursed the remaining 75%. Under this draft, if law enforcement officer performs the VIN inspection and a private inspector performs the rest of the inspection, the law enforcement agency will receive 25% of the \$80 fee and the private inspector will receive 75%. DOT will not receive any portion of the fee; is this your intent?

Peggy Hurley
Legislative Attorney
Phone: (608) 266-8906
E-mail: peggy.hurley@legis.state.wi.us

DRAFTER'S NOTE
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PJH:kmg:rs

May 21, 2001

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Please note that, under current law, the department of transportation (DOT) retains 25% of the \$80 inspection fee if the salvage vehicle is inspected by a law enforcement officer; the law enforcement agency is reimbursed the remaining 75%. Under this draft, if a law enforcement officer performs the VIN inspection and a private inspector performs the rest of the inspection, the law enforcement agency will receive 25% of the \$80 fee and the private inspector will receive 75%. DOT will not receive any portion of the fee; is this your intent?

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5-22-01

Tom @ Ziegelbaker's office

01-2630

- Take out airbag sections (6)

- Inspection fee - keep as is for now



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-26301 ²
PJH:kmg:rs
redraft
already
run

2001 BILL

D-note

Sen. Cat.

1 AN ACT to renumber and amend 342.07 (3) (b); to amend 20.395 (5) (ch) (title),
2 340.01 (55g) and 342.065 (1) (c); and to create 20.395 (5) (dj), 25.40 (1) (a) 21.,
3 340.01 (20m), 342.07 (2m), 342.07 (3) (b) 2., 342.07 (3) (c), 342.07 (5) and 342.10
4 (3) (h) of the statutes; relating to: hail-damaged vehicles and salvage vehicles,
5 granting rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill defines "hail-damaged vehicles" as vehicles that are damaged by hail to the extent that the estimated or actual cost, whichever is greater, of repairing the vehicle exceeds 70% of its fair market value. If a vehicle is hail-damaged, its owner must disclose that fact to any new purchaser of the vehicle, and when a new or duplicate certificate of title is issued for the vehicle the department of transportation (DOT) permanently records that fact on the new or duplicate certificate of title.

Under current law, a "salvage vehicle" is defined as a vehicle that may be subsequently titled or registered and that is damaged by collision or other occurrence to the extent that the estimated or actual cost, whichever is greater, of repairing the vehicle exceeds 70% of its fair market value. If a new or duplicate certificate of title is issued for a salvage vehicle, DOT will record the fact that the vehicle is a salvage vehicle on the certificate of title. If an insurer pays an insurance claim on the vehicle that exceeds 70% of the vehicle's fair market value but does not take ownership interest in the vehicle, the insurer must notify DOT that the vehicle meets the definition of a salvage vehicle.

BILL

Under current law, if a salvage vehicle is repaired, it must be examined by an inspector authorized by DOT. If the vehicle passes the inspection, a new certificate of title is issued for the vehicle that permanently records the fact that the vehicle was previously a salvage vehicle.

Under current law, if a salvage vehicle inspector is employed by a city, town, village, or county, 75% of the \$80 inspection fee is returned to that governmental unit and DOT retains the rest.

This bill allows DOT to contract with a private individual or agency to inspect salvage vehicles after repair, except that a private individual or agency may not verify the vehicle identification number (VIN) on a salvage vehicle. In addition, a certified inspector may not inspect a salvage vehicle that has been repaired by the inspector, his or her employer, or his or her employee. Under the bill, if a private individual or agency under contract with DOT performs everything but the VIN inspection, the individual or agency receives 75% of the fee and the remaining 25% goes to the city, town, village, or county that employs the VIN inspector.

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8 under s. 342.07 (3) (c), for the purpose of providing reimbursement to inspectors
9 under s. 342.07 (3) (c) for examinations under s. 342.07 (2).

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12 whichever is greater, of repairing the vehicle exceeds 70% of its fair market value.
13 The term does not include hail-damaged vehicles.

14 **SECTION 6.** 342.065 (1) (c) of the statutes is amended to read:

15 342.065 (1) (c) If the interest of an owner in a salvage vehicle that is titled in
16 this state is not transferred upon payment of an insurance claim that, including any
17 deductible amounts exceeds 70% of the fair market value of the vehicle, any insurer
18 of the vehicle shall, within 30 days of payment of the insurance claim, notify the
19 department in writing of the claim payment and that the vehicle meets the statutory
20 definition of a salvage vehicle, in the manner and form prescribed by the department.

21 ~~Calculation of the amount paid under an insurance claim shall exclude any amounts~~
22 ~~paid to repair or replace any airbag or component of an airbag, or any safety belt or~~
23 ~~restraint system or component of a safety belt or restraint system.~~

24 **SECTION 7.** 342.07 (2m) of the statutes is created to read:

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1 342.07 (2m) Notwithstanding sub. (2), the department may contract with a
2 private individual or agency to examine a repaired salvage vehicle for the purposes
3 of sub. (2) (b) and (c). The contract shall contain a provision prohibiting the inspector
4 from examining a vehicle that was repaired by the inspector, any employer that
5 employs the inspector, or any employee employed by the inspector.

6 **SECTION 8.** 342.07 (3) (b) of the statutes is renumbered 342.07 (3) (b) 1. and
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11 the city, village, town or county employing the inspector shall be reimbursed this
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14 342.07 (3) (b) 2. If an inspector employed by a city, village, town or county
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16 shall be credited to the appropriation under s. 20.395 (5) (ch) and the city, village,
17 town or county employing the inspector shall be reimbursed this amount from that
18 appropriation.

19 **SECTION 10.** 342.07 (3) (c) of the statutes is created to read:

20 342.07 (3) (c) If an inspector contracted with by the department under sub. (2m)
21 conducts the examination under sub. (2) (b) and (c), 75% of the fee paid under par.
22 (a) shall be credited to the appropriation under s. 20.395 (5) (dj) and the inspector
23 shall be reimbursed this amount from that appropriation.

24 **SECTION 11.** 342.07 (5) of the statutes is created to read:

BILL

1 342.07 (5) The department shall promulgate rules to determine and certify the
2 competency of inspectors under sub. (2m) and to prescribe the manner and form for
3 certification under sub. (4).

4 **SECTION 12.** 342.10 (3) (h) of the statutes is created to read:

5 342.10 (3) (h) That the vehicle was a hail-damaged vehicle.

6 **SECTION 13. Initial applicability.**

7 (1) The treatment of section 342.065 (1) (c) of the statutes first applies to
8 payments of insurance claims made on the effective date of this subsection.

9 **SECTION 14. Effective date.**

10 (1) This act takes effect on the first day of the 4th month beginning after
11 publication.

12

(END)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2630/2dn

PJH:.....

Rmg

Tom:

This draft is identical to LRB-2630/1 except that it does not exclude the cost of repairing or replacing airbags, restraint systems, or safety belts from the amount paid by an insurer for the purposes of determining whether a vehicle meets the statutory definition of a salvage vehicle.

Peggy Hurley
Legislative Attorney
Phone: (608) 266-8906
E-mail: peggy.hurley@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2630/2dn
PJH:kmg:pg

May 24, 2001

Tom:

This draft is identical to LRB-2630/1, except that it does not exclude the cost of repairing or replacing airbags, restraint systems, or safety belts from the amount paid by an insurer for the purposes of determining whether a vehicle meets the statutory definition of a salvage vehicle.

Peggy Hurley
Legislative Attorney
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State of Wisconsin

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STEPHEN R. MILLER
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LEGAL SECTION: (608) 266-3561
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May 24, 2001

MEMORANDUM

To: Representative Ziegelbauer

From: Peggy J. Hurley, Legislative Attorney

Re: LRB-2630/2 Title branding for hail-damaged motor vehicles

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

JACKET FOR ASSEMBLY JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 266-8906 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266-3561 if you have any questions regarding this memorandum.



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STEPHEN R. MILLER
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August 10, 2001

MEMORANDUM

To: Representative Ziegelbauer

From: Peggy J. Hurley, Legislative Attorney, (608) 266-8906

Subject: Technical Memorandum to 2001 AB-458 (LRB-2630/2)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

TECHNICAL MEMORANDUM
2001 AB 458
DOT / State Patrol / Lorelee Brumund
July 20, 2001

2001 AB 458 addresses two different issues:

- Treatment of hail-damaged vehicles;
- Establishing private salvage vehicle inspections under contract with DOT.

The Department of Transportation recommends that the two issues be divided into two separate bills:

- While there will be some cost to DOT resulting from changes to treatment of hail-damaged vehicles, by far the greater fiscal impact will result from establishing a private salvage vehicle inspection program.
- The treatment of hail-damaged vehicles is a more immediate expressed need by the public, industry, and legislators, while establishing a private salvage inspection program has not received the same attention level.
- The issues are not inherently tied together and may be addressed separately without degradation.

TREATMENT OF HAIL-DAMAGED VEHICLES

In discussions with the bill author, representatives of Wisconsin Auto and Truck Dealers Association (WATDA) and the DOT understood that the author's intent is to exempt from inspection a vehicle that is hail-damaged, when the owner keeps the vehicle and chooses not to repair the damage.

While AB 458 accomplishes that, the bill actually goes much farther. AB 458 completely excludes hail-damaged vehicles from inspection – even if that owner or a subsequent owner decides to repair the vehicle. But, whenever such large-scale damage is repaired, the vehicle should be inspected to ensure that no stolen parts were used in the repair.

DOT recommends the following technical changes to AB 458 which bill will accomplish the author's objective without going beyond the author's objective.

- Change the term "hail-damaged vehicle" to "unrepaired hail-damaged vehicle." This will be distinguished from a "repaired hail-damaged vehicle."
- Amend the definition of "unrepaired hail-damage vehicle":
 - 1) *"limited to vehicles less than 7 years old,"* similar to the salvage vehicle definition. Without this limitation, an older vehicle which suffers hail damage would actually be included in the law, even though anti-theft concerns are directed principally at newer vehicles;
 - 2) *Specify that the vehicle is damaged "exclusively" by hail.* Without that limitation, a vehicle owner whose vehicle is damaged very significantly by collision and only incidentally by hail, could avoid salvage inspection; and

- 3) *Specify that the vehicle is damaged “but the damaged components are not repaired or replaced.”* This would clarify that a person who keeps the vehicle and chooses not to repair or replace damaged components need not be subjected to an inspection. But, if that owner or a subsequent owner chooses to repair or replace those damaged components, then an anti-theft inspection would ensure that no stolen parts were used.
- Create a new definition of “repaired hail-damaged vehicle” which “means a vehicle less than 7 years old that is not precluded from subsequent registration and titling and that is damaged exclusively by hail to the extent that the estimated or actual cost, whichever is greater, of repairing the vehicle exceeds 70% of its fair market value and whose damaged components are repaired or replaced.” This is the category of hail-damaged vehicle that will undergo an inspection as a salvage vehicle.
 - Add to the requirements for a *repaired salvage vehicle* in s.342.07, Wis.Stats, that a “repaired hail-damaged vehicle” shall be subject to inspection requirements as a salvage vehicle as determined by administrative rule.

ESTABLISHING PRIVATE SALVAGE VEHICLE INSPECTIONS UNDER CONTRACT WITH DOT

The State Patrol is supportive of efforts to alleviate some of the workload generated by salvage vehicle inspections, yet is cautious in its approach to do so.

Two main issues must be addressed in any proposal to modify current salvage vehicle inspections as identified in Chapter 347 of the state statutes, and Trans 149.

- It is imperative that law enforcement retain the responsibility of ensuring that repaired vehicles titled as a “salvage vehicles” are thoroughly inspected to identify any stolen parts; the main focus of salvage inspection is anti-theft.
- It is also imperative that any move to private inspections which would require State Patrol oversight of private inspectors/agencies, inspection, training and recertification procedures to be efficient, and may require staff position(s) for State Patrol to administer. Otherwise, the move to private inspection will not accomplish its goal of relieving law enforcement of some of its workload.

Modification of inspections identified in newly created s.342.07(2m): If the State Patrol and other law enforcement agencies are to *relinquish any portion of salvage vehicle inspections, it would be only in the area of inspection of parts pertaining to safety requirements, as identified in s.342.07(2)(c), Wis.Stats.* Law enforcement inspectors would retain the authority to perform inspection identified in s.342.07(2)(a), Wis.Stats., which determines “if the repaired salvage vehicle is the same vehicle for which the original title was submitted”, i.e. a verification of the Vehicle Identification Number (VIN) for the vehicle, and the inspection identified in s.342.07(2)(b) which verifies “the source and ownership of the major parts and components used to recondition the vehicle (i.e. the “anti-theft” assurance of repair components). Law enforcement has the capability, access to information including criminal activities, and procedures to perform the legal verification of vehicles and major components of repaired vehicles.

Many private vendors have the equipment and mechanical/technical training necessary to expertly inspect and assess vehicle parts/components in terms of adherence to safety standards or to identify defects as identified in s.342.07(2)(c), Wis.Stats. The State Patrol recommends that an additional requirement, to be stated in s.342.07(2m), be placed on all and any private vendors to report to law enforcement any illegal parts that may be identified during an inspection of a salvage vehicle under s.342.07(2)(c).

Promulgation of rules and oversight: There are numerous issues that must be further researched within State Patrol before offering a complete response to the proposal in newly created s.342.07(5) to “promulgate rules to determine and certify the competency of inspectors under sub.(2m) and to prescribe the manner and form for certification under sub.(4) including:

- 1) a review of staffing and training requirements for oversight of the procedures and the identification of the necessary qualifications of the private individual or agency;
- 2) the development of a system of certification of private inspectors, inspection equipment, and certification of that inspection be efficient and effective enough not only to alleviate some of the workload from law enforcement, but also to ensure protection of the consumer and ease in completing the inspection;
- 3) the development of procedures to provide general oversight and performance audit of the private inspectors/agencies to timeliness of inspections, complete and accurate documentation of inspections, record-keeping procedures, authenticity of certifications, financial accounting, and customer service.

As the administrators of Trans 149, the Division of Motor Vehicles and the Division of State Patrol work jointly to meet both the statutory requirements and the operational requirements of salvage inspection. The State Patrol has performed the vast majority of salvage vehicle inspections statewide since 1986, and assumed the responsibility of the administration of all inspections and the training of other law enforcement agencies in 1995, all without obtaining additional funding. The focus of salvage inspection is “anti-theft” while creating a procedure that does not impose undue hardships on the vehicle owners or the repair facilities.

The changes in the inspection procedure as identified in Section 7 of AB 458 would require a substantial revision of the salvage vehicle inspection procedures:

- May increase the number of inspection locations for the vehicle owner, or may require law enforcement inspectors to travel to various locations to complete inspections on vehicles;
- Would require the addition of and funding for a new full-time employee (FTE) for program coordination, oversight, and audit, and;
- Could increase the training efforts to train private vendors on how to inspect vehicles and provide certification.

Inspection fee disbursement: The State Patrol recommends law enforcement officer retention of two of the three inspections required under s.342.07(2), Wis.Stats., thus requiring a review of the fee disbursement recommended in AB 458 which would permit other inspectors to perform verification of the major components used in the vehicle repair.

Inspector certification: Specifically, the State Patrol recommends that certification of private inspectors be implemented as a vendor certification process similar to the inspector certification procedures followed by the USDOT, Federal Highway Administration (FHWA), Motor Carrier Safety Regulations which indicate that it is the motor carrier's "responsibility to ensure that the individual(s) performing an annual inspection [on commercial motor vehicles] under section 396.17(d) and (e) is qualified...". Section 11 of AB 458 would be modified to identify that the private individuals and agencies would be responsible for certifying the competency of inspectors under sub. (2m), instead of requiring DOT certification. The USDOT, FHWA rules can be used as guidelines for private certification of inspectors as found in Part 396.19, with compliance with 49 CFR Part 393, and State, Federal, and Canadian Province training programs and certifications.