ASSEMBLY BILL 821 (LRB -3053)

An Act to amend 218.0111 (1) (intro.), 218.0114 (1), 218.0114 (13) (b) and (c), 218.0114 (18) and 218.33 (2) (a); and to create 218.0101 (22m), 218.0114 (14) (fm) and 218.34 of the statutes; relating to: motor vehicle buyers, granting rule-making authority, and providing a penalty. (FE)

2004

02-16.	A.	Introduced by Representative **Freese**; cosponsored by Senator **Leibham**.	
02-05.	A.	Read first time and referred to committee on Transportation	676
02-11.	A.	Public hearing held.	
02-16.	A.	Fiscal estimate received.	
02-17.	A.	Executive action taken.	
02-17.	A.	Assembly amendment 1 offered by committee on Transportation **(LRB a2146)**	704
02-17.	A.	Assembly amendment 2 offered by committee on Transportation **(LRB a2147)**	704
02-17.	A.	Assembly amendment 3 offered by committee on Transportation **(LRB a2158)**	704
02-23.	A.	Report Assembly Amendment 1 adoption recommended by committee on Transportation, Ayes 15, Noes 0	716
02-23.	A.	Report Assembly Amendment 3 adoption recommended by committee on Transportation, Ayes 15, Noes 0	716
02-23.	A.	Report passage as amended recommended by committee on Transportation, Ayes 15, Noes 0	716
02-23.	A.	Referred to committee on Rules	716
03-05.	A.	Placed on calendar 3-9-2004 by committee on Rules.	
03-09.	A.	Made a special order of business at 11:55 A.M. on 3-10-2004 pursuant to Assembly Resolution 38	817
03-10.	A.	Read a second time	844
03-10.	A.	Assembly amendment 1 **adopted**	844
03-10.	A.	Assembly amendment 3 **adopted**	844
03-10.	A.	Ordered to a third reading	844
03-10.	A.	Rules suspended	844
03-10.	A.	Read a third time and **passed**	845
03-10.	A.	Ordered immediately messaged	845
03-11.	S.	Received from Assembly.	
03-11.	S.	Read first time and referred to committee on Senate Organization.	
03-11.	S.	Available for scheduling.	
03-11.	S.	Rules suspended and taken up.	
03-11.	S.	Read a second time.	
03-11.	S.	Ordered to a third reading.	
03-11.	S.	Rules suspended.	
03-11.	S.	Read a third time and **concurred in**.	
03-11.	S.	Ordered immediately messaged.	
03-15.	A.	Received from Senate concurred in.	

2003
ENROLLED BILL

03en A B- 821

ADOPTED DOCUMENTS:

☒ Orig ☐ Engr ___ SubAmdt ___ 03- 3053/3

Amendments to above (if none, write "NONE"): AA1, AA3

Corrections – show date (if none, write "NONE"): None

Topic [illegible] MINUS RMA + penalty + approp

3/15/04 [signature]

Date Enrolling Drafter

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2003 ASSEMBLY BILL 821

February 5, 2004 – Introduced by Representative FREESE, cosponsored by Senator LEIBHAM. Referred to Committee on Transportation.

1-4 ✓ AA3

1 AN ACT ***to amend*** 218.0111 (1) (intro.), 218.0114 (1), 218.0114 (13) (b) and (c),
2 218.0114 (18) and 218.33 (2) (a); and ***to create*** 218.0101 (22m), 218.0114 (14)
3 (fm) and 218.34 of the statutes; **relating to:** motor vehicle buyers, granting
4 rule–making authority, and providing a penalty.

Analysis by the Legislative Reference Bureau

Current law requires a motor vehicle dealer, motor vehicle salesperson, and motor vehicle sales finance company to have a license issued by the Department of Transportation (DOT) in order to conduct business. A motor vehicle dealer is responsible for ensuring that each motor vehicle salesperson in his or her employ has a valid license. Failure to comply with these licensing requirements may result in a fine of not less than $500 nor more than $5,000. This bill defines a motor vehicle buyer as a person who is employed by one or more motor vehicle dealers to bid on or purchase a motor vehicle from a motor vehicle dealer or a motor vehicle auction and requires a motor vehicle buyer and a motor vehicle wholesaler to be licensed. A motor vehicle buyer must obtain a separate license for each motor vehicle dealer on whose behalf the buyer operates and each motor vehicle dealer is responsible for ensuring that each motor vehicle buyer in his or her employ has a valid license.

Under current law, motor vehicles sold at a motor vehicle auction may only be sold to licensed motor vehicle dealers. Under the bill, motor vehicles sold at a motor vehicle auction may be sold to licensed motor vehicle dealers, licensed motor vehicle wholesalers, and licensed motor vehicle buyers. The licensed dealer, wholesaler, or buyer must display his or her valid license and include his or her license number on

each sheet of any bid submitted to a motor vehicle auction and on any document evidencing the purchase of a motor vehicle from the auction. Prior to accepting a bid, the motor vehicle auction must verify that the license number displayed on the buyer or bidder's license and the number included on the bid or other documents are identical. After a motor vehicle is sold at an auction, the motor vehicle auction must include information, to be determined by DOT, to indicate that ownership of the vehicle was transferred by a motor vehicle auction.

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.** 218.0101 (22m) of the statutes is created to read:

2 218.0101 **(22m)** "Motor vehicle buyer" means an individual who is employed
3 by or who has contracted with one or more motor vehicle dealers to bid on or purchase
4 a motor vehicle being held and offered for sale by a motor vehicle dealer or motor
5 vehicle auction.

6 **SECTION 2.** 218.0111 (1) (intro.) of the statutes is amended to read:

7 218.0111 **(1)** (intro.) The department of transportation shall issue the licenses
8 provided for in s. 218.0114 (14) (a) to ~~(f)~~ (fm) and have supervision over the licensees
9 in respect to all of the provisions of ss. 218.0101 to 218.0163, except that the division
10 of banking shall have jurisdiction and control over all of the following:

11 **SECTION 3.** 218.0114 (1) of the statutes is amended to read:

12 218.0114 **(1)** No motor vehicle dealer, motor vehicle wholesaler, motor vehicle
13 salesperson, motor vehicle buyer, or sales finance company may engage in business
14 as a motor vehicle dealer, motor vehicle wholesaler, motor vehicle salesperson, motor
15 vehicle buyer, or sales finance company in this state without a license therefor as
16 provided in ss. 218.0101 to 218.0163. If any motor vehicle dealer acts as a motor
17 vehicle salesperson, he or she shall secure a motor vehicle salesperson's license in

addition to a motor vehicle dealer license. Every motor vehicle dealer shall be responsible for the licensing of every motor vehicle salesperson or motor vehicle buyer in his or her employ. Any person violating this subsection may be fined not less than $500 nor more than $5,000.

SECTION 4. 218.0114 (13) (b) and (c) of the statutes are amended to read:

218.0114 **(13)** (b) The department of transportation shall promulgate rules establishing the license period for each type of license described in sub. (14) (a) to ~~(f)~~ (fm).

(c) The department of transportation may promulgate rules establishing expiration dates for the various types of licenses described in sub. (14) (a) to ~~(f)~~ (fm).

SECTION 5. 218.0114 (14) (fm) of the statutes is created to read:

218.0114 **(14)** (fm) For motor vehicle buyers, $6. Any motor vehicle buyer who buys a motor vehicle on behalf of more than one dealership must hold a separate motor vehicle buyer license for each employing dealership.

SECTION 6. 218.0114 (18) of the statutes is amended to read:

218.0114 **(18)** Every salesperson, factory representative ~~or~~, distributor representative, or motor vehicle buyer shall carry his or her license when engaged in business, and display the license upon request. The license shall name the licensee's employer or motor vehicle dealership for whom the motor vehicle buyer is buying. Upon leaving an employer, or, in the case of a buyer, terminating a buying relationship with a motor vehicle dealership, the licensee shall immediately surrender the license to his or her employer or to the dealership, who shall mail the license to the licensor. If during the license period the licensee again is employed or acts as a salesperson or motor vehicle buyer, he or she shall make application for reissue of a salesperson's or motor vehicle buyer license. There shall be no fee in

connection with the subsequent ~~applications~~ application for a salesperson's license. The fee for a subsequent application for a motor vehicle buyer license is $6.

SECTION 7. 218.33 (2) (a) of the statutes is amended to read:

218.33 **(2)** (a) Sales of motor vehicles shall be confined to those offered by licensed motor vehicle dealers and shall be ~~sold~~ made only to ~~licensed motor vehicle dealers~~ a person who is qualified under s. 218.34 to purchase, or submit a bid for the purchase of, a motor vehicle from a motor vehicle auction.

SECTION 8. 218.34 of the statutes is created to read:

218.34 Purchases from a motor vehicle auction. (1) No person may purchase or submit a bid for the purchase of a motor vehicle from a motor vehicle auction unless the following conditions are satisfied:

(a) The person holds a valid motor vehicle dealer, motor vehicle wholesaler, or motor vehicle buyer license.

(b) If licensed as a motor vehicle buyer, the person bids on a vehicle for only one motor vehicle dealer at a time, and uses that dealer's funds when purchasing the vehicle.

(c) The person displays his or her valid motor vehicle dealer, motor vehicle wholesaler, or motor vehicle buyer license to the motor vehicle auction and includes his or her license number on each sheet of any bid submitted to a motor vehicle auction for the purchase of a motor vehicle or other document evidencing the purchase of a motor vehicle from a motor vehicle auction.

(2) No motor vehicle auction may accept a bid for the purchase of a motor vehicle or complete the sale transaction unless the person who submits the bid or offers to purchase a motor vehicle from the motor vehicle auction satisfies the requirements of sub. (1) and the motor vehicle auction verifies that the motor vehicle

dealer license, motor vehicle wholesaler license, or motor vehicle buyer license number displayed on the person's license and included on each sheet of that person's bid or other document evidencing the purchase of a motor vehicle are identical.

(3) For each motor vehicle sold by a motor vehicle auction, the motor vehicle auction shall enter on the certificate of title, or on the form or in the automated format used to reassign the title, any information that the department requires to indicate that ownership of the vehicle was transferred by a motor vehicle auction.

(END)

5-7 AA1

5-6 AA3

State of Wisconsin
2003–2004 LEGISLATURE

CORRECTIONS IN:

ASSEMBLY AMENDMENT 1,

TO ASSEMBLY BILL 821

Prepared by the Legislative Reference Bureau
(March 22, 2004)

In enrolling, the following correction was made:

1. Page 1, line 3: delete "**8m**" and substitute "**8x**".

(END)

LRBa2146/1ccc–1
KMG:pg

Minor clerical corrections in legislation are authorized under s. 35.17, stats.; Senate Rule 31; Assembly Rule 36; and Joint Rule 56.

ASSEMBLY AMENDMENT 1,

TO 2003 ASSEMBLY BILL 821

February 17, 2004 – Offered by COMMITTEE ON TRANSPORTATION.

At the locations indicated, amend the bill as follows:

1. Page 5, line 7: after that line insert: .

"**SECTION 8m. Effective date.**

(1) This act takes effect on the first day of the 7th month beginning after publication.".

(END)

ASSEMBLY AMENDMENT 3,

TO 2003 ASSEMBLY BILL 821

February 17, 2004 – Offered by COMMITTEE ON TRANSPORTATION.

1-4

At the locations indicated, amend the bill as follows:

1. Page 1, line 4: after "authority," insert "making an appropriation,".

2. Page 5, line 7: after that line insert:

"**SECTION 8m. Nonstatutory provisions.**

5-6

(1) Notwithstanding section 16.42 (1) (e) of the statutes, in submitting information under section 16.42 of the statutes for purposes of the 2005–07 biennial budget bill, the department of transportation shall submit a dollar amount for the appropriation under section 20.395 (5) (cq) of the statutes that is $44,000 less than the total amount appropriated under section 20.395 (5) (cq) of the statutes for the 2004–05 fiscal year, before submitting any information relating to any increase or decrease in the dollar amount for that appropriation for the 2005–07 fiscal biennium.

SECTION 8r. Appropriation changes.

5-6 cont

1 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation
2 to the department of transportation under section 20.395 (5) (cq) of the statutes, as
3 affected by the acts of 2003, the dollar amount is increased by $44,000 for fiscal year
4 2004–05 to increase funding for administering the buyer license card."

5 **(END)**