



---

---

**WISCONSIN LEGISLATIVE COUNCIL  
AMENDMENT MEMO**

<b>2003 Assembly Bill 419</b>	<b>Assembly Substitute Amendment 1</b>
<i>Memo published: September 15, 2003</i>	<i>Contact: Philip G. Cardis, Staff Attorney (267-0683)</i>

Under **current law**, if the owner of a vehicle fails to pay a citation for a nonmoving traffic violation (parking ticket) or appear in court in response to the parking ticket, the authority may notify the Department of Transportation (DOT) to suspend the registration of the vehicle that was ticketed or to refuse registration of any vehicle owned by the violator or both. Vehicle registration suspension or refusal continues until the person appears in court in response to the parking ticket or pays the amount of the parking ticket and costs, if any, of suspending or refusing vehicle registration.

**Assembly Bill 419** permits the vehicle registration suspension or refusal mechanism to be used by an authority in cases of unpaid towing and storage charges associated with a parking ticket. The bill provides that, if the owner of a vehicle fails to pay outstanding towing and storage charges associated with a parking ticket, the authority may notify DOT to suspend the registration of that vehicle or to refuse registration of any vehicle owned by the vehicle owner or both. Such vehicle registration suspension or refusal continues until the vehicle owner pays the outstanding towing and storage charges and costs, if any, of suspending or refusing vehicle registration.

**Assembly Substitute Amendment 1** makes the following changes to Assembly Bill 419:

- Provides that notices relating to unpaid towing and storage charges are considered separate transactions for purposes of the traffic violation and registration program. In other words, two separate transactions are required: (1) for an unpaid parking citation; and (2) for the unpaid towing and storage charges.
- Provides that the bill first applies to people who *incur* towing and storage charges after the bill becomes effective.
- Establishes a delayed effective date of February 1, 2004, or on the first day of the first month beginning after publication, whichever is later.
- Provides a cap of 20 days on outstanding storage charges under the bill.
- Provides that Assembly Bill 419 is *void* unless 2003 Assembly Bill 467 becomes law on or before the effective date of Assembly Bill 419.

**Legislative History**

On September 11, 2003, the Assembly Committee on Transportation introduced Assembly Substitute Amendment 1 by unanimous consent.

The Assembly Committee on Transportation recommended for adoption Assembly Substitute Amendment 1 and passage of the bill, as amended, by a vote of Ayes, 13; Noes, 1.

PGC:jal;ksm

**Polling Vote Record**

**Committee on Transportation and Information Infrastructure**

**Date:** Friday, January 16, 2004

**Ballot Deadline:** Tuesday, January 20, 2004 by 12:00 PM

---

**Bill Number:** Assembly Bill 419

**Motion:** *Concurrence of Assembly Bill 419.*

**Moved by:** Senate Committee on Transportation and Information Infrastructure

---

**Committee Member**

Senator Mark Meyer

**Aye**    **No**    **Not Voting**

**Signature:**

*Mark Meyer*

---

**Ballot Rec'd:**

**Date:** 20-JAN-04 **Time:** 11:50 **Signature:**

*H. L. Lifestadt*

**Polling Vote Record**

**Committee on Transportation and Information Infrastructure**

**Date:** Friday, January 16, 2004

**Ballot Deadline:** Tuesday, January 20, 2004 by 12:00 PM

---

**Bill Number:** Assembly Bill 419

**Motion:** *Concurrence of Assembly Bill 419.*

**Moved by:** Senate Committee on Transportation and Information Infrastructure

---

**Committee Member**

Senator Roger Breske

**Aye**    **No**    **Not Voting**

**Signature:**

*Roger Breske*

---

**Ballot Rec'd:**

**Date:** 20-JAN-04    **Time:** 11:20    **Signature:**

*D.L. Wilstach*

**Polling Vote Record**

**Committee on Transportation and Information Infrastructure**

**Date:** Friday, January 16, 2004

**Ballot Deadline:** Tuesday, January 20, 2004 by 12:00 PM

---

**Bill Number:** Assembly Bill 419

**Motion:** *Concurrence of Assembly Bill 419.*

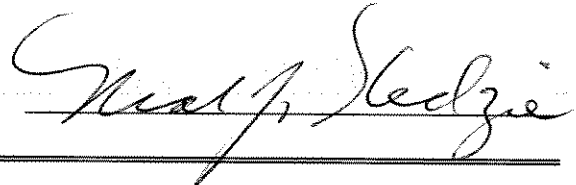
**Moved by:** Senate Committee on Transportation and Information Infrastructure

---

**Committee Member**  
Senator Neal Kedzie

<u>Aye</u>	<u>No</u>	<u>Not Voting</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Signature:**



---

**Ballot Rec'd:**

**Date:** 20-Jan-04 **Time:** 1150 **Signature:**



**Polling Vote Record**

**Committee on Transportation and Information Infrastructure**

**Date:** Friday, January 16, 2004

**Ballot Deadline:** Tuesday, January 20, 2004 by 12:00 PM

---

**Bill Number:** Assembly Bill 419

**Motion:** *Concurrence of Assembly Bill 419.*

**Moved by:** Senate Committee on Transportation and Information Infrastructure

---

**Committee Member**  
Senator Ted Kanavas

<u>Aye</u>	<u>No</u>	<u>Not Voting</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

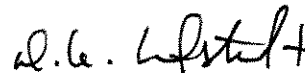
**Signature:** \_\_\_\_\_



---

**Ballot Rec'd:**

**Date:** 16-Jan-04 **Time:** 1200 **Signature:** \_\_\_\_\_



**Polling Vote Record**

**Committee on Transportation and Information Infrastructure**

**Date:** Friday, January 16, 2004

**Ballot Deadline:** Tuesday, January 20, 2004 by 12:00 PM

---

**Bill Number:** Assembly Bill 419

**Motion:** *Concurrence of Assembly Bill 419.*

**Moved by:** Senate Committee on Transportation and Information Infrastructure

---

**Committee Member**  
Senator Joe Leibham

**Aye**    **No**    **Not Voting**

**Signature:**

*J. Leibham*

---

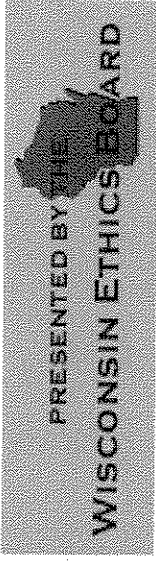
**Ballot Rec'd:**

**Date:** 20-01-04 **Time:** 1200 **Signature:**

*A. C. Wilstorf*

---

- ▶ Home
- ▶ Lobbying in Wisconsin
- ▶ Organizations employing lobbyists
- ▶ Lobbyists



as of Monday, December 15, 2003

**2003-2004 legislative session**

**Legislative bills and resolutions**

(search for another legislative bill or resolution at the bottom of this page)

- Text, Sponsors and Analysis
- Status and Fiscal Estimate
- Lobbying Effort on this item

**Assembly Bill 419**

towing and storage charges associated with nonmoving traffic violations

Organization Profile	Interests	These organizations have reported lobbying on this proposal:		
		Date Notified	Position	Comments
•	•	7/11/2003	←	
•	•	8/6/2003	←	
•	•	7/10/2003	?	
•	•	11/3/2003	←	

Place pointer on icon to display comments,  
click icon to display prior comments

Select a legislative proposal and click "go"

House  Assembly  Senate

Proposal Type  Bill  Joint Resolution  Resolution

Proposal Number  (enter proposal)





***Testimony of Representative Bonnie Ladwig  
Assembly Bill 419 & Assembly Bill 467  
Assembly Committee on Transportation  
August 14, 2003***

I would like to thank Chairman Ainsworth, and members of the committee for the opportunity to speak before you today regarding Assembly Bills 419 and Assembly Bill 467.

Assembly Bill 419 was drafted based on discussions I had with administrators in the City of Milwaukee. Under current law if a vehicle owner fails to pay a citation for a parking violation, a municipality may notify the Department of Transportation (DOT) to suspend the registration of the vehicle or refuse to register any vehicle owned by the violator, or both. However, under current law, municipalities are NOT able to place holds for towing and storage charges they incur. This is a problem since towing and storage charges are often never paid by the violator. This bill allows municipalities to place holds for outstanding towing and storage fees.

As with the current system, under AB419, the municipality will still be charged a \$5.00 fee per hold placed to the DOT. Towing and storage holds will utilize the same DOT database that currently contains hold information for parking violations.

This bill is a win for many communities. By allowing communities to place holds, they will likely take in additional fines that previously might never have been collected. Dorinda Floyd of the Department of Public Works in Milwaukee will provide in her testimony the impact of nonpayment of towing and storage fees have had on the City of Milwaukee.

Based on a fiscal note and concerns raised by DOT, we have addressed these issues through a substitute amendment, LRBs0140/2 and a second bill, Assembly Bill 467. (You should have received an emailed version of the text of the amendment and bill.)

The substitute amendment makes three changes:

- Provides that notices relating to unpaid towing and storage charges are considered separate transactions for purposes of the traffic violation and registration program.
- AB419 first applies to people who incur towing and storage charges after the bill becomes law.

- Effective date of February 1, 2004, or the first day of the first month beginning after publication, whichever is later.

The second bill, Assembly Bill 467 includes the necessary appropriations for AB419. It includes appropriation increases of:

- \$41,600 for fiscal year 2003-04
- \$60,200 for fiscal year 2004-05
- \$13,300 for fiscal year 2004-05 (one-time funding)

Assembly Bill 467 balances the costs associated with AB419. Although AB419 will generate additional money for the DOT through the \$5.00 fee charged to municipalities, there will be increased workload and some initial expenses. Assembly Bill 467 ensures that the fees collected will be placed back into the Department of Motor Vehicles Fund, and not just the general Transportation Fund. Thus, any costs associated with the bill will be eliminated through the return of these fees. The DOT will make money with this legislation; it will not cost the state a cent.

Finally, included with my written testimony is a new fiscal estimate. This estimate, prepared by DOT, would reflect the fiscal effects if BOTH pieces of legislation are passed. It is critical that the committee consider these bills as a package.

Assembly Bill 419 and Assembly Bill 467 fill a huge void in towing and storage laws. I believe they will provide municipalities with additional options, while at the same time, not increasing costs to the state.

At this time I would be more than happy to answer any questions you may have.



---

---

## WISCONSIN LEGISLATIVE COUNCIL

---

---

*Terry C. Anderson, Director  
Laura D. Rose, Deputy Director*

TO: SENATOR JOSEPH LEIBHAM; AND MEMBERS OF THE SENATE COMMITTEE ON  
TRANSPORTATION AND INFORMATION INFRASTRUCTURE

FROM: Don Salm, Senior Staff Attorney *DLA*

RE: Analysis of 2003 Assembly Bill 419, Relating to Towing and Storage Charges Associated  
With Nonmoving Traffic Violations, as Amended by the Assembly

DATE: December 12, 2003

This memorandum analyzes 2003 Assembly Bill 419, relating to towing and storage charges associated with nonmoving traffic violations, as amended by the Assembly (hereafter "the bill"). The bill passed the Assembly on a voice vote. The Senate Committee on Transportation and Information Infrastructure will hold a public hearing on the bill on **Wednesday, December 17, 2003, at 9:00 a.m., in Room 330 Southwest, State Capitol.**

### CURRENT LAW

Current law specifies that if the owner of a vehicle fails to pay a citation for a nonmoving traffic violation (parking ticket) or appear in court in response to the parking ticket, the authority may notify the Department of Transportation (DOT) to: (1) suspend the registration of the vehicle that was ticketed; or (2) refuse registration of any vehicle owned by the violator; or (3) both. Vehicle registration suspension or refusal continues until the person appears in court in response to the parking ticket or pays the amount of the parking ticket and costs, if any, of suspending or refusing vehicle registration. Current law also contains specific provisions regarding rented or leased vehicles.

### 2003 ASSEMBLY BILL 419, AS AMENDED BY THE ASSEMBLY

The bill permits the vehicle registration suspension or refusal mechanism to be used by an authority in cases of **unpaid towing and storage charges** associated with a parking ticket. The key provisions of the bill are the following:

1. **Options: Suspend or Refuse Registration or Both; Notice Requirement:** If the owner of a vehicle fails to pay outstanding towing and storage charges associated with a parking ticket, the authority may notify the DOT, in the form and manner prescribed by the DOT, to suspend the

registration of that vehicle or to refuse registration of any vehicle owned by the vehicle owner or both. Outstanding storage charges may not exceed 20 days of such storage. The notice to the DOT must include: (a) the name and last-known address of the person against whom the outstanding towing and storage charges apply; (b) the license number of the vehicle involved; (c) certification that two notices which meet statutory requirements (in the bill) have been mailed to the last-known address of the person against whom the towing and storage charges apply and that the towing and storage charges remain unpaid; (d) the amount of the outstanding towing and storage charges; (e) the place where the towing and storage charges may be paid; and (f) the action that the DOT is to take.

**2. If Person Pays Outstanding Towing and Storage Charge:** If the person subsequently pays the amount of the outstanding towing and storage charges specified in the notice to the DOT and the costs, if any, the DOT must be immediately notified in the form and manner prescribed by the DOT. If the vehicle to which the towing and storage charges apply is owned by a person engaged in the business of renting or leasing motor vehicles and the owner pays the costs, if any, and 50% of the amount of the outstanding towing and storage charges specified in the notice to the DOT, the authority must immediately notify the DOT.

**3. Refund to Owner of Leased or Rented Vehicle:** If an authority receives payment of **50%** of the amount of the outstanding towing and storage charges specified in the notice to the DOT under item 1. from the owner of a leased or rented vehicle to which the towing and storage charges apply and receives payment of the amount of the outstanding towing and storage charges specified in the notice to the DOT under item 1., the lessee or renter of the vehicle to which the towing and storage charges apply, the authority **must refund to the owner** the 50% payment received.

**4. When Notice to DOT Must Not Be Sent or Must Be Canceled:** No notice under item 1. may be sent to the DOT, or if the notice has already been sent, the notice must be canceled, and no further action may be taken against the owner if all of the following apply:

- a. The vehicle to which towing and storage charges apply is owned by a person engaged in the business of renting or leasing motor vehicles;
- b. At the time of its towing and storage, the vehicle was in the possession of a renter or lessee;
- c. The owner of the vehicle provides the information required under the bill for such renter or lessee to the authority who issued the citation within 10 days after the second notice was sent to the owner under the bill; and
- d. After being notified by the authority, the renter or lessee identified under item 3. pays the amount of the outstanding towing and storage charges within 30 days after the second notice from the authority is mailed.

**5. Refusal of Registration Where Renter or Lessee Does Not Pay:** If the renter or lessee does not pay the amount of the outstanding towing and storage charges, the authority may notify the DOT under item 1. that towing and storage charges remain unpaid. The action which the authority must specify that the DOT must take is **limited to refusal of the registration of any vehicle owned by the renter or lessee.**

6. **When Owner Responsible Where Renter or Lessee Does Not Pay:** If the renter or lessee does not pay the amount of the outstanding towing and storage charges within 30 days after the second notice from the authority is mailed to the renter or lessee, the owner must pay the authority **50%** of the amount of the outstanding towing and storage charges. The authority must notify the owner in writing of its responsibility for this payment. If the owner does not pay 50% of the amount of the outstanding towing and storage charges within 30 days after the notice has been mailed to the owner, the authority may send a notice to the DOT. The action which the authority must specify that the DOT take is **limited to suspension of the registration of the vehicle** to which the towing and storage charges apply.

7. **Notices to Renter or Lessee; When Sent; Contents:** The notices to the renter or lessee required under the bill must be mailed on two separate days to the last-known address of the renter or lessee and must include the information specified in the bill and the name of the owner of the vehicle.

8. **Initial Applicability:** The bill provides that, if it is enacted into law, the new law **first applies** to persons who incur towing and storage charges on the effective date of the new law.

9. **Effective Date:** The bill establishes an effective date of February 1, 2004, or the first day of the first month beginning after publication of the new law, whichever is later.

10. **New Law May Be Void:** The bill provides that the new law (Assembly Bill 419) is **void** unless 2003 Assembly Bill 467, relating to the traffic violation and registration program, becomes law **on or before** the effective date of the new law. The bill also specifies that notices relating to unpaid towing and storage charges are considered **separate transactions for purposes of the traffic violation and registration program**. In other words, two separate transactions are required: (a) for an unpaid parking citation; and (b) for the unpaid towing and storage charges.

If you have any questions, please feel free to contact me directly at the Legislative Council staff offices.

DLS:rv;jal



---

---

## WISCONSIN LEGISLATIVE COUNCIL

---

---

*Terry C. Anderson, Director*  
*Laura D. Rose, Deputy Director*

TO: SENATOR JOSEPH LEIBHAM, CHAIR; AND MEMBERS OF THE SENATE  
COMMITTEE ON TRANSPORTATION AND INFORMATION INFRASTRUCTURE

FROM: Don Salm, Senior Staff Attorney *DJA*

RE: Analysis of 2003 Assembly Bill 467, Relating to the Traffic Violation and Registration  
Program and Making an Appropriation

DATE: December 15, 2003

This memorandum analyzes 2003 Assembly Bill 467, relating to the traffic violation and registration program and making an appropriation. The bill passed the Assembly on a vote of Ayes, 96; Noes, 0. The Senate Committee on Transportation and Information Infrastructure will hold a public hearing on the bill on **Wednesday, December 17, 2003, at 9:00 a.m., in Room 330 Southwest, State Capitol.**

### CURRENT LAW

Under the **traffic violation and registration program** in current law, a local unit of government, state agency, University of Wisconsin System campus, or technical college district ("authority") may notify the Department of Transportation (DOT) to suspend the registration of a vehicle that was ticketed, or refuse registration of any vehicle owned by the violator, or both, if the violator fails to pay, or appear in court in response to, the parking ticket. The DOT charges authorities the cost of the program based on the number of notifications each authority makes to DOT.

### 2003 ASSEMBLY BILL 467

2003 Assembly Bill 467 increases funding for the traffic violation and registration program by \$41,600 for fiscal year 2003-04 and by \$60,200 for fiscal year 2004-05, of which \$13,300 of the amount for fiscal year 2004-05 may not be included in DOT's request to the Department of Administration for the 2005-07 Biennial Budget Bill.

The **effective date** of the bill, if it is enacted into law, is February 1, 2004, or on the first day of the first month beginning after publication of the new law, **whichever is later.**

COMMENT

In her written testimony on Assembly Bill 467 before the Assembly Committee on Transportation (August 14, 2003), Representative Bonnie Ladwig, co-author of the bill, noted:

...Assembly Bill 467 includes the necessary appropriations for (2003) Assembly Bill 419 (relating to towing and storage charges associated with nonmoving traffic violations)...Assembly Bill 467 balances the costs associated with AB 419. Although AB 419 will generate additional money for the DOT through the \$5.00 fee charged to municipalities, there will be increased workload and some initial expenses. Assembly Bill 467 ensures that the fees collected will be placed back into the Department of Motor Vehicles Fund, and not just the general Transportation Fund. Thus, any costs associated with the bill will be eliminated through the return of these fees.

If you have any questions, please feel free to contact me directly at the Legislative Council staff offices.

DLS:jal:rv;jal



# WISCONSIN TOWING ASSOCIATION

*Division of Wisconsin Motor Carriers Association*

562 Grand Canyon Dr, Madison, WI 53719

P.O. Box 44849, Madison, WI 53744-4849

Phone:608/833-8200 Fax:608/833-2875

[www.witow.org](http://www.witow.org)

December 17, 2003

**TO: MEMBERS – COMMITTEE ON TRANSPORTATION**

**RE: ASSEMBLY BILL 419**

The Wisconsin Motor Carriers Association and its Division, the Wisconsin Towing Association, supports Assembly Bill 419, as it would provide another tool to insure that owners are held accountable for **all** of the costs for unlawful abandonment of their vehicles on the streets and highways of Wisconsin.

Wisconsin's law dealing with abandoned motor vehicles places the responsibility for removal, impoundment and disposal with local units of government and mandates payment to towing companies regardless of whether or not they collect those charges from the owners. Unfortunately, most local units of government choose not to follow the provisions of s. 342.40 and the towing service is left to deal with these essentially worthless vehicles. If the towing company requests the mandated payment from the local unit of government, he will more than likely be blacklisted from their list of towing contractors. The obvious business reality of doing business with law enforcement is you have to be willing to take the "bad" (abandoned vehicle tows) to get the "good" (accident and disabled vehicle tows).

Taxpayers and small business owners should not have to bare the costs of those who choose to litter our streets and highways with their junk vehicles. AB 419 would encourage enforcement of our abandoned vehicle law by preventing violators from registering motor vehicles unless they pay the costs involved in cleaning up their litter (removal, impoundment, and disposal of their junk vehicle).

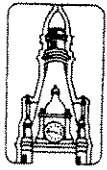
We hold people accountable who throw fast food wrappers on the highway from their moving vehicle. The forfeiture for such littering under s. 287.82 can amount to \$500. Yet people can junk a 3,500-pound vehicle on our highways with apparent impunity.

We laud those municipalities that do try to enforce the abandoned motor vehicle law and encourage others to do the same. We think passage AB 419 will encourage enforcement, as it will provide another tool to hold violators accountable.

Sincerely,

Thomas A. Howells  
President





City  
of  
Milwaukee

Department of Administration Intergovernmental Relations Division

City Hall, Room 606, 200 East Wells Street, Milwaukee, Wisconsin 53202-3515

Phone (414) 286-3747 Fax (414) 286-8547

John O. Norquist  
Mayor

Michael J. Solka  
Administration Director

Patrick T. Curley  
Intergovernmental Relations Director

Committee on Transportation & Information Infrastructure  
Wednesday, December 17, 2003

Testimony on Assembly Bill 419/467  
Dorinda R. Floyd, DPW Administrative Services Director

Thank you Chairman Leibham and committee members for this opportunity to testify in support of AB 419 & AB 467. Thank you also to Representative Ladwig for sponsoring this legislation & to Senators Darling and Stepp for cosponsoring.

**AB419** gives municipalities a method for recovering unpaid towing and storage costs. Currently municipalities do not have a mechanism to collect towing and storage fees from individuals who abandon their vehicles. This costs Milwaukee and other cities thousands, if not millions, of dollars.

The City of Milwaukee tows over 30,000 vehicles per year, of which over 19,000 are not claimed. The city incurs towing and storage costs for each abandoned vehicle and has no recourse for recovering those costs. Costs to the City to tow an unclaimed vehicle include: (1) parking enforcement costs to process vehicle complaint, to placard and cite vehicle and to order and dispatch the tow; (2) costs to tow the vehicle range from \$45-\$65 depending upon location; (3) tow lot processing costs - data entry, mailing and postage, videotaping and inventory; (4) police department costs for contraband search; (5) transporting and processing (\$37/vehicle) of vehicles scheduled for recycling; and (6) processing costs for vehicles to be sold through auction.

AB419 simply allows municipalities to utilize an existing mechanism available for collecting unpaid parking ticket revenues. Currently, municipalities can send a request to DOT to place a hold on an individual's ability to register a vehicle until outstanding parking tickets are paid. The municipality pays DOT \$5 for each such request. Under this bill, they would be able to do the same for individuals with outstanding towing and storage fees. The bill would cap the amount that can be recovered by not allowing additional late fees or payment for storage beyond 20 days.

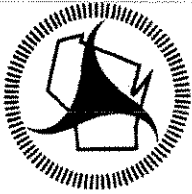
Abandoning unwanted vehicles is unnecessary, as many other options exist for disposing of an unwanted vehicle, including donation (tax deductible), salvaging for scrap value, or trading in for another vehicle. **This bill presents an opportunity to assist local governments and to encourage responsible vehicle ownership.**

**AB467** separates the fiscal portion of AB419. Additional revenues from the \$5 fee are anticipated to be greater than the additional costs to DOT. By 2005, new costs are anticipated at less than \$50,000; additional revenues at \$150,000. AB467 simply appropriates a portion of the additional revenues directly to the Department of Motor Vehicles within DOT to fund their additional costs.

The City of Milwaukee urges your support for AB419 and AB467.

## Summary of Assembly Bill 419 & 467

- **AB419** gives municipalities a mechanism for recovering unpaid towing and storage costs. Its effective date is contingent on passage of AB467 – the fiscal component of the bill.
- Currently municipalities have no mechanism for collecting outstanding towing and storage fees when individuals abandon their vehicles.
- The City of Milwaukee tows over 30,000 vehicles per year, of which over 19,000 are not claimed. The city incurs towing and storage costs of \$295 for each abandoned vehicle and has no recourse for recovering those costs.
- This results in millions of dollars of additional costs for Milwaukee and other cities.
- AB419 simply allows municipalities to utilize an existing mechanism used for unpaid parking tickets. Currently munis can send a request to DOR to place a hold on an individual's ability to register another vehicle until outstanding parking tickets are paid. They would now be able to do the same for towing and storage fees.
- The bill would cap the amount that can be recovered, and would not allow for additional late fees or payment for storage beyond the limits set in statute.
- Other options exist for disposing of an unwanted vehicle, including donation (tax deductible) salvaging for scrap value, or trading in for another vehicle.
- The bill is supported by the League of Municipalities and the Alliance of Cities.
- **AB467** separates the fiscal portion of AB419. This bill has a fiscal note **but it will NOT cost the state more money. In fact, it will actually bring in net revenues to the DOT.** (See fiscal note – by 2005, new costs are less than \$50,000, revenue = \$150,000)
- That is because munis must pay DOT a \$5 fee for each request and the additional revenues are anticipated to be greater than the additional costs to DOT.
- This bill simply appropriates a portion of the additional revenues directly to the Department of Motor Vehicles within DOT to fund their additional costs.
- **These bills present an opportunity to assist local governments and to encourage responsible vehicle ownership.**



## Wisconsin Department of Transportation

---

### DIVISION OF MOTOR VEHICLES

Bureau of Vehicle Services  
4802 Sheboygan Ave.  
P. O. Box 7909  
Madison, WI 53707-7909

Telephone (608) 266-2235  
Facsimile (FAX) (608) 267-6974  
E-mail: bur-veh-services.dmv@dot.state.wi.us

Senate Committee on Transportation and Information Infrastructure  
AB 419 and AB 467  
Comments, Carson P. Frazier  
December 17, 2003

- AB 419 and AB 467 need to be considered together.
- We worked with Rep. Ladwig on AB 419. We had developed a bill that would fund DMV's costs, using the increased revenue that will come to the Transportation Fund as a result of towing and storage cases being submitted to DMV.
- In the meantime, however, the Assembly had chosen not to consider bills that had an appropriation.
- Thus, Rep. Ladwig separated the bill into two bills: AB 419, which directs DMV to act on towing and storage charges cases under TVRP; and AB 467, which funds DMV's costs to implement AB 419. The two bills are linked by a "reconciliation provision."
- As you are aware, even if the Transportation Fund receives added revenue, funds cannot be spent unless they are appropriated. And, only the Legislature can increase an appropriation.
- DOT certainly appreciates all that Rep. Ladwig has done to make sure that our costs are covered.
- This bill represents about a 14% increase in DMV's TVRP workload. We cannot accommodate that within our current staff level.
- If DMV's cost is not funded, the impact is that our backlog of TVRP citations and towing/storage charges will grow. Local governments will have to wait longer until the initial sanctions are placed on vehicles, and the public will wait longer before getting registration reinstated after they pay.

  
**Alberta Darling**  
**Wisconsin State Senator**  
Co-Chair, Joint Committee on Finance

**TESTIMONY BEFORE THE SENATE COMMITTEE ON TRANSPORTATION  
ASSEMBLY BILLS 419 AND 467**

**Wednesday December 17, 2003**

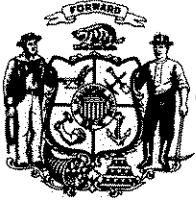
Good morning Chairman Leibham and members of the Committee on Transportation and Information Infrastructure. Thank you for the opportunity to share information with you regarding Assembly Bills 419 and 467. (AB 419 & AB 467). AB 419, if passed, would provide municipalities a mechanism for recovering unpaid towing and storage costs. AB 467 is the companion bill to AB 419, which separates the fiscal portion of the bill.

Currently municipalities have no mechanism for collecting outstanding towing and storage fees when individuals abandon their vehicles. This results in millions of dollars in additional costs for Milwaukee and other cities throughout the state. AB 419 would give municipalities the ability to utilize an existing mechanism for dealing with these unpaid parking tickets. Currently, municipalities can send a request to the Department of Revenue to place a hold on an individual's ability to register another vehicle until outstanding parking tickets are paid. This bill would now allow municipalities to be able to do the same for towing and storage fees.

I would like to take this opportunity to address the fiscal note of AB 467. Potential new revenue for Milwaukee is estimated to be over \$4 million annually (assuming 25% in uncollectable). The reason this bill has a fiscal note is not that it will cost the state more money. In fact, this bill will actually bring in net revenues to the Department of Transportation (DOT). The fiscal note states that by 2005, new costs are estimated to be less than \$50,000, whereas revenue is estimated to be approximately \$150,000. That is because municipalities must pay DOT a \$5 fee for each request and the additional fee revenues are anticipated to be greater than the additional costs to DOT. These bills appropriate a portion of the additional revenues directly to the Department of Motor Vehicles within DOT to fund their additional costs.

I believe this bill will provide municipalities with the opportunity to recoup costs for individuals who abandon their vehicles. It is important to provide our municipalities with the flexibility to address these concerns. As the fiscal estimate suggests, this is also a way to earn additional revenue without burdening the DOT with additional responsibilities they cannot afford.

Thank you again, Chairman Leibham, and members of the committee. Please don't hesitate to contact me regarding AB 419 or AB 467, as I would be happy to answer any questions you may have.



# Bonnie L. Ladwig

State Representative ♦ 63<sup>rd</sup> Assembly District

**Testimony of Representative Bonnie Ladwig  
Assembly Bill 419 and Assembly Bill 467  
Senate Committee on Transportation and Information Infrastructure  
December 17, 2003**

I would like to thank Chairman Leibham, and members of the committee for the opportunity to speak before you today regarding Assembly Bill 419. Its effective date is contingent on passage of AB467 – the fiscal component of the bill.

Assembly Bill 419 was drafted based on discussions I had with administrators in the City of Milwaukee. Under current law if a vehicle owner fails to pay a citation for a parking violation, a municipality may notify the Department of Transportation (DOT) to suspend the registration of the vehicle or refuse to register any vehicle owned by the violator, or both. However, under current law, municipalities are NOT able to place holds for towing and storage charges they incur. This is a problem since towing and storage charges are a significant expense for many communities, and are often never paid by the violator. This bill allows municipalities to place holds for outstanding towing and storage fees.

AB 419 would utilize the same system as with parking violations. As with the current system, the municipality will still be charged a \$5.00 fee per hold placed to the DOT. Towing and storage holds will utilize the same DOT database that currently contains hold information for parking violations.

This bill is a win for many communities. By allowing communities to place holds, they will likely take in additional fines that previously might never have been collected. Dorinda Floyd of the Department of Public Works in Milwaukee will provide in her testimony the impact of nonpayment of towing and storage fees have had on the City of Milwaukee.

Based on a fiscal note put together by DOT, we have addressed the financial implication thought a substitute amendment. This amendment makes four changes:

- Provides that notices relating to unpaid towing and storage charges are considered separate transactions for purposes of the traffic violation and registration program.
- Includes appropriation increases of \$41,600 for fiscal year 2003-04 and \$60,200 for fiscal year 2004-05, with \$13,300 for fiscal year 2004-05 as one-time funding.
- Application of bill first applies to persons who incur towing and storage charges after the bill becomes law.
- Effective date of February 1, 2004, or the first day of the first month beginning after publication, whichever is later.
- Provides a cap of 20 days on outstanding storage charges under the bill.

Assembly Bill 467 separates the fiscal portion of AB 419. This bill has a fiscal note, but it will not cost the state more money. In fact, it will actually bring in net revenues to the DOT.

Assembly Bill 419 fills a huge void in towing and storage laws. I believe this legislation will provide municipalities with additional options, while at the same time, not increasing cost to the state.

AB 419 and AB 467 passed the Assembly Transportation Committee 13-1. AB 467 passed the Joint Finance Committee 14-0 and full Assembly 96-0. AB 419 passed the full Assembly on a voice vote.

At this time I would be more than happy to answer any questions you may have.