



2009 ASSEMBLY BILL 668

January 22, 2010 – Introduced by Representatives VRUWINK, STEINBRINK and A. WILLIAMS, cosponsored by Senators MILLER and HANSEN. Referred to Committee on Transportation.

1 **AN ACT** *to renumber* 218.53; *to renumber and amend* 342.157; *to amend*
2 218.50 (6), 218.51 (1) and 218.51 (2); and *to create* 218.50 (4m), 218.51 (3) (ar),
3 218.51 (4) (i), 218.52 (1) (c) and 218.53 (2) of the statutes; **relating to:** the
4 purchase of motor vehicles from motor vehicle salvage pools, requiring the
5 exercise of rule-making authority, and providing a penalty.

Analysis by the Legislative Reference Bureau

Under current law, a person may not purchase or bid on a motor vehicle from a motor vehicle salvage pool unless the person holds a valid buyer identification (BID) card issued by the Department of Transportation (DOT), the person displays the BID card to the salvage pool, and the person includes the BID card number on any bid submitted to the salvage pool. A motor vehicle salvage pool sells or distributes damaged motor vehicles at wholesale, generally by auction. BID cards are available only to motor vehicle dealers, wholesalers, and salvage dealers licensed in this state or another state and to their employees. BID cards must contain the full name, business and residence address, and a brief description of the card holder, as well as the card holder's buyer identification number. The motor vehicle salvage pool may not accept a bid or complete a sales transaction unless the bidder satisfies the foregoing requirements. The motor vehicle salvage pool must also establish and maintain, in compliance with standards established by DOT, a record of each motor vehicle sold. DOT may also inspect the books and records of BID card holders, at the cost of the card holder.

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Also under current law, DOT issues a motor vehicle salvage dealer's license that authorizes the license holder to conduct the business of a motor vehicle salvage dealer. Motor vehicle salvage dealers carry on the business of wrecking, scrapping, or dismantling (processing) motor vehicles, buying and selling motor vehicles for processing, or selling parts from motor vehicles subject to processing. DOT issues motor vehicle salvage dealers' licenses to persons who meet certain requirements, including environmental requirements relating to storm water discharge and ozone-depleting refrigerant recovery.

Current law defines a "junk vehicle" as a vehicle that is incapable of highway operation and has no resale value except as a source of parts or scrap or that an insurance company has taken possession of or title to because the cost of repairing the vehicle exceeds its value.

This bill requires each BID card applicant to specify whether the applicant will purchase any junk vehicle from a motor vehicle salvage pool. If the answer is in the affirmative and the applicant is not a motor vehicle salvage dealer, the applicant must meet the same environmental requirements relating to storm water discharge and ozone-depleting refrigerant recovery that are applicable to motor vehicle salvage dealers. If the applicant fails to meet these requirements, DOT cannot issue or renew the BID card and, if the BID card has already been issued, DOT may suspend or revoke the BID card.

The bill also requires a person other than a motor vehicle salvage dealer who bids on a junk vehicle from a motor vehicle salvage pool to identify on at least one bid sheet submitted to the motor vehicle salvage pool the address where the junk vehicle will be stored. For each junk vehicle sold by a motor vehicle salvage pool to a purchaser other than a motor vehicle salvage dealer, the motor vehicle salvage pool must maintain a record of the purchaser's buyer identification number and the address where the junk vehicle will be stored, as stated on the purchaser's bid sheet. The motor vehicle salvage pool must make these records readily accessible to DOT and they must be indexed or easily searchable. DOT may also require the records to be maintained in an automated or electronic format and DOT may share information from the records with the Department of Natural Resources.

Under the bill, DOT may issue BID cards to motor vehicle dealers, wholesalers, and salvage dealers licensed in another state, or to their employees, only if DOT determines that the licensing standards in the other state are comparable or equivalent to those in this state, including, for motor vehicle salvage dealers, environmental requirements relating to storm water discharge and ozone-depleting refrigerant recovery.

The bill specifies that the general penalty for violation of the laws relating to the purchase of vehicles at motor vehicle salvage pools, which is a fine of not less than \$1,000 nor more than \$10,000 and imprisonment for not more than 90 days or both, also applies to a person who makes any materially false representation, or falsifies documents, on the portion of a BID card application relating to environmental requirements or who makes any materially false representation on a bid sheet relating to the location where a junk vehicle will be stored.

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Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

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.** 218.50 (4m) of the statutes is created to read:

2 218.50 **(4m)** “Junk vehicle” has the meaning given in s. 340.01 (25j).

3 **SECTION 2.** 218.50 (6) of the statutes is amended to read:

4 218.50 **(6)** “Qualified applicant” means a motor vehicle dealer, wholesaler, or
5 salvage dealer licensed under this chapter, a motor vehicle dealer, wholesaler, or
6 salvage dealer licensed in another jurisdiction, or an employee of a motor vehicle
7 dealer, wholesaler, or salvage dealer under this subsection. A motor vehicle dealer,
8 wholesaler, or salvage dealer licensed in another jurisdiction is not a qualified
9 applicant under this subsection, and an employee of a motor vehicle dealer,
10 wholesaler, or salvage dealer licensed in another jurisdiction is not a qualified
11 applicant under this subsection, unless the department determines that the
12 standards for licensing the motor vehicle dealer, wholesaler, or salvage dealer in the
13 other jurisdiction are comparable or equivalent to the licensing standards under this
14 chapter, including, with respect to motor vehicle salvage dealers, requirements in
15 the other jurisdiction comparable or equivalent to the requirements under s. 218.21
16 (2) (eg) and (em).

17 **SECTION 3.** 218.51 (1) of the statutes is amended to read:

18 218.51 **(1)** The department shall issue buyer identification cards to qualified
19 applicants who wish to purchase or submit bids for the purchase of used or damaged

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1 motor vehicles from a motor vehicle salvage pool and who submit all information or
2 documents required under sub. (3) (ar). The department shall specify the form of the
3 buyer identification card.

4 **SECTION 4.** 218.51 (2) of the statutes is amended to read:

5 218.51 (2) ~~A~~ Subject to s. 218.52 (1), a buyer identification card entitles a
6 cardholder to purchase or submit bids for the purchase of a motor vehicle from a
7 motor vehicle salvage pool during the buyer identification card period.

8 **SECTION 5.** 218.51 (3) (ar) of the statutes is created to read:

9 218.51 (3) (ar) In addition to any other information required under pars. (a) and
10 (am), an application for a buyer identification card shall specify whether the
11 applicant will purchase any junk vehicle from a motor vehicle salvage pool and, if the
12 answer is in the affirmative and the applicant is not a motor vehicle salvage dealer,
13 the application shall include all of the following:

14 1. A copy of correspondence on department of natural resources letterhead
15 indicating that the applicant has permit coverage under s. 283.33, or a statement
16 from the department of natural resources that the applicant is not required to have
17 a permit under s. 283.33.

18 2. A copy of correspondence on department of natural resources letterhead
19 indicating that the applicant has registered or certified its compliance with
20 refrigerant recovery to the department of natural resources, under its rules
21 promulgated pursuant to s. 285.59, or a statement from the department of natural
22 resources that the applicant is not required to register or certify under rules
23 promulgated by the department of natural resources pursuant to s. 285.59.

24 **SECTION 6.** 218.51 (4) (i) of the statutes is created to read:

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1 218.51 (4) (i) Any information or document required under sub. (3) (ar) is not
2 included in the application or has been misrepresented in the application.

3 **SECTION 7.** 218.52 (1) (c) of the statutes is created to read:

4 218.52 (1) (c) If the motor vehicle is a junk vehicle and the person is not a motor
5 vehicle salvage dealer, the person identifies on at least one sheet of any bid submitted
6 to the motor vehicle salvage pool the address where the junk vehicle will be stored.

7 **SECTION 8.** 218.53 of the statutes is renumbered 218.53 (1).

8 **SECTION 9.** 218.53 (2) of the statutes is created to read:

9 218.53 (2) Any person who makes any materially false representation on an
10 application of information specified in s. 218.51 (3) (ar) or on any bid sheet of
11 information specified in s. 218.52 (1) (c), or who falsifies any document specified in
12 s. 218.51 (3) (ar), shall be subject to the penalty under sub. (1).

13 **SECTION 10.** 342.157 of the statutes is renumbered 342.157 (1) and amended
14 to read:

15 342.157 (1) For each motor vehicle sold by a motor vehicle salvage pool or
16 auction company, the motor vehicle salvage pool or auction company shall establish
17 and maintain a record of each sale, including the mileage disclosure of the transferor
18 under s. 342.155. For each junk vehicle sold by a motor vehicle salvage pool to a
19 purchaser other than a motor vehicle salvage dealer, the record of sale shall include
20 the purchaser's buyer identification number and the address where the vehicle will
21 be stored, as stated by the purchaser under s. 218.52 (1) (b) and (c).

22 (2) The department shall specify by rule the information that shall be included
23 in such the records under sub. (1) and the manner in which and the period of time
24 for which the records shall be maintained. The department shall require the records
25 specified in sub. (1) relating to junk vehicles to be readily accessible to the

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1 department and indexed or easily searchable, whether manually or electronically.
2 The department may also require the records specified in sub. (1) relating to junk
3 vehicles to be maintained in an automated or electronic format. The department may
4 provide any information from the records specified in sub. (1) relating to junk
5 vehicles to the department of natural resources for purposes of enforcing the
6 provisions of ss. 283.33 and 285.59.

7 **SECTION 11. Initial applicability.**

8 (1) The treatment of sections 218.50 (6) and 218.51 (1), (3) (ar), and (4) (i) of the
9 statutes first applies to buyer identification cards issued on the effective date of this
10 subsection.

11 (2) The treatment of sections 218.52 (1) (c) and 342.157 of the statutes first
12 applies to purchases of or bids upon vehicles occurring on the effective date of this
13 subsection.

14 (3) The treatment of section 218.53 (2) of the statutes first applies to violations
15 committed on the effective date of this subsection.

16 **SECTION 12. Effective date.**

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

19 (END)