

2009 DRAFTING REQUEST

Bill

Received: 10/06/2009

Received By: agary

Wanted: As time permits

Identical to LRB:

For: Amy Sue Vruwink (608) 266-8366

By/Representing: Jon Mielke

This file may be shown to any legislator: NO

Drafter: agary

May Contact:

Addl. Drafters:

Subject: Transportation - motor vehicles

Extra Copies: EVM, RCT

Submit via email: YES

Requester's email: Rep.Vruwink@legis.wisconsin.gov

Carbon copy (CC:) to: aaron.gary@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Purchases of junk vehicles from motor vehicle salvage pools; motor vehicle salvage pool buyer identification cards

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>
/?				_____			State Crime
/P1	agary 11/06/2009	kfollett 11/13/2009	jfrantze 11/13/2009	_____	sbasford 11/13/2009		State Crime
/P2	agary 12/02/2009	kfollett 12/03/2009	phenry 12/03/2009	_____	lparisi 12/03/2009		State Crime

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/1	agary 12/03/2009	jdyer 12/04/2009	phenry 12/04/2009	_____	sbasford 12/04/2009	mbarman 12/07/2009	

FE Sent For:

at intro
1/22/10

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/?	agary	1 P 11/13 11/13	JF	PA 11/13			State Crime

FE Sent For:

<END>

Gary, Aaron

From: Mielke, Jon
Sent: Tuesday, October 06, 2009 12:30 PM
To: Gary, Aaron
Subject: Email from LRB Website, bill draft request

October 6, 2009

Hi Aaron,

This is a bill draft request from Rep. Amy Sue Vruwink

Currently, motor vehicle salvage dealers are required to be licensed by WisDOT and obtain from the DNR a storm water permit (NR 216) and a refrigerant permit (NR488) in addition to other reporting requirements for hazardous materials that are exposed when dismantling a motor vehicle (i.e., mercury switches, anti-freeze, oil, gasoline, etc.)

The vehicles they dismantle are purchased at salvage auctions and these vehicles are ones that have been junked as defined under WI Stat 340.01 (25J) (a) as, "A vehicle which is incapable of operation or use upon a highway and which has no resale value except as a source of parts or scrap" and /or (b) "A vehicle for which an insurance company has taken possession of or title to if the estimated cost of repairing the vehicle exceeds its fair market value."

The value of the junked vehicles is from resale of reusable parts once the vehicle has been properly dismantled along with scrap metal once the parts and hazardous materials are removed.

However, a significant number of junk vehicles bought at auctions are purchased by non-salvage dealers.

Rep. Vruwink wants legislation drafted which would require non-salvage dealers to comply with the following:

- Impose a \$50 environmental fee on individuals who purchase junk vehicles at salvage auctions who are not licensed as salvage dealers in Wisconsin or in another jurisdiction. If an individual is licensed as a salvage dealer in another jurisdiction, the other jurisdiction must have equivalent regulatory requirements as Wisconsin.
- Individuals who are not salvage dealers must submit their names, the address where the vehicle will be stored and other contact information as deemed necessary by the WisDNR
- The fee and information is to be collected by the auction and forwarded to the WisDNR
- The WisDNR retains the data on non-salvage dealers so they know who has the junk vehicles and where they are to be stored prior to being taken to a licensed salvage dealer or scrap metal processor

If you have any additional questions, please contact Jon at 266-8366

Gary, Aaron

From: Mielke, Jon
Sent: Tuesday, October 27, 2009 3:53 PM
To: Gary, Aaron
Subject: RE: Email from LRB Website, bill draft request

Hi Aaron,

The intent is to make sure that if people are currently dismantling vehicles that they are complying with current regulations. If you have any further questions, please contact Greg Hubbard at 608-255-0566. H understands the issue and what we are trying to accomplish.

Thanks,

Jon Mielke
Legis. Asst.
Rep. Amy Sue Vruwink

From: Gary, Aaron
Sent: Friday, October 09, 2009 4:05 PM
To: Mielke, Jon
Cc: Tradewell, Becky
Subject: RE: Email from LRB Website, bill draft request

Thank you. Yes, to get a salvage dealer's license issued by DOT, the applicant must show DOT a letter from DNR showing the applicant has a storm water discharge permit and that the applicant complies with DNR's ozone-depleting refrigerant recovery requirements. See s. 218.21 (2) (eg) and (em). If you want to take a similar direction for DOT's issuance of BID cards, these provisions might be a good model.

If you'll be on vacation next week, I hope it is a good one. I'll wait to hear back from you later in the month.

Aaron

Aaron R. Gary
Attorney, Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us

From: Mielke, Jon
Sent: Friday, October 09, 2009 3:50 PM
To: Gary, Aaron
Cc: Tradewell, Becky
Subject: RE: Email from LRB Website, bill draft request

It's my understanding that when we worked with representatives from the industry is that DNR was involved because of the environmental issues. Currently, auto salvagers have to get storm water permits (NR216) and refrigerant permits (NR488) in addition to other reporting requirements for hazardous materials that are exposed when dismantling a motor vehicle, such as mercury switches, anti-freeze, oil ,gasoline, etc.

I'll have to ask them if they feel there is a problem with the BID card aspect, I know they have concerns about BID cards, but I'm unclear as to how it relates to this draft. I will be gone next week, so I may not get back to you until a week from Monday.

Thanks,

Jon

From: Gary, Aaron
Sent: Friday, October 09, 2009 3:21 PM
To: Mielke, Jon
Cc: Tradewell, Becky
Subject: RE: Email from LRB Website, bill draft request

Jon,

I looked this over to try to get an idea of how long the drafting will take. In doing so, I am wondering why you have assigned the major role to DNR and not DOT.

Aren't the salvage vehicles you refer to bought from "motor vehicle salvage pools" (s. 218.50 (5)) by people who are required to hold a "buyer identification card" (BID card) issued by DOT? If so, it seems like it would be administratively more feasible to impose these requirements through DOT's existing BID card issuance and information-reporting process than to create a new "program" at DNR. (See ss. 218.50 to 218.53.) Is there a reason you don't want these requirements imposed through DOT's existing administrative scheme, or do you believe the buyers you are concerned about are not required to hold a DOT-issued BID card under s. 218.51 and 218.52?

Thank you for your assistance.

Aaron

Aaron R. Gary
Attorney, Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us

From: Mielke, Jon
Sent: Tuesday, October 06, 2009 1:41 PM
To: Gary, Aaron
Subject: RE: Email from LRB Website, bill draft request

Any idea how long this could take?

Thanks,

Jon

From: Gary, Aaron
Sent: Tuesday, October 06, 2009 1:32 PM
To: Mielke, Jon
Subject: RE: Email from LRB Website, bill draft request

Jon,

I have entered this request as LRB-3624.

Aaron

Aaron R. Gary
Attorney, Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us

From: Mielke, Jon

Sent: Tuesday, October 06, 2009 12:30 PM
To: Gary, Aaron
Subject: Email from LRB Website, bill draft request

October 6, 2009

Hi Aaron,

This is a bill draft request from Rep. Amy Sue Vruwink

Currently, motor vehicle salvage dealers are required to be licensed by WisDOT and obtain from the DNR a storm water permit (NR 216) and a refrigerant permit (NR488) in addition to other reporting requirements for hazardous materials that are exposed when dismantling a motor vehicle (i.e., mercury switches, anti-freeze, oil, gasoline, etc.)

The vehicles they dismantle are purchased at salvage auctions and these vehicles are ones that have been junked as defined under WI Stat 340.01 (25J) (a) as, "A vehicle which is incapable of operation or use upon a highway and which has no resale value except as a source of parts or scrap" and /or (b) "A vehicle for which an insurance company has taken possession of or title to if the estimated cost of repairing the vehicle exceeds its fair market value."

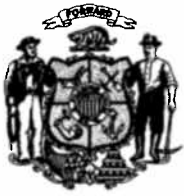
The value of the junked vehicles is from resale of reusable parts once the vehicle has been properly dismantled along with scrap metal once the parts and hazardous materials are removed.

However, a significant number of junk vehicles bought at auctions are purchased by non-salvage dealers.

Rep. Vruwink wants legislation drafted which would require non-salvage dealers to comply with the following:

- Impose a \$50 environmental fee on individuals who purchase junk vehicles at salvage auctions who are not licensed as salvage dealers in Wisconsin or in another jurisdiction. If an individual is licensed as a salvage dealer in another jurisdiction, the other jurisdiction must have equivalent regulatory requirements as Wisconsin.
- Individuals who are not salvage dealers must submit their names, the address where the vehicle will be stored and other contact information as deemed necessary by the WisDNR
- The fee and information is to be collected by the auction and forwarded to the WisDNR
- The WisDNR retains the data on non-salvage dealers so they know who has the junk vehicles and where they are to be stored prior to being taken to a licensed salvage dealer or scrap metal processor

If you have any additional questions, please contact Jon at 266-8366



500v

LRB-3624/P1
ARG: jgf

in 11/6

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-Note

Gen

- 1 AN ACT ...; **relating to:** the purchase of motor vehicles from motor vehicle salvage
- 2 pools, making an appropriation, 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.

X (S) Also under current law, DOT issues ^a motor vehicle salvage dealer's ^{no change} licenses that authorize 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

x motor vehicle salvage dealer's 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 for purposes of dismantling the vehicle. 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 impose on the purchaser a \$50 environmental fee, to be remitted to DOT, and must provide to DOT the buyer identification number of the purchaser and the address where the junk vehicle will be stored, as stated on the purchaser's bid sheet. With revenues generated from the \$50 environmental fee, DOT must maintain a database of purchasers of junk vehicles that are not motor vehicle salvage dealers and DOT may share information from the database 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.

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. 20.395 (5) (fq) of the statutes is created to read:

2 20.395 (5) (fq) *Junk vehicle purchaser database, state funds.* All moneys
3 received under s. 218.52 (5) (b) for the purpose of administering the provisions of s.
4 218.52 (5), including developing and maintaining the database.

5 SECTION 2. 218.50 (4m) of the statutes is created to read:

6 218.50 (4m) "Junk vehicle" has the meaning given in s. 340.01 (25j).

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

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

21 SECTION 4. 218.51 (1) of the statutes is amended to read:

1 218.51 (1) The department shall issue buyer identification cards to qualified
2 applicants who wish to purchase or submit bids for the purchase of used or damaged
3 motor vehicles from a motor vehicle salvage pool and who submit all information or
4 documents required under sub. (3) (ar). The department shall specify the form of the
5 buyer identification card.

History: 1987 a. 349; 1989 a. 31; 1991 a. 39; 1993 a. 16; 1997 a. 191, 237; 1999 a. 9; 2007 a. 20.

6 **SECTION 5.** 218.51 (2) of the statutes is amended to read:

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

10 **SECTION 6.** 218.51 (3) (ar) ~~of~~ of the statutes is created to read:

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

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

21 2. A copy of correspondence on department of natural resources letterhead
22 indicating that the applicant has registered or certified its compliance with
23 refrigerant recovery to the department of natural resources, under its rules
24 promulgated pursuant to s. 285.59, or a statement from the department of natural

1 resources that the applicant is not required to register or certify under rules
2 promulgated by the department of natural resources pursuant to s. 285.59.

3 **SECTION 7.** 218.51 (4) (i) of the statutes is created to read:

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

6 **SECTION 8.** 218.52 (1) (c) of the statutes is created to read:

7 218.52 (1) (c) If the motor vehicle is a junk vehicle and the person is not a motor
8 vehicle salvage dealer, the person identifies on at least one sheet of any bid submitted
9 to the motor vehicle salvage pool the address where the junk vehicle will be stored.

10 **SECTION 9.** 218.52 (2) of the statutes is amended to read:

11 218.52 (2) No motor vehicle salvage pool may accept a bid for the purchase of
12 a motor vehicle or complete the sales transaction unless the person who submits the
13 bid or offers to purchase a motor vehicle from the motor vehicle salvage pool satisfies
14 the conditions under sub. (1) (b) and, if applicable, under sub. (1) (c) and the motor
15 vehicle salvage pool verifies that the buyer identification number displayed on the
16 person's buyer identification card and included on each sheet of that person's bid or
17 other document evidencing the purchase of a motor vehicle are identical.

18 **History:** 1987 a. 349; 1993 a. 159; 1997 a. 27.

18 **SECTION 10.** 218.52 (5) of the statutes is created to read:

19 218.52 (5) (a) For each junk vehicle sold by a motor vehicle salvage pool to a
20 purchaser other than a motor vehicle salvage dealer, the motor vehicle salvage pool
21 shall provide to the department, on the form or in the automated format prescribed
22 by the department, the buyer identification number of the purchaser and the
23 information specified in sub. (1) (c).

1 (b) For each junk vehicle sold by a motor vehicle salvage pool to a purchaser
2 other than a motor vehicle salvage dealer, the motor vehicle salvage pool shall impose
3 on the purchaser a \$50 environmental fee, in addition to any other applicable fee, and
4 remit the environmental fee to the department, in the manner prescribed by the
5 department, with the information specified in par. (a). The department shall credit
6 all revenues received under this paragraph to the appropriation account under s.
7 20.395 (5) (fq).

8 (c) The department shall maintain a database of the information received
9 under par. (a), in a searchable or indexed format, to assist in enforcing the
10 requirements of this chapter. The department may provide this information to the
11 department of natural resources for purposes of enforcing the provisions of s. 283.33
12 and 285.59.

13 ~~SECTION 11.~~ 218.53 of the statutes is renumbered 218.53 (1).

14 ~~SECTION 12.~~ 218.53 (2) of the statutes is created to read:

15 218.53 (2) Any person who makes any materially false representation on an
16 application of information specified in s. 218.51 (3) (ar) or on any bid sheet of
17 information specified in s. 218.52 (1) (c), or who falsifies any document specified in
18 s. 218.51 (3) (ar), shall be subject to the penalty under sub. (1).

19 **SECTION 13. Initial applicability.**

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

23 (2) The treatment of section 218.52 (1) (c), and (2) and (5) of the statutes first
24 applies to purchases of or bids upon vehicles occurring on the effective date of this
25 subsection.

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

LRB-3624/P1dn

ARG:...

kjf

Date

ATTN: Jon Mielke

Please review the attached draft carefully to ensure that it is consistent with your intent. The draft reflects my understanding of the initial drafting instructions, as clarified by e-mail.

Please let me know if you would like any changes made to the attached draft or if you have any questions. If the attached draft meets with your approval, let me know and I will convert it to an introducible "/1" draft.

Aaron R. Gary
Legislative Attorney
Phone: (608) 261-6926
E-mail: aaron.gary@legis.wisconsin.gov

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

LRB-3624/P1dn
ARG:kjf:jf

November 13, 2009

ATTN: Jon Mielke

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Please let me know if you would like any changes made to the attached draft or if you have any questions. If the attached draft meets with your approval, let me know and I will convert it to an introducible "/1" draft.

Aaron R. Gary
Legislative Attorney
Phone: (608) 261-6926
E-mail: aaron.gary@legis.wisconsin.gov

Gary, Aaron

From: Mielke, Jon
Sent: Tuesday, December 01, 2009 12:00 PM
To: Gary, Aaron
Subject: Changes to LRB 3624.doc

Attachments: Changes to LRB 3624.doc



Changes to LRB
3624.doc (22 KB...

Hi Aaron,

Please review the attached document for the changes we would like to LRB3654/P1. We really like the way you approached the request and don't feel that the fee would even be necessary.

Any idea how long the revisions would take?

Thanks,

Jon Mielke
Legis. Asst.
Rep. Amy Sue Vruwink

Changes to LRB 3624/P1

1.) *Eliminate Section 10 (page 5, lines 20 to 25 and Page 6 lines 1-12)*

Because of the way you drafted the first section, we no longer see the need for the additional fee. We were impressed by the approach you took in the early portion of the draft and no longer see the need for the fee.

The way you have this drafted, this proposal would require that BID CARD applicants who intend to purchase junk vehicles at salvage pools and are not licensed salvage dealers provide DOT with information from the DNR that they hold the appropriate environmental permits or correspondence from the DNR that they do not need the permits for their operation.

2.) On page 4, lines 16-17, remove the words, "*for the purposes of dismantling the vehicle and,*"

We think it is implied that if you buy a junk car you are going to dismantle it. We are trying to avoid an argument of what "dismantling" means.

3.) While we would like to eliminate section 10 on pages 5 and 6 as currently worded, we would like to insert language in the draft similar to (c) lines 8-12 pertaining to the maintaining of a database.

What we would like is language that would require the auction to maintain records on the buyers and vehicles sold. This information would be available upon request. I will defer to your judgment, but perhaps this could be included in section 342.157. They are already required to maintain some records, but the information from the auctions pertaining to buyers and vehicles sold is not currently readily available.

Gary, Aaron

From: Mielke, Jon
Sent: Wednesday, December 02, 2009 12:02 PM
To: Gary, Aaron
Subject: RE: Changes to LRB 3624.doc

Hi Aaron,

In reviewing my notes, we had also decided to get rid of section 9 in the draft you sent us.

Thanks,

Jon

From: Gary, Aaron
Sent: Tuesday, December 01, 2009 2:43 PM
To: Mielke, Jon
Subject: RE: Changes to LRB 3624.doc

Hi Jon,

I think I can start on this tomorrow and hopefully have it out to you this week. Regarding item 3 of the attachment, it is the auction that needs to maintain the database/records (not DOT), right? (Of course, DOT will have to be afforded access.)

Thanks. Aaron

Aaron R. Gary
Attorney, Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us

From: Mielke, Jon
Sent: Tuesday, December 01, 2009 12:00 PM
To: Gary, Aaron
Subject: Changes to LRB 3624.doc

<< File: Changes to LRB 3624.doc >>

Hi Aaron,

Please review the attached document for the changes we would like to LRB3654/P1. We really like the way you approached the request and don't feel that the fee would even be necessary.

Any idea how long the revisions would take?

Thanks,

Jon Mielke
Legis. Asst.
Rep. Amy Sue Vruwink

Gary, Aaron

From: Mielke, Jon
Sent: Tuesday, December 01, 2009 2:45 PM
To: Gary, Aaron
Subject: RE: Changes to LRB 3624.doc

Exactly, our intent is to allow DOT the access to the records (Possibly even DNR?) but have the auctions maintain the records.

From: Gary, Aaron
Sent: Tuesday, December 01, 2009 2:43 PM
To: Mielke, Jon
Subject: RE: Changes to LRB 3624.doc

Hi Jon,

I think I can start on this tomorrow and hopefully have it out to you this week. Regarding item 3 of the attachment, it is the auction that needs to maintain the database/records (not DOT), right? (Of course, DOT will have to be afforded access.)

Thanks. Aaron

Aaron R. Gary
Attorney, Legislative Reference Bureau
608.261.6926 (voice)
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aaron.gary@legis.state.wi.us

From: Mielke, Jon
Sent: Tuesday, December 01, 2009 12:00 PM
To: Gary, Aaron
Subject: Changes to LRB 3624.doc

<< File: Changes to LRB 3624.doc >>

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Please review the attached document for the changes we would like to LRB3654/P1. We really like the way you approached the request and don't feel that the fee would even be necessary.

Any idea how long the revisions would take?

Thanks,

Jon Mielke
Legis. Asst.
Rep. Amy Sue Vruwink



Wanted by
12/4 end
of day

LRB-3624/PZ
ARG:kjf:jf

in 12/2

RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

requiring the exercise of rule-making authority

Reyen

1 AN ACT *to renumber* 218.53; *to amend* 218.50 (6), 218.51 (1), 218.51 (2) and
 2 218.52 (2); and *to create* 20.395 (5) (fq), 218.50 (4m), 218.51 (3) (ar), 218.51 (4)
 3 (i), 218.52 (1) (c), 218.52 (5) and 218.53 (2) of the statutes; **relating to:** the
 4 purchase of motor vehicles from motor vehicle salvage pools, making an
 5 appropriation, 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.

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 ~~to be dismantled~~ ~~dismantling the vehicle~~. 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 impose on the purchaser a \$50 environmental fee, to be remitted to DOT, and~~ ~~must provide to DOT the~~ buyer identification number ~~of the purchaser~~ and the address where the junk vehicle will be stored, as stated on the purchaser's bid sheet.

maintain a record of the purchaser's

With revenues generated from the \$50 environmental fee, DOT must maintain a database of purchasers of junk vehicles that are not motor vehicle salvage dealers and DOT may share information from the database with the Department of Natural Resources

insert ANAL

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.

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:

~~SECTION 1. 20.395 (5) (fq) of the statutes is created to read:~~

~~20.395 (5) (fq) *Junk vehicle purchaser database, state funds.* All moneys received under s. 218.52 (5) (b) for the purpose of administering the provisions of s. 218.52 (5), including developing and maintaining the database.~~

SECTION 2. 218.50 (4m) of the statutes is created to read:

218.50 (4m) "Junk vehicle" has the meaning given in s. 340.01 (25j).

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

218.50 (6) "Qualified applicant" means a motor vehicle dealer, wholesaler, or salvage dealer licensed under this chapter, a motor vehicle dealer, wholesaler, or salvage dealer licensed in another jurisdiction, or an employee of a motor vehicle dealer, wholesaler, or salvage dealer under this subsection. A motor vehicle dealer, wholesaler, or salvage dealer licensed in another jurisdiction is not a qualified applicant under this subsection, and an employee of a motor vehicle dealer, wholesaler, or salvage dealer licensed in another jurisdiction is not a qualified applicant under this subsection, unless the department determines that the standards for licensing the motor vehicle dealer, wholesaler, or salvage dealer in the other jurisdiction are comparable or equivalent to the licensing standards under this chapter, including, with respect to motor vehicle salvage dealers, requirements in

1 the other jurisdiction comparable or equivalent to the requirements under s. 218.21
2 (2) (eg) and (em).

3 **SECTION 4.** 218.51 (1) of the statutes is amended to read:

4 218.51 (1) The department shall issue buyer identification cards to qualified
5 applicants who wish to purchase or submit bids for the purchase of used or damaged
6 motor vehicles from a motor vehicle salvage pool and who submit all information or
7 documents required under sub. (3) (ar). The department shall specify the form of the
8 buyer identification card.

9 **SECTION 5.** 218.51 (2) of the statutes is amended to read:

10 218.51 (2) ~~A~~ Subject to s. 218.52 (1), a buyer identification card entitles a
11 cardholder to purchase or submit bids for the purchase of a motor vehicle from a
12 motor vehicle salvage pool during the buyer identification card period.

13 **SECTION 6.** 218.51 (3) (ar) of the statutes is created to read:

14 218.51 (3) (ar) In addition to any other information required under pars. (a) and
15 (am), an application for a buyer identification card shall specify whether the
16 applicant will purchase any junk vehicle from a motor vehicle salvage pool for
17 purposes of dismantling the vehicle and, if the answer is in the affirmative and the
18 applicant is not a motor vehicle salvage dealer, the application shall include all of the
19 following:

20 1. A copy of correspondence on department of natural resources letterhead
21 indicating that the applicant has permit coverage under s. 283.33, or a statement
22 from the department of natural resources that the applicant is not required to have
23 a permit under s. 283.33.

24 2. A copy of correspondence on department of natural resources letterhead
25 indicating that the applicant has registered or certified its compliance with

1 refrigerant recovery to the department of natural resources, under its rules
2 promulgated pursuant to s. 285.59, or a statement from the department of natural
3 resources that the applicant is not required to register or certify under rules
4 promulgated by the department of natural resources pursuant to s. 285.59.

5 **SECTION 7.** 218.51 (4) (i) of the statutes is created to read:

6 218.51 (4) (i) Any information or document required under sub. (3) (ar) is not
7 included in the application or has been misrepresented in the application.

8 **SECTION 8.** 218.52 (1) (c) of the statutes is created to read:

9 218.52 (1) (c) If the motor vehicle is a junk vehicle and the person is not a motor
10 vehicle salvage dealer, the person identifies on at least one sheet of any bid submitted
11 to the motor vehicle salvage pool the address where the junk vehicle will be stored.

12 **SECTION 9.** 218.52 (2) of the statutes is amended to read:

13 218.52 (2) No motor vehicle salvage pool may accept a bid for the purchase of
14 a motor vehicle or complete the sales transaction unless the person who submits the
15 bid or offers to purchase a motor vehicle from the motor vehicle salvage pool satisfies
16 the conditions under sub. (1) (b) and, if applicable, under sub. (1) (c) and the motor
17 vehicle salvage pool verifies that the buyer identification number displayed on the
18 person's buyer identification card and included on each sheet of that person's bid or
19 other document evidencing the purchase of a motor vehicle are identical.

20 **SECTION 10.** 218.52 (5) of the statutes is created to read:

21 218.52 (5) (a) For each junk vehicle sold by a motor vehicle salvage pool to a
22 purchaser other than a motor vehicle salvage dealer, the motor vehicle salvage pool
23 shall provide to the department, on the form or in the automated format prescribed
24 by the department, the buyer identification number of the purchaser and the
25 information specified in sub. (1) (c).

1 (b) For each junk vehicle sold by a motor vehicle salvage pool to a purchaser
 2 other than a motor vehicle salvage dealer, the motor vehicle salvage pool shall impose
 3 on the purchaser a \$50 environmental fee, in addition to any other applicable fee, and
 4 remit the environmental fee to the department, in the manner prescribed by the
 5 department, with the information specified in par. (a). The department shall credit
 6 all revenues received under this paragraph to the appropriation account under s.
 7 20.395 (5) (fq).

8 (c) The department shall maintain a database of the information received
 9 under par. (a), in a searchable or indexed format, to assist in enforcing the
 10 requirements of this chapter. The department may provide this information to the
 11 department of natural resources for purposes of enforcing the provisions of s. 283.33
 12 and 285.59.

13 SECTION 11. 218.53 of the statutes is renumbered 218.53 (1).

14 SECTION 12. 218.53 (2) of the statutes is created to read:

15 218.53 (2) Any person who makes any materially false representation on an
 16 application of information specified in s. 218.51 (3) (ar) or on any bid sheet of
 17 information specified in s. 218.52 (1) (c), or who falsifies any document specified in
 18 s. 218.51 (3) (ar), shall be subject to the penalty under sub. (1).

19 SECTION 13. Initial applicability.

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

23 (2) The treatment of section 218.52 (1) (c), (2) and (5) of the statutes first applies
 24 to purchases of or bids upon vehicles occurring on the effective date of this subsection.

insert
6-18

and 342.157

1 **INSERT ANAL:**

(no 4) 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.

2

3 **INSERT 6-18:**

4 **SECTION 1.** 342.157 of the statutes is renumbered 342.157 (1) and amended to
5 read:

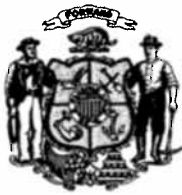
6 342.157 ~~Motor vehicle salvage pools and auction companies to~~

7 ~~maintain records.~~ (1) For each motor vehicle sold by a motor vehicle salvage pool
8 or auction company, the motor vehicle salvage pool or auction company shall
9 establish and maintain a record of each sale, including the mileage disclosure of the
10 transferor under s. 342.155. For each junk vehicle sold by a motor vehicle salvage
11 pool to a purchaser other than a motor vehicle salvage dealer, the record of sale shall
12 include the purchaser's buyer identification number and the address where the
13 vehicle will be stored, as stated by the purchaser under s. 218.52 (1) (b) and (c).

14 (2) The department shall specify by rule the information that shall be included
15 in such the records under sub. (1) and the manner in which and the period of time
16 for which the records shall be maintained. The department shall require the records
17 specified in sub. (1) relating to junk vehicles to be readily accessible to the
18 department and indexed or easily searchable, whether manually or electronically.
19 The department may also require the records specified in sub. (1) relating to junk
20 vehicles to be maintained in an automated or electronic format. The department may
21 provide any information from the records specified in sub. (1) relating to junk

1 vehicles to the department of natural resources for purposes of enforcing the
2 provisions of s. 283.33 and 285.59.

History: 1993 a. 159.



State of Wisconsin
2009 - 2010 LEGISLATURE

wanted
by 12/4
end of
day

in 12/3

LRB-3624/1
ARG:kjf:ph

RMR

12/3 - flc from Jan - looks good - make /i

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

No changes

x

Regen

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.

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.

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

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:

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

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)

Barman, Mike

From: Mielke, Jon
Sent: Monday, December 07, 2009 10:48 AM
To: LRB.Legal
Subject: Draft Review: LRB 09-3624/1 Topic: Purchases of junk vehicles from motor vehicle salvage pools; motor vehicle salvage pool buyer identification cards

Please Jacket LRB 09-3624/1 for the ASSEMBLY.