

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

LRB-0175/P1dn  
ARG:jld:jf

November 16, 2012

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

The drafting instructions state that DOT does not have authority to cancel a motor vehicle title or registration when a consumer provides a licensed motor vehicle dealer with a fraudulent title when trading in a motor vehicle, which harms the dealer that is acting as an agent of DOT.

I believe that this draft might not be necessary. Under s. 342.11 (1) (b), DOT must refuse issuance of a certificate of title if the application contains a false or fraudulent statement. Current law therefore prohibits DOT from issuing a certificate of title based on a fraudulent application, regardless of whether DOT or a dealer first receives the application. Under s. 342.255 (3), DOT must cancel a title or registration if DOT discovers that issuance of the title or registration is prohibited by law. Accordingly, I believe that DOT might already have authority under ss. 342.11 (1) (b) and 342.255 (3) to cancel a vehicle title or registration based upon the consumer's fraud even if the application is submitted first to a dealer.

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.

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