

STATE OF WISCONSIN)
) SS.
DEPARTMENT OF TRANSPORTATION)

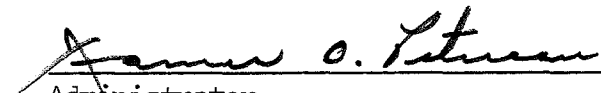
MVD 24

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

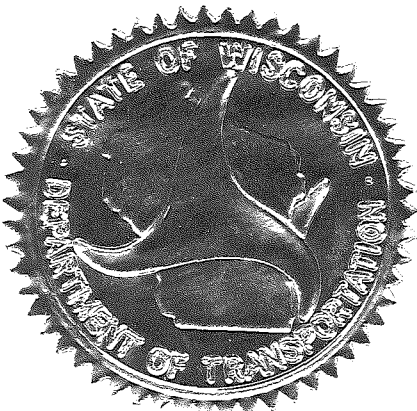
I, James O. Peterson, Administrator of the Division of Motor Vehicles of the Wisconsin Department of Transportation, and legal custodian of the official records of said Division, do hereby certify that the changes to Chapter MVD 24, entitled "Motor Vehicle Trade Practices," of the published Wisconsin Administrative Code, marked "Exhibit A," and attached to my Order, have been duly approved and adopted by me as Administrator of said Division, this 13th day of May, 1974.

I further certify that these newly-adopted rules attached to my Order as "Exhibit A" which are being filed with the offices of the Revisor of Statutes and Secretary of State, respectively, have been compared by me with the original on file in this Division, and that each respective copy, including "Exhibit A", is a true and correct copy of the original Order and attached "Exhibit A" on file with this Division.

IN TESTIMONY WHEREOF, I have hereunto
set my hand and affixed the official
seal of the Department of Transporta-
tion at the Hill Farms State Office
Building in the city of Madison,
Wisconsin, this 13th day of May 1974.



Administrator
Division of Motor Vehicles
Wisconsin Department of Transportation



BEFORE THE DEPARTMENT OF TRANSPORTATION OF THE STATE OF WISCONSIN
DIVISION OF MOTOR VEHICLES

*
IN THE MATTER OF THE ADOPTION OF CHAPTER *
MVD 24 OF THE WISCONSIN ADMINISTRATIVE * ORDER ADOPTING RULES
CODE; RULES RELATIVE TO MOTOR VEHICLE *
TRADE PRACTICES. *
*

Pursuant to authority vested in the Administrator of the Division of Motor Vehicles of the Wisconsin Department of Transportation under section 110.06, Wis. stats.; and, section 218.01(5), Wis. stats.; and in accordance with Chapter 227, Wis. stats., and after due notice and public hearing held on the 16th day of January, 1974, and subsequent additional meetings; and after due consideration to the objections and suggestions of those persons attending such public hearing and meetings, Wisconsin Administrative Code, Chapter MVD 24 has been amended as provided in "Exhibit A," attached hereto.

IT IS HEREBY ORDERED, That various sections of Wisconsin Administrative Code, Chapter MVD 24 relating to Motor Vehicle Trade Practices be amended, repealed, created, recreated, and renumbered as provided in "Exhibit A" attached hereto, adopted hereby and made a part of their order by reference.

The changes adopted hereby shall become effective July 1, 1974, with the exception of Sec. 24.03(5) which shall go into effect on October 1, 1974.

Dated at Madison, Wisconsin, this 13th day of May, 1974.



James O. Peterson

Administrator
Division of Motor Vehicles
Wisconsin Department of Transportation

CHANGES TO MVD 24

EXHIBIT "A"

1. SECTION 24.02(5) is amended to read:

(5) The use of new ~~car~~ motor vehicle list prices to advertise comparative savings for used vehicles is an unfair practice and prohibited.

2. SECTION 24.02(14) is amended to read:

(14) When advertising any motor vehicle, a dealer or salesman licensee must state the vehicle's model year and, if the vehicle is of the current or previous model year, must designate the vehicle as ~~either-new-or~~ used if such is the fact. Reference to "low mileage", "X miles", "one-owner", "demonstrator", "executive" or other words of similar meaning shall serve to designate the vehicle as used.

3. SECTION 24.03(4) is repealed and recreated to read:

(4) Except as provided in (g) following, each used motor vehicle displayed or offered for sale by a dealer licensee shall have attached to the vehicle in a conspicuous place, a writing clearly informing the buyer, prior to sale, in simple and concise language:

(a) That the vehicle is used. In addition to being designated as "Used", vehicles which were known to be previously privately driven, executive, demonstrator, taxi-driven, police vehicle, driver-

education, lease, rental, public vehicle, company vehicle, municipal owned, or flood damaged regardless of the extent of such damage shall be clearly and specifically identified as such.

Disclosure of the prior use and flood damage is limited to that which the dealer could ascertain with reasonable diligence.

- (b) The odometer reading at time the vehicle was obtained by the dealer and disclosure that such reading is known to be actual mileage, or that such reading is known to be inaccurate in which case actual mileage shall be disclosed if known, or that such reading is not known to be actual mileage, as corroborated by the prior owner's mileage statement, available and subsequently shown to the purchaser, in accordance with section MVD 24.03(7). Such writing shall further disclose that the name and address of the vehicle's prior owner is available upon request.
- (c) The vehicle asking price, make, year model, identification number, engine type (V-8, six) and type of transmission (standard, four-speed, automatic).
- (d) The basic terms and conditions of warranty, if offered.

(e) That the vehicle is being sold on an "as-is" or "with all faults" basis if such is the fact. In such event, the writing shall further state in bold faced type that "Except for any manufacturer's or other express warranty which exists on this vehicle, the entire risk as to the quality and performance of the vehicle is with the buyer, and should the vehicle prove defective following the purchase, the buyer will assume the entire cost of all servicing and repair."

(f) That the condition of the vehicle for sale is such that it cannot be legally operated at all times on Wisconsin highways, if such is a fact. The language shall state:

"WARNING!

This vehicle may not be operated or licensed and must be towed or hauled from this location if purchased in its present condition. If all defects which prohibit its legal operation are not corrected prior to your accepting delivery of the vehicle, it must be inspected and approved by a qualified law enforcement officer before it can be licensed and operated on Wisconsin highways. Such inspection certification and the title must be submitted by the owner to the division together with proper registration fee."

(g) Such written disclosure as required by (4) preceding does not apply to:

1. Each used motor vehicle prior to being offered for sale, providing a written statement "Not for sale" is displayed on each such motor vehicle.
2. Each executive or demonstrator displaying a new vehicle price label until such time as offered for sale.

4. SECTION 24.03(5) is repealed and recreated to read:

(5) Dealer and salesman licensees must inform prospective retail purchasers of used motor vehicles in writing before purchase contract execution, in the manner and on the form prescribed by the division of all significant existing mechanical and structural defects and damage.

(a) Disclosure of information required on the prescribed form is limited to that which the licensee could ascertain as a result of reasonable diligence, which shall consist of but is not limited to an inspection of all used motor vehicles, in the manner and on the form prescribed by the division. Such inspection shall consist of but is not limited to a walk-around and interior inspection, under-hood inspection, under-vehicle inspection and a test-drive. Such form, disclosing existing defects and damage shall be completed in duplicate, the original of which shall be retained by the dealer for 3 years and a copy

of which shall be reviewed with and furnished to the purchaser prior to execution of the vehicle purchase contract, whether or not there are existing significant defects or damage. Samples of the inspection form required by this subsection shall be made available to dealer licensees within 2 months following adoption of this subsection. This subsection shall become effective 4 months after its publication in the Wisconsin administrative register.

(b) Unless otherwise agreed to in the written purchase contract, the use of the inspection form provided for herein shall neither create any warranties, express or implied, nor affect warranty coverage provided for in the purchase contract.

5. SECTION 24.03(6)(a) 2. is amended to read:

(6)(a) 2. Specify for the retail purchaser the defects which are in violation of Chapter 347, Wis. stats., and Wis. Adm. Code chapter MVD 5, on the vehicle purchase contract or on the form prescribed by the division.

6. SECTION 24.03(7) is repealed and recreated to read:

(7) Mileage disclosure. (a) Subsections (b) and (c) following do not apply to a motor vehicle with a gross weight rating of more than 16,000 pounds, or a motor vehicle 25 years old or older.

(b) For each motor vehicle offered for sale by a dealer, the dealer shall 1. have on file an odometer statement signed by the prior owner, except for new vehicles obtained by such dealer direct from the manufacturer or distributor, and 2. show such statement to each prospective retail purchaser, prior to sale, and 3. retain such statement in his records for 3 years, and 4. furnish a new, current odometer statement to the purchaser, and 5. retain a copy of such statement in his records for 3 years.

(c) Such prior owner's and dealer's statement shall contain 1. a pre-printed statement "Federal regulations require you to state the odometer mileage before transfer of ownership. An inaccurate statement may make you liable for damages to your transferee (purchaser), pursuant to Section 409(a) of the Motor Vehicle Information and Cost Savings Act of 1972, Public Law 92-513.", and 2. a description of the vehicle, and 3. his name and address, and 4. his signature, and 5. the date of ownership transfer, and 6. the odometer reading, qualified by a statement that either such reading is known to be actual mileage, or that such reading is known to be inaccurate in which case actual mileage shall be disclosed if known, or that such reading is not known to be actual mileage.

7. SECTION 24.04(1) is amended to read:

(1) All dealer licensees shall furnish a document that clearly notifies the prospective retail buyer on its face that he is making an offer to purchase that will become a binding motor vehicle purchase contract if accepted by the dealer licensee, that the dealer licensee must accept or reject the offer within 2 working hours or the offer is automatically voided and that the offeror may rescind the offer unless and until accepted by the dealer licensee. All conditions precedent to the acceptance of the purchaser's offer by the licensee shall be clearly set forth in the contract. Until acceptance or rejection of the offer, the licensee shall be prohibited from selling the vehicle to any other party.

8. SECTION 24.04(3)(e) is amended to read:

(3)(e) Specify a delivery date on the face of the contract and state further in bold faced type next to the delivery date that: "Regardless of reason, if the vehicle ordered by the buyer cannot be delivered within 15 days of the specified delivery date, the buyer may cancel the order and receive a full refund of any down payment, trade-in vehicle, or trade-in allowance only if the trade-in is not available."

9. SECTION 24.04(4) is amended to read:

(4) A dealer licensee may request a down payment, deposit, or title for trade-in unit from a prospective retail

buyer at the time the offer to purchase or purchase contract is being negotiated, provided that the down payment, deposit, or title is returned to the prospective retail buyer within two working hours if the contract is not accepted by the dealer licensee. If the prospective buyer is not present or available during such two-hour period, such items must be returned in person or be mailed during the following business day.

10. SECTION 24.04(6) is repealed and recreated to read:

(6) Motor vehicle price changes. (a) A motor vehicle manufacturer, importer, or distributor which accepts orders placed on behalf of private retail customers shall furnish motor vehicle dealers with price lists upon which retail motor vehicle purchase contracts may be executed. Such price lists shall set forth the base prices of the various models along with the prices of all optional equipment, accessories and destination or transportation charges. The prices set forth in such price lists shall remain in effect until receipt by the dealers of written official price change notification which shall contain the specific dollar amounts of increases applicable to the various models, optional equipment, accessories and destination or transportation charges.

(b) Unless a motor vehicle manufacturer, importer, or distributor has adopted a formal policy of not accepting orders placed on behalf of private retail customers and such policy is clearly set forth to franchised dealers, price increases imposed by such motor vehicle manufacturer, importer, or distributor are prohibited on those vehicles for which dealers had orders written with private retail customers prior to the dealer's receipt of the official price change notification referred to in (a) preceding. A sales contract signed by a private retail customer shall constitute evidence of each such order. In the event of motor vehicle manufacturer, importer, or distributor price reduction the amount of any such reduction received by a dealer shall be passed on to the private retail customer by the dealer if the retail price was negotiated on the basis of the previous higher price to the dealer. Price differences applicable to new model or series motor vehicles at the time of the introduction of new models or series shall not be considered a price increase or decrease. Price increases caused by any of the following reasons shall not be subject to the provision of this section:

1. the addition of new equipment as required by state or federal law
2. in the case of foreign make vehicles, revaluation of the U.S. dollar by the U.S. government
3. state or federal tax rate changes

(c) The provisions of sections 24.04(5) and 24.04(6) shall 1. be suspended during periods in which the federal government has imposed controls on the prices of motor vehicles, and 2. not apply to motor vehicles with a gross weight rating of more than 16,000 pounds.

11. SECTION 24.04(9) is created to read:

(9) A dealer licensee shall not assess a service fee for completing and processing normal registration and title applications.

12. SECTION 24.05(9) is created to read:

(9) Repair service agreement is not considered a warranty, but for the purposes of disclosure and performance as provided in sections 24.05(1) thru (6), the term warranty shall include repair service agreement.