

CR 84-225

CERTIFICATE

STATE OF WISCONSIN)
) ss.
DEPARTMENT OF TRANSPORTATION)

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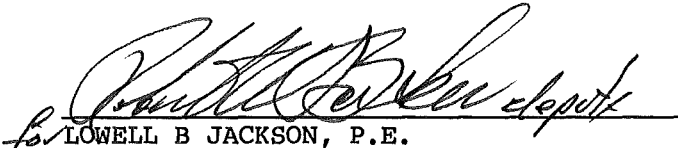
JUL 9 1985
Mr 2:40
Revisor of Statutes
Bureau

TO ALL TO WHOM THESE PRESENTS COME, GREETINGS:

I, Lowell B. Jackson, Secretary of the Department of Transportation and custodian of the official records of the Department, do hereby certify that the annexed rule relating to motor vehicle manufacturer's licenses and sales of new motor vehicles by dealers was duly approved and adopted by this Department on June 28, 1985.

I further certify that this copy has been compared by me with the original on file in this Department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereonto set my hand and affixed the official seal of the Department at the Hill Farms State Office Building in the City of Madison, Wisconsin, this 28th day of June, 1985.


for LOWELL B JACKSON, P.E.
Secretary
Wisconsin Department of Transportation

9-1 25

STATE OF WISCONSIN
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

AN ORDER of the Department of Transportation amending a rule, Chapter TRANS 137, Wisconsin Administrative Code, relating to motor vehicle manufacturer's licenses and sales of new motor vehicles by dealers.

CR 84-225

Analysis by the Department of Transportation

Section 218.01(3)(a)27, Wis. Stats., prohibits a motor vehicle dealer from selling new motor vehicles unless franchised by the manufacturer or distributor.

The amendments to Chapter TRANS 137.03(7), (8) and (9) are made to more clearly define "new" and "used" motor vehicle SOLELY for the purpose of providing specific direction for dealers and the department for easier and more effective administration and enforcement of the motor vehicle franchise law.

These amendments are in response to Wisconsin Auto & Truck Dealers Association petition for amended definitions and is the end product of numerous meetings with Wisconsin Auto & Truck Dealers Association and four public hearings, as related solely to "new" vehicle sales by only franchised dealers.

Specific reasons for amended definitions include:

(a) The existing TRANS 137 definitions of "new motor vehicle" and "used motor vehicle" permit motor vehicles to be sold as "used" which have never been previously retailed and which have been operated for only a minimal number of miles or used by the owner for only a minimal amount of time. Wisconsin Auto & Truck Dealers Association has argued that the present threshold requirements for making a recently-manufactured vehicle "used" permit circumvention of the legislature's intent in adopting sec. 218.01(3)(a)27, Stats., prohibiting sales of new motor vehicles for which a dealer is not franchised.

(b) The changes will prohibit nonfranchised dealers from operating within the new motor vehicle market in violation of sec. 218.01(3)(a)27, Stats., by creating stricter standards which must be met before a motor vehicle may be classified and sold as "used."

(c) The changes more clearly define the distinction between "new motor vehicle" and "used motor vehicle" and permit easier and more effective enforcement of sec. 218.01(3)(a)27, Stats.

Fiscal Estimate

No fiscal effect is anticipated from the promulgation of these rule changes.

ORDER ADOPTING RULE

Pursuant to authority vested in the state of Wisconsin, department of transportation by ss. 85.16(1), 218.01(5) and 227.014, Stats., the department amends chapter TRANS 137 as follows:

SECTION 1. TRANS 137.03(7), (8) and (9) of the Wisconsin Administrative Code is amended to read:

(7) "New motor vehicle" ~~means any motor vehicle that has not been privately titled and that has not been operated more miles than required for pre-delivery test, dealer exchange and delivery. For the purpose of this chapter and s. 218.01(3)(a)27, Stats., "new motor vehicle" includes an "executive" motor vehicle, as defined in s. TRANS 139.02(4) Wis. Adm. Code, and a "demonstrator" motor vehicle, as defined in s. TRANS 139.02(3),~~ for purposes of this chapter and enforcement of s. 218.01(3)(a)27., means any motor vehicle other than a used motor vehicle as defined in sub. (9).

(8) "Privately titled" ~~means a vehicle titled by a private individual or any party other than a licensed motor vehicle manufacturer, distributor, wholesaler or dealer~~ person who acquired a vehicle through a bona fide sales transaction in which the person gave substantial value to acquire ownership of the vehicle for purposes other than lease, rental or resale and who is not a motor vehicle manufacturer, final stage manufacturer, converter, distributor, wholesaler, dealer, fleet owner or lease or rental company.

(9) "Used motor vehicle" ~~means any motor vehicle other than a new motor vehicle:~~

(a) Any motor vehicle which has been privately titled, or

(b) Any motor vehicle which has not been privately titled, but:

1. Has been operated more than 6,000 miles, or

2. Has been operated more than 4,000 cumulative miles, and owned more than 120 days by the licensee currently offering the vehicle for sale, or

3. Has sustained damage while in-transit and has been acquired by the motor carrier from the motor vehicle manufacturer because of the liability agreement between the manufacturer and carrier, or

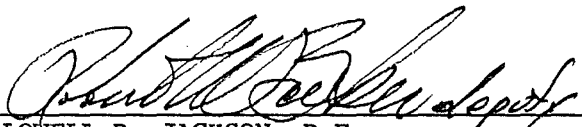
4. Is of a previous model year. A vehicle shall be considered to be a previous model year after December 31 of the calendar year identical to the manufacturer's designated model year.

Note: To clarify item 4 above, a 1985 model year vehicle may be offered for sale and sold by any motor vehicle dealer after December 31, 1985.

(END)

The amendments contained in this order shall take effect upon publication as provided in s. 227.026(1) (intro.), Stats.

Dated at Madison, Wisconsin
this 28th day of June, 1985.


for LOWELL B. JACKSON, P.E.
Secretary
Wisconsin Department of Transportation



State of Wisconsin \

DEPARTMENT OF TRANSPORTATION



DIVISION OF MOTOR VEHICLES
4802 Sheboygan Avenue
P. O. Box 7949
Madison, WI 53707-7949

July 3, 1985

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JUL 9 1985
2:40
Revisor of Statutes
Bureau

Mr. Gary Poulson
Assistant Revisor of Statutes
411 West, State Capitol
Madison, Wisconsin 53702

Re: Clearinghouse Rule 84-225
Relating to the motor vehicle manufacturer's
licenses and sales of new motor vehicles by
dealers; Trans 137

Dear Mr. Poulson:

Enclosed for filing, pursuant to sec. 227.023, Wis. Stats., is a certified copy of CR 84-225, an administrative rule relating to the motor vehicle manufacturer's licenses and sales of new motor vehicles by dealers. An additional, uncertified copy of CR 84-225 is enclosed to be used as a printer's copy. This rule is submitted by the Wisconsin Department of Transportation.

Sincerely,

Holly Luth

Holly M. Luth
Program Assistant

hml

Enclosures

cc: Sue Gallagher
DOT Office of Transportation Information
Carl Johnson
Don Krohn