

CR 90-191

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CERTIFICATE

DEC 7 1990  
2:55 pm  
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Bureau

STATE OF WISCONSIN )  
 ) ss.  
DEPARTMENT OF TRANSPORTATION )

TO ALL WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, RONALD R. FIEDLER, Secretary of the Wisconsin Department of Transportation and custodian of the official records, do hereby certify that the rule, relating to the **periods, fees, and expiration dates of licenses or vehicle registrations issued by the Department of Transportation to motor vehicle dealers, moped dealers, wholesalers, manufacturers, distributors, salvage dealers, motor vehicle auction dealers, salespersons and representatives**, was duly approved and adopted by this Department on **December 6<sup>th</sup>**, 1990.

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 hereunto set my hand and affixed the official seal of the Department of Transportation at 4802 Sheboygan Avenue, in the City of Madison, Wisconsin, this 6<sup>th</sup> day of December, 1990.

*Donald H. Fonghusen, Deputy*  
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for RONALD R. FIEDLER, P.E.  
Secretary

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IN THE MATTER OF a rule to create ch. Trans 144, Wisconsin Administrative Code, relating to the periods, fees, and expiration dates of licenses or vehicle registrations issued by the Department of Transportation to motor vehicle dealers, moped dealers, wholesalers, manufacturers, distributors, salvage dealers, motor vehicle auction dealers, salespersons and representatives.

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**ORDER ADOPTING RULE**

Analysis Prepared by the Wisconsin Department of Transportation

STATUTORY AUTHORITY: ss. 85.16(1), 218.01(5)(c), 218.01(2)(cm), 218.11(2), 218.12(2), 218.22(2), 218.32(2), 218.41(2m), 218.50(1m), 218.51(3), and 227.11(2), Stats.

STATUTES INTERPRETED: ss. 218.01(1)(jm), 218.01(2)(cm)2 & 3, 218.01(2)(d), 218.01(2)(dm), 218.01(2)(dr), 218.10(1r), 218.11(2), 218.12(2), 218.20(1g), 218.22(2); 218.3-0(2), 218.32(2), 218.40(1m), 218.41(2m), 218.50(1m), 218.51(3), 341.51(1), (2) & (2m), 341.53, and 341.57(2), Stats.

Summary of Rule. This rule extends and staggers the licensing and registration periods for motor vehicle dealers, salespersons, manufacturers, and others licensed by the Department of Transportation under ch. 218, Stats. The Department now renews one-year licenses for these businesses and individuals at the beginning of each calendar year. However, in 1989 the Wisconsin Legislature amended ch. 218, Stats., authorizing the Department to change the periods, issue dates, and fees of such licenses.

This rule uses that authority to propose the creation of ch. Trans 144, Wisconsin Administrative Code, and to establish the following license and registration periods, fees, and expiration dates:

- Two year licenses and vehicle plate registrations will be issued to motor vehicle, mobile home, moped, salvage and motor vehicle auction dealers and motor vehicle manufacturers, distributors, and wholesalers.
- Licenses will be issued to motor vehicle salespersons, mobile home salespersons, factory representatives, distributor representatives, and buyer identification card holders which will expire concurrently with the licenses held by the employing dealer, manufacturer, or distributor.
- License and registration fees will equal the current annual fees multiplied by the number of years the license is held.

Finally, starting and ending dates for all licenses will each be distributed over six dates per calendar year at two-month intervals. This staggered schedule changes the current system in which licenses are issued on January 1 and expire on December 31.

These proposals are designed to increase the Department's administrative efficiency and reduce regulatory burdens on dealers and other businesses. Annual licensing of all dealers, salespersons, and others imposed substantial paperwork and accounting costs on the motor vehicle trade in Wisconsin, particularly since dealer applications required complex financial statements demonstrating solvency. In addition, annual licensing and the uniform expiration date caused the licensing unit's workload to swell each winter, as shown in Figure 1. When combined with the recent increases in the number of licenses, the current dealer licensing system forced the Department to rely on overtime and temporary workers to issue licenses promptly. Failure to issue licenses in a timely manner would harm both dealers and consumers.

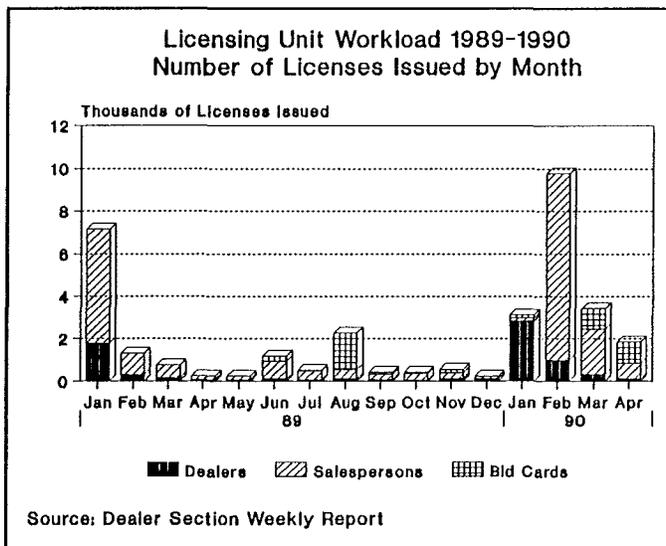


Figure 1

The Legislature recognized these problems and amended the licensing statutes authorizing the Department to reduce and redistribute its workload by establishing multi-year licenses with staggered expiration dates. The Department analyzed alternatives for a multi-year licensing system in light of several objectives -- to protect consumers, relieve dealers of unnecessary burdens, ensure adequate information about licensees, and keep licensing fees low enough to prevent any anti-competitive effects on the industry.

The Department decided to issue 2-year licenses to motor vehicle, mobile home, moped, salvage, and motor vehicle auction dealers as well as to motor vehicle manufacturers, distributors and wholesalers. We chose this licensing period for several reasons: First, a 2-year license period reduces by nearly half the licensing workload for dealers and the Department. Second, it provides the Department with adequate information to protect consumers. Third, it does not impose large up-front license fees which could have an anti-competitive effect on the industry. Finally, the 2-year license period requires no change in the Department's current procedure of having license plates re-based every two years. The Department also decided to issue salesperson and representative licenses and buyer identification cards which expire with the licenses held by the employing dealers or manufacturers in order to ensure that full accountability and responsibility for employee licensing rests with the dealer or manufacturer.

Fiscal Estimate. When fully implemented, this rule will reduce processing time in the Department's Dealer Section. The reduction will not appear in the current 1990-1991

biennium, but the rule's full fiscal impact should take effect by fiscal year 1992, when the rule is expected to reduce the amount of time required to renew dealer, salesperson, and other licenses. These savings should be enough to reduce LTE and overtime wages in the Dealer Section's licensing unit, assuming that no additional functions are added. The rule would have no impact on revenues, nor would have any effects on the fiscal liability and revenues of a county, city, village, town, school district, vocational, technical, and adult education district and sewerage district. A copy of the full fiscal estimate may be obtained from the Licensing Unit, Dealer Section, Wisconsin Department of Transportation, 806A Hill Farms State Transportation Building, 4802 Sheboygan Avenue, P.O. Box 7909, Madison, Wisconsin, 53707, telephone (608) 266-1425.

Contact Person. Questions about this rule may be addressed to Cathy L. Skaar, Dealer Section, Room 806, P.O. Box 7909, Madison, Wisconsin, 53707-7909, (608) 267-3635. Copies of the rule may be obtained from the Licensing Unit, Dealer Section, Wisconsin Department of Transportation, 806A Hill Farms State Transportation Building, 4802 Sheboygan Avenue, P.O. Box 7909, Madison, Wisconsin, 53707, telephone (608) 266-1425.

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### **TEXT OF RULE**

Under the authority vested in the state of Wisconsin department of transportation by ss. 85.16(1), 218.01(5)(c), 218.01(2)(cm), 218.11(2), 218.12(2), 218.22(2), 218.32(2), 218.41(2m), 218.50(1m), 218.51(3), and 227.11(2), Stats., the department of transportation hereby creates a rule interpreting ss. 218.01(1)(jm), 218.01(2)(cm)2 & 3, 218.01(2)(d), 218.01(2)(dm), 218.01(2)(dr), 218.10(1r), 218.11(2), 218.12(2), 218.20(1g), 218.22(2), 218.30(2), 218.32(2), 218.40(1m), 218.41(2m), 218.50(1m), 218.51(3), 341.51(1), (2) & (2m), 341.53, and 341.57(2), Stats.

SECTION 1. Chapter Trans 144 is created to read:

#### **CHAPTER TRANS 144**

#### **LICENSING PERIODS AND FEES FOR DEALERS,**

#### **MANUFACTURERS, AND SALESPERSONS**

**TRANS 144.01 PURPOSE.** This chapter describes the periods, expiration dates, and fees for licenses issued by the department under the authority found in ch. 218, Stats., to motor vehicle dealers and their salespersons; moped dealers; manufacturers, distributors,

wholesalers, and their representatives; mobile home dealers and their salespersons; motor vehicle auction dealers; salvage dealers; and buyer identification card holders. It also establishes the periods, expiration dates, and fees for registration plates issued to dealers, distributors, and manufacturers.

**TRANS 144.02 DEFINITIONS.** Words and phrases used in this chapter have the same meaning as found in chs. 218 and 341, Stats., unless additional interpretations are specified. In this chapter:

(1) "Business license" means a license issued by the department under ch. 218, Stats., to a motor vehicle dealer, moped dealer, mobile home dealer, motor vehicle auction dealer, motor vehicle manufacturer, distributor, wholesaler, or salvage dealer.

(2) "Department" means the department of transportation.

(3) "Individual license" means a buyer identification card or a license issued by the department under ch. 218, Stats., to a salesperson or representative.

(4) "Initial license" means a license issued to a person or business who does not have such a license at the time of application.

(5) "Renewal license" means a license issued to a person or business who has such a license at the time of application.

(6) "Representative" means a distributor representative or factory representative.

**TRANS 144.03 LICENSE PERIODS AND EXPIRATION DATES.** (1) BUSINESS LICENSES. (a) General licensing period and expiration dates. The license period for business licenses is 2 years. The department may issue business licenses that start and expire on the following dates:

<b>Day When License Is Issued:</b>	<b>Day When License Expires:</b>	
February 1 .....	January 31	} All expiration dates are in the second year after the date when the license was issued.
April 1 .....	March 31	
June 1 .....	May 31	
August 1 .....	July 31	
October 1 .....	September 30	
December 1 .....	November 30	

(b) Initial business licenses. The department may issue initial business licenses that go into effect on dates other than the first day of an even-numbered month. Such licenses shall expire before the end of 2 years, and their expiration dates shall be assigned as follows:

<b>Month License Is Issued:</b>	<b>Day License Expires:</b>
December or January .....	Last November 30 before the end of 2 years
February or March .....	Last January 31 before the end of 2 years
April or May .....	Last March 31 before the end of 2 years
June or July .....	Last May 31 before the end of 2 years
August or September .....	Last July 31 before the end of 2 years
October or November .....	Last September 30 before the end of 2 years

**NOTE:** A motor vehicle dealer whose license is first issued on October 8, 1992 would receive a license valid through September 30, 1994.

(2) INDIVIDUAL LICENSES. (a) Licensing period. The department may issue a salesperson license, representative license, or buyer identification card that remains valid until any one of the following conditions occur:

1. The business license held by the person's current employer expires;
2. The person ceases his or her employment with the dealer or other licensed business;
3. The person's employer goes out of business; or
4. The department suspends or revokes the person's license.

(b) Reissued licenses. A person whose salesperson or representative license is invalidated by ceasing his or her employment with a licensed dealer or other licensed business may, when hired by a different employer, apply to the department for a reissue of the salesperson or representative license. The department shall reissue the license without charge if both of the following conditions are true:

1. The department receives the application for a reissue before the previous employer's business license expires; and
2. The person's current employer holds the same type of business license as the person's previous employer when the person ended his or her employment.

**NOTE: If a salesperson left a dealership on March 8, 1992, and the dealer's license in effect on that date was set to expire on November 30, 1992, the person may not apply for a reissue on or after December 1, 1992. After November 30, the person must apply for an initial salesperson license. Also, a person may not apply for a reissue of his or her previous salesperson license for employment by a motor vehicle dealer if that license was held while working for a mobile home dealer, since the two employers hold licenses of different types.**

(3) REGISTRATION PLATES. The department may register and issue plates to business licensees for periods concurrent with the license periods described in this section.

TRANS 144.04 LICENSE AND REGISTRATION PLATE FEES. (1) The

department shall collect the fees described in the following table from applicants before issuing their licenses or registration plates.

**NOTE: The amounts listed in the table are based on the statutory formula -- described in sub. 218.01(2)(d), Stats., and elsewhere -- which is the number of years in a licensing period multiplied by the current annual fees.**

Type of License:	Type of Fee:	Amount:
Motor vehicle or moped dealer	License.....	\$40
	Registration (includes 2 plates) .....	\$150
	Additional plate .....	\$10
	Replacement plate .....	\$4
	Branch license .....	\$40
	Sublot license.....	\$2
Mobile home dealer	License .....	\$100
	Registration (includes 2 plates) .....	\$150
	Additional plate .....	\$10
	Replacement plate .....	\$4
	Branch license .....	\$100
Motor vehicle manufacturer, distributor, or wholesaler	License.....	\$40
	Registration (includes 2 plates) .....	\$150
	Additional plate .....	\$10
	Replacement plate.....	\$4
	Branch license .....	\$40
Motor vehicle auction dealer	License.....	\$100
Motor vehicle salvage dealer	License.....	\$150
Salesperson or representative	License.....	\$8
Buyer identification card	License.....	\$12

(2) When the department issues a salesperson license, buyer identification card, or representative license for less than the employer's business license period, it may reduce the

license fee by \$4 for each full year reduction in the salesperson or representative license period; or by \$6 for each full year reduction in the buyer identification card license period.

**TRANS 144.05 TRANSITION PERIOD.** The department may extend the expiration dates of licenses and plates issued during the calendar year 1990 to a date no later than June 30, 1991. The department may then issue licenses and registration plates between January 1, 1991 and June 30, 1991 which are valid for periods that differ from those described in other sections of this chapter but may not be longer than 3 years nor less than 6 months. The department may charge licensing and registration fees as described in the following formula: the transition fees will equal the current annual fees, multiplied by the number of months the licenses or registration plates are valid, and divided by 12. This section shall not be in effect after June 30, 1991.

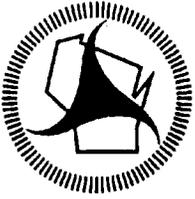
(END OF RULE TEXT)

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Effective Date: This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22(2)(intro.), Stats.

Signed at Madison, Wisconsin this 6th day of December, 1990.

*for* Donald H. Jorgensen, Deputy  
Ronald R. Fiedler, P.E.  
Secretary



## Wisconsin Department of Transportation

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Tommy G. Thompson  
Governor

Ronald R. Fiedler, PE  
Secretary

OFFICE OF GENERAL COUNSEL  
P. O. Box 7910  
Madison, WI 53707-7910

December 7, 1990

Mr. Gary Poulson  
Assistant Revisor of Statutes  
119 Martin Luther King, Jr. Blvd.  
2nd Floor  
Madison, Wisconsin 53703

RE: **CLEARINGHOUSE RULE 90-191**

In the Matter of the Adoption of **TRANS 144**, Wisconsin Administrative Code, relating to the **periods, fees, and expiration dates of licenses or vehicle registrations issued by the Department of Transportation to motor vehicle dealers, moped dealers, wholesalers, manufacturers, distributors, salvage dealers, motor vehicle auction dealers, salespersons and representatives.**

Dear Mr. Poulson:

Enclosed for filing, pursuant to s. 227.20, Wis. Stats., is a certified copy of **CR 90-191**, an administrative rule relating to the above-mentioned matter. This rule is submitted by the Wisconsin Department of Transportation.

Sincerely,

  
Julie A. Johnson  
Paralegal

Enclosures

cc: Tom Walker  
Linda Thelke  
Sandy Beaupre  
Joyce Gelderman  
Tom Gais  
Cathy Skaar