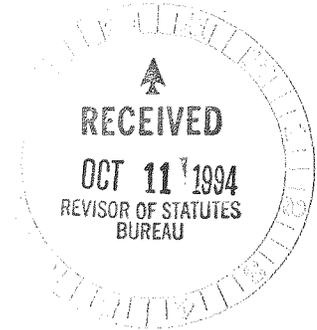


CERTIFICATE

STATE OF WISCONSIN )  
 ) ss.  
DEPARTMENT OF TRANSPORTATION )



TO ALL WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, CHARLES H. THOMPSON, Secretary of the Wisconsin Department of Transportation and custodian of the official records, do hereby certify that the rule, relating to **leasing of vehicles by private carriers**, was duly approved and adopted by this Department on October 10, 1994.

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 10 day of October, 1994.

Charles H. Thompson  
CHARLES H. THOMPSON  
Secretary

IN THE MATTER OF an Order Adopting Rule **REPEALING** ch. MVD 12 and **CREATING** ch. Trans 150, Wisconsin Administrative Code, relating to Leasing of Vehicles by Private Carriers.

**ORDER ADOPTING RULE**

**Analysis Prepared by the Wisconsin Department of Transportation**

**STATUTORY AUTHORITY:** s. 194.43, Stats.

**STATUTE INTERPRETED:** ss. 194.07, 194.11 and 194.43, Stats.

**General Summary of Rule.** This rule repeals ch. MVD 12 and creates ch. Trans 150, to ensure consistency with changes in federal law, 49 C.F.R. Part 1057.

The rule regulates the lease of motor vehicles by private motor carriers, with some exceptions provided in s. Trans 150.05.

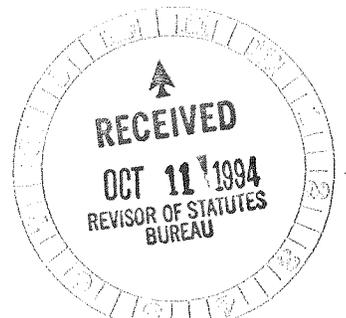
The rule provides that leases of motor vehicles by private motor carriers must be in writing and signed by both the lessor and lessee. The lease agreement must identify the leased vehicle and specify the duration of the lease. The lessee is required to carry a copy of the lease, in the vehicle that is leased, or a certificate identifying the vehicle, the lessor and lessee of the vehicle, and the duration of the lease.

Owners, lessors and lessees are required to retain all records relating to the lease of motor vehicles by private carriers for at least 4 years, and to allow the Department to inspect and copy these records upon request.

**Fiscal Estimate.** No significant fiscal effect is expected in promulgating this rule. This codifies currently used procedures.

**Final Regulatory Flexibility Analysis.** This rule will have no significant adverse effect on small businesses.

**Preparation and Copies of Rule.** Copies of this rule can be obtained upon request, without cost, by writing to Mr. Postler, Division of Motor Vehicles, Bureau of Vehicle Services, Motor Carrier Tax and Permits Section, P. O. Box 7981, Madison, Wisconsin 53707-7981, or by calling (608) 266-3376.



## TEXT OF RULE

Under the authority vested in the state of Wisconsin department of transportation, by s. 194.43, Stats., the department of transportation hereby creates a rule interpreting ss. 194.07, 194.11 and 194.43, Stats., as follows:

**SECTION 1.** Chapter MVD 12 is repealed.

**SECTION 2.** Chapter Trans 150 is created to read:

### **CHAPTER TRANS 150**

#### **LEASING OF VEHICLES BY PRIVATE CARRIERS**

**Trans 150.01 PURPOSE AND SCOPE.** This chapter applies to all private motor carriers. No private motor carrier may operate a leased motor vehicle on the highways of Wisconsin without complying with the provisions of this chapter.

**Trans 150.02 DEFINITIONS.** The words and phrases defined in ss. 194.01 and 340.01, Stats., have the same meaning in this chapter unless a different definition is specifically provided. In this chapter:

(1) "Lease agreement" means a contract by which one party gives to another the use and possession of a vehicle for a specified time period in exchange for compensation.

(2) "Lessee" means a person who has the legal possession and control of a vehicle owned by another under terms of a lease agreement.

(3) "Lessor" means a person who, under the terms of a lease agreement, grants the legal right of possession, control and responsibility for the operation of the vehicle to another person.

(4) "Sole source lease" means the lease of both a vehicle and a driver for a specific purpose identified in the lease agreement.

**Trans 150.03 GENERAL LEASE REQUIREMENTS.** (1) A lease agreement for the use of a motor vehicle by a private motor carrier shall:

(a) Be in writing and signed by both the lessor and the lessee, or their regular employees or agents duly authorized to act for them in the execution of contracts.

(b) Provide for the exclusive possession, control and use of the motor vehicle controlled by the lessee, and the complete assumption by the lessee of full responsibility to the public and all regulatory agencies having jurisdiction during the entire period of the lease agreement. This provision does not prohibit the lessor from obtaining possession of the motor vehicle for purposes of maintenance or repairs, or because of violations of the lease agreement.

(c) Specify the names and addresses of all parties to the lease agreement.

(d) Identify the year, make and vehicle identification number of the motor vehicle as shown on the registration card issued for the vehicle.

(e) Specify the time and date upon which the lease begins and ends or the circumstances under which the lease begins and ends.

(f) Be retained by the lessee and by the owner.

(2) The lessee may prepare a written statement certifying all of the following:

(a) The motor vehicle is being operated by the lessee.

(b) The name of the owner of the vehicle.

(c) The specific description of the vehicle, including the year, make and vehicle identification number of the vehicle.

(d) The time and date upon which the lease begins and ends or the circumstances under which the lease begins and ends.

(3) The certificate described in sub. (2) or a copy of the lease agreement shall be carried in the vehicle specified during the entire period of the lease and shall be made available for inspection upon the request of any law enforcement officer.

**Trans 150.04 AUDIT AND INSPECTION AUTHORITY.** The department may audit and inspect the facilities and records of an owner, lessor and lessee to verify compliance with the requirements of this chapter. Owners, lessors and lessees shall retain all records including lease agreements relating to the lease of vehicles by private carriers for at least 4 years, and shall make these records available to the department for inspection and copying upon request.

**Trans 150.05 EXEMPTIONS.** Private motor carriers operating the following vehicles are not subject to the requirements of this chapter:

(1) Trailers and semitrailers.

(2) A vehicle owned or leased by a rental company and subject to the requirements of ch. Trans 175.

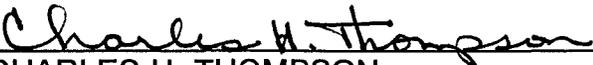
(3) A vehicle operated under a sole source lease provided a copy of the lease agreement is carried in the vehicle to be made available for inspection immediately upon the request of any law enforcement officer.

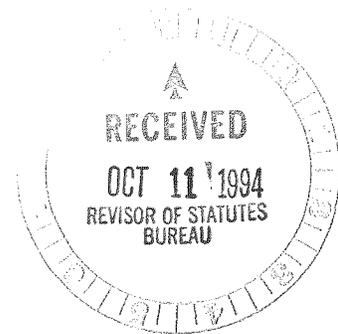
**(END OF RULE TEXT)**

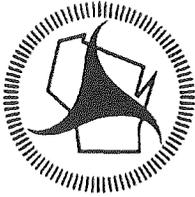
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**Effective Date:** This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22(2)(intro.), Stats.

Signed at Madison, Wisconsin, this 10 day of October, 1994.

  
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CHARLES H. THOMPSON  
Secretary  
Wisconsin Department of Transportation





## Wisconsin Department of Transportation

Tommy G. Thompson  
Governor

Charles H. Thompson  
Secretary

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

October 11, 1994

Mr. Gary Poulson  
Deputy Revisor of Statutes  
131 West Wilson Street, Suite 800  
Madison, Wisconsin 53703

RE: **CLEARINGHOUSE RULE 94-106**

In the Matter of the Adoption of **TRANS 150**, Wisconsin Administrative Code, relating to **leasing of vehicles by private carriers**.

Dear *Mr. Poulson*:

Enclosed for filing, pursuant to s. 227.20, Wis. Stats., is a certified copy of **CR 94-106**, an administrative rule relating to the above-mentioned matter. This rule is submitted by the Wisconsin Department of Transportation.

Sincerely,

*Jewels*  
Julie A. Johnson  
Paralegal

Enclosures

cc: Tom Walker  
Dorothy Kapke  
Jim McDonnell  
Roger Cross  
Tom Cantwell  
Steve Postler

