

NOTICE OF PROPOSED GUIDANCE DOCUMENT

Unlicensed Car Dealers

Pursuant to Wis. Stat. s. 227.112, the Wisconsin Department of Transportation is hereby seeking comment Unlicensed Car Dealers s. 218, a proposed guidance document.

PUBLIC COMMENTS AND DEADLINE FOR SUBMISSION

Comments may be submitted to the Wisconsin Department of Transportation for 21 days by:

1. Department's website: <https://wisconsindot.gov/Pages/dmv/cons-protect/buy-sell-veh/unlicensedcardealers.aspx>

2. Mailing written comments to:
Division of Motor Vehicles
Wisconsin Department of Transportation
4822 Madison Yards Way
PO Box 7336
Madison, WI 53707-7336

WEBSITE LOCATION OF FINAL GUIDANCE DOCUMENT

The final version of this guidance document will be posted at wisconsindot.gov to allow for ongoing comment.

AGENCY CONTACT

DOTDMVGuidanceDocs@DOT.WI.GOV



State of Wisconsin Department of Transportation

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Unlicensed car dealers

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People who sell their own vehicles when they are done with them do not need a Wisconsin dealer license. However, any person or business that sells more than five vehicles per year must have a dealer license issued by the Wisconsin Department of Transportation (WisDOT).

The law requires licensed dealers to meet financial and facility requirements that ensure they have the resources to stand behind the vehicles they sell. They also have to comply with many other requirements that help make sure you know what you are buying before you sign on the dotted line.

Unlicensed dealers cost you money

Unlicensed car dealers (people who operate as dealers without getting a license) avoid all of these regulations, and create serious problems for consumers. Unlicensed car dealers frequently:

- Don't have vehicles titled in their name before selling them. This is called "title jumping," and it makes it easier for the unlicensed dealer to commit fraud without being caught
- Lie about a vehicle's condition, and how it was used
- Don't pay sales tax on vehicles they buy
- Turn back odometers, and lie about vehicle mileage
- Tell you they've owned the vehicle a long time, when they don't own it at all, or they bought it just yesterday to unload it on you
- Provide no vehicle warranty or service after the sale
- Vanish quickly, so you can't find them when you have problems later

Know an unlicensed dealer when you see one

Here are some signs that you might be dealing with an unlicensed dealer. Unlicensed dealers often:

- Offer more than one vehicle for sale at the same time, either in the paper or at a makeshift car lot
- Show you a car titled in someone else's name, and say they are selling for a friend or family member
- Have no title at all to show you
- Show you a vehicle that has no license plates on it
- Show you the vehicle somewhere other than their home, like at a gas station or shopping center, so you won't be able to find them later

Buyer beware

Protect yourself from unlicensed dealers by following these tips:

- Ask to see the vehicle title. If the title is missing or is not in the seller's name, shop elsewhere.
- Have the vehicle inspected by a mechanic or body shop before you buy. (The vehicle may have severe hidden damage or mechanical problems the seller does not want to tell you about.)
- Check Internet resources like Carfax® for information on the vehicle's history and mileage. You will need the vehicle identification number (VIN).
- Contact the WisDOT's Dealer & Agent Section to find out if someone else has filed a complaint against the seller.

WisDOT can help

If you have a problem with a vehicle purchase or wish to report a suspected unlicensed dealer, contact WisDOT's Dealer & Agent Section at (608) 266-1425 or by e-mail at:

DealerLicensingUnit@dot.wi.gov

To file a complaint against an unlicensed dealer

Complete and mail in the Dealer Complaint form [MV2338](#). Attach readable copies or originals of any documentation related to your vehicle purchase. WisDOT will use the information you provide to resolve your complaint and enforce the laws. It may share the information with the seller you name in your complaint. Under Wisconsin's open records law, your complaint will be available for public

review upon request.

Dealer & Agent Section regulates industry

WisDOT's Dealer & Agent Section licenses, regulates and educates the motor vehicle industry, and resolves disputes about dealership sales and warranty repairs. The Dealer & Agent Section also investigates complaints about unlicensed dealers and odometer tampering.

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Related information:

- [Dealer complaints](#)
- [Dealer field investigation offices](#)
- [Odometer tampering](#)

If you have questions:

Email [Wisconsin DMV email service](#)

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