

NOTICE OF PROPOSED GUIDANCE DOCUMENT

March2020PlainDealing

Pursuant to Wis. Stat. s. 227.112, the Wisconsin Department of Transportation is hereby seeking comment on March2020PlainDealing, 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://trust.dot.state.wi.us/act369/?id=DMV1006&uri=file:March2020PlainDealing&division=DMV&tags=DAS>

2. Mailing written comments to:

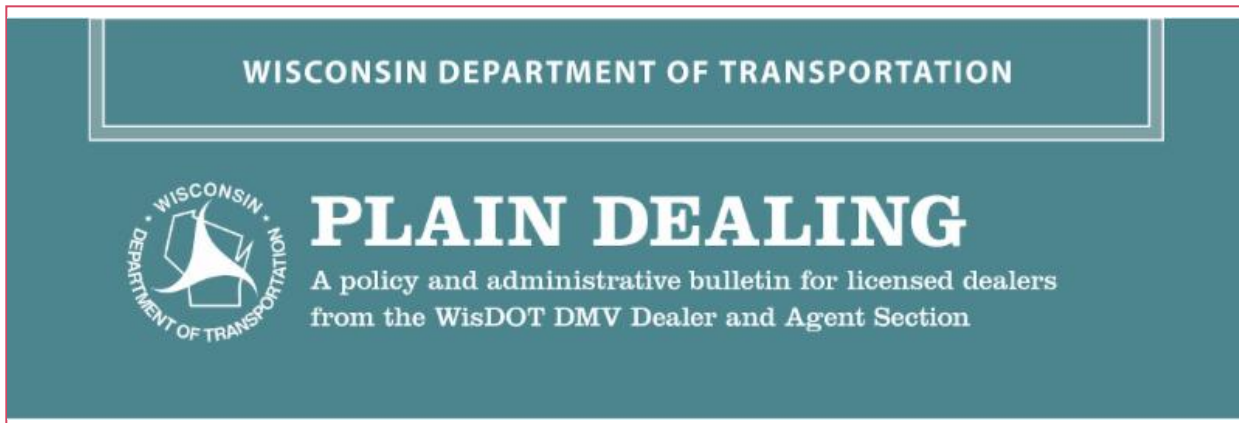
Division of Motor Vehicles
Wisconsin Department of Transportation
4822 Madison Yards Way
PO Box 7336
Madison, WI 53707-7336

WEBSITE LOCATION OF FINAL GUIDANCE DOCUMENT

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

AGENCY CONTACT

DOTDMVGuidanceDocs@DOT.WI.GOV



wisconsindmv.gov

April 2020 Volume 31 Issue 2

Confirmation of Ownership Documents for Illinois Residents

Recently, the Secretary of State of Illinois informed the Wisconsin DOT that Illinois will no longer accept the Wisconsin Confirmation of Ownership (COO) document to register vehicles for their residents*. This means that an Illinois resident purchasing a vehicle in Wisconsin with a lien will need to obtain the paper title from their lien holder when applying for registration.

Since out of state residents are eligible only for a 30-day temporary plate, in most cases the plate will expire before your customer is able to manage the registration process between Illinois, the lienholder, and themselves. This may cause an undue burden for you as customers may end up requesting multiple temporary plates.



In the past our recommendation to dealers was to process out of state resident vehicles with a Wisconsin title to perfect the lien per requirements of state law. Considering the above changes, we offer the following solutions:

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New Lease Required With Renewals

The next time you receive your dealer renewal application in the mail you will notice a change.

<input type="checkbox"/> Yes	Own Business Real Estate.
<input type="checkbox"/> No	If No, mail a copy of the new lease agreement

Motor Vehicle (MV) dealers will have this box on their renewal form.

(If you lease, submit a copy of your most recent lease agreement)
--

Other dealer types will have this notification on their renewal form.

In the application you are asked to mail a copy of your most recent lease agreement with your renewal, if you do not own the business real estate. The lease must provide a minimum two-year term, or a one-year term with tenant option to renew for a second year, to coincide with the licensing period.

Month-to-month leases are not accepted.

1. You may mail the title paperwork directly to the state of Illinois for perfection of the lien and issuance of the customer's registration. The customer will still be eligible for a Wisconsin 30-day temporary plate.
2. If you are arranging financing for your customer, you may request a letter from the lienholder granting permission for the paper title to be printed and mailed to the customer. The title application will need to be mailed to WisDOT for manual processing (REMINDER: standard manual processing can take 6-8 weeks to complete, and a customer's temporary plate will likely expire long before WisDOT issues a title).
3. There are several third-party titling agencies that operate at a national level and can assist with having your customer's title processed in their home state while ensuring lien perfection. The customer will still be eligible for a Wisconsin 30-day temporary plate.

Remember that your dealership is responsible for perfecting a lien on a title. How you choose to title a vehicle to out of state residents is dependent upon your business practices with respect to Wisconsin state law.

* It should be noted Illinois is not the only state that requires a paper title for registration. The above recommendations could apply to any out of state resident sale.

License Plate and Sticker Orders

Due to the current COVID-19 pandemic impacting all areas of business, DMV is limiting all license plate and registration sticker orders for the next few months. DMV will ensure you have enough inventory to continue issuing license plates and stickers to your customers but will adjust large orders if your previous transaction volume doesn't support the number of products being requested.

We appreciate your understanding and are committed to minimizing any further

Leases that terminate more than three months prior to the expiration date of the dealer license are not accepted. (e.g. your renewed dealer license will have an expiration date of 7/31/2022, but your current lease expires 01/31/2022.)

It is important we have your most current leasing information on file to ensure you can operate at your licensed location. Failure to provide proper documentation and fees can lead to delays in processing your license renewal.

If you have any questions about your license renewal please contact the Dealer Licensing Unit at (608) 266-1425.

Dealers Should Submit Customer's Opt-Out Preference Electronically

WI dealers have the capability of entering "opt-out" requests for their customers when processing title transactions in eMV PARTNER and vendor systems. The following options are:

- Yes (the customer would like their name to be excluded from mailing lists of 10 or more)
- No (the customer would like their name to be included from mailing lists of 10 or more)
- Unknown (the same Opt Out status the customer currently has will remain).

The electronic Opt Out capability replaces the need to complete/submit the Opt Out form ([MV3592 Request to Withhold Name and Address](#)). Please refrain from using the paper MV3592 and submit your customer's choice electronically.

Here is an example of the Opt Out options in eMV PARTNER:

Primary Owner	Name	Residence Address
<input checked="" type="checkbox"/>	DAVID A TEST	4822 MADISON YARDS WAY MADISON Wisconsin 53705

Does the customer want to receive information about electronic renewal notification(s)?

Yes
 No

Does the primary individual owner/lessee/driver want to opt-out from the WISDOT Mailing List?

Unknown
 Yes
 No

MV11 Alterations are "Critical" Errors

impact to your business.

When Does a Special Plate Transfer Require Manual Processing?

If a special plate is being transferred from an auto to a light truck, or vice versa, the application must be mailed to WisDOT for manual processing. The application must include the appropriate full registration fees for the re-registration of the special plate.



Example:

The customer has a Musky Clubs Alliance (MCA) special plate on an automobile. The plate type/registration combination is MCA/AUT. The customer purchases a new light truck and wants to transfer the plate, changing the registration type from AUT to LTK. Third party agents cannot change the registration type and will need to mail this application to WisDOT for manual processing.

Include full registration fees as though a new plate is being issued, based on the date of delivery or date of operation for the new registration type.

You can find a complete list of vehicle license plate fees on the WisDOT website: [Annual registration fee including special plate donation fee](#)

Keep in mind that a wheel tax may also apply: [Wheel Tax fee](#)

DAS Quarterly Report numbers

The following numbers have been generated from the Dealer and Agent Section (DAS) Quarterly Report. This data is from

The Agent Partnership Unit is continuing to audit electronically-processed title applications submitted by third party agents.

Auditing is one tool we use to ensure customer products are issued correctly and in compliance with state law. Errors identified through auditing are graded upon severity, with "Critical" errors being the most severe. It only takes one Critical error to fail an audit, leading to corrective action.



Altered MV11 forms are considered a type of Critical error and could have a significant negative impact on your audit. Please remember when submitting MV11 forms and other legal documents that alterations are unacceptable, unless a written statement of intent explaining the change accompanies the altered document.

Ad Watch: Disclosure of Fees

The Field Investigation Unit has started auditing dealer websites to ensure advertisements meet the requirements of Wis. Admin. Code ch. Trans 139.03, and regulations published by the Federal Trade Commission (FTC). Auditing is designed to help dealers comply with both state and federal law.

In this article we want to discuss a common mistake we see in online disclosure statements, one that is (thankfully!) easy to fix.

Per Wis. Admin. Code ch. Trans 139.03(3)(a) you can exclude tax, title, registration, and service fees from the advertised price of a vehicle, as long as a disclosure is included with the advertisement. The use of proper wording in a disclosure is important to avoid code violation. The use of the phrase "dealer fee", "administrative fee", "documentation fee", or similar language to refer to the service fee is not allowed.

Wis. Admin. Code ch. Trans 139.05(8) explicitly uses the term "service fee" to refer to this charge, and as such you may only use the term "service fee" in a disclosure statement.

Here is an example of an acceptable disclosure of fees:

"The advertised price does not include sales tax, title, registration, or service fees."

Here are some actual examples of unacceptable disclosure fees that we have found on dealer

the **fourth quarter** of 2019 (October through December).

Field Investigation Unit (FIU)

The following statistics represent the Field Investigation Unit's compliance efforts, community outreach and enforcement actions.

Activity	Fourth Quarter
FIU Complaints Closed	427
FIU Inspections (Dealers)	247
FIU Educational Presentations	0

APU/DLU

The Agent Partnership Unit (APU) answers phone calls from dealers, government agencies, financial institutions, gas stations, grocery stores and various other types of agents throughout the state. These agents electronically process either title and registration, or renewal registration applications on behalf of the DMV.

The Dealer Licensing Unit (DLU) issues and renews multiple business license types. Individual licenses are issued to individuals who are selling or purchasing vehicles on behalf of dealerships. DLU answers dealer licensing questions as well as provides information about consumer harm and how to file a dealer complaint to the general public.

Activity	Fourth Quarter
APU Phone Calls	16,675
DLU Phone Calls	5,178
Business Licenses Issued	550
Individual Licenses Issued	3,809

Lemon Law

DMV receives telephone and email inquiries from consumers, dealers, lawyers, manufacturers, and law makers. The inquiries range from questions about the specifics of the Lemon Law, to assisting all facets of pursuing a claim.

websites:

"Price does not include applicable tax, title, license, processing and/or documentation fees."

The use of the term *processing and/or documentation fees* is not permitted.

"[Price] does not include taxes, license, title fee, insurance, and \$XXX dealer fee."

The use of the term *dealer fee* is not permitted.

"Price does not include additional fees... including government fees and taxes, any dealer documentation fees, any emissions testing fees, or other fees."

The use of the terms *dealer documentation fees, emissions testing fees, or other fees* are not permitted. In addition, the disclosure does not mention title and registration fees. Unless these fees are included in the advertised price, they should also be disclosed here.

Please take time to review the disclosure statement on your dealer website to ensure it complies with these requirements. If you have questions, please contact Tristan Kloss at Tristan.Kloss@dot.wi.gov.

Advertising Guidelines

Here's the link to the complete, updated advertising guidelines:

[**DOT Advertising Guidelines Update**](#)



Committee Repeals Wis. Admin. Code ch. Trans 139.06(8)

Last year the Division of Motor Vehicles was tasked with identifying rules that contradicted statute or didn't have explicit authority to enforce under 2017 Wisconsin Act 108. After consideration from the Joint Committee for Review of Administrative

Activity	Fourth Quarter
Lemon Law Inquiries	161

Electronic Title and Registration Processing

Dealers and agents processing titles and/or registration electronically:

Activity	Fourth Quarter
Renewal Agents	853
Title Agents (includes dealerships)	4,804
Total	5,657

Wisconsin motor vehicle dealers are required to electronically process all title/registration applications for their customers. For more information regarding electronic processing options, visit the DMV [eMV11 Electronic Processing webpage](#).

These systems are available for electronic processing:

- eMV11 - for dealers only
- eMV Agent - for lenders only
- Computerized Vehicle Registration (CVR)
- Dealertrack Registration and Title, formerly known as TriVIN
- National Financial Corporation (NFC) - registration only
- Opus Inspection Inc., formerly known as Systech International LLC - registration only

Electronic Title Delivery

Lenders receiving electronic title records:

Activity	Fourth Quarter
Lenders	986

These service providers deliver and manage electronic titles:

Rules, Wis. Admin. Code ch. Trans 139.06(8) was repealed.

This rule related to the method of reimbursement for motor vehicle manufacturers reimbursing motor vehicle dealers for repairs under warranties and service contracts. This rule was deemed obsolete as a result of 2011 Wisconsin Act 91. Rules regarding warranty reimbursement can still be found in Wis. Stat. § 218.0125(3m).

The repeal of Trans 139.06(8) will take effect April 1, 2020. The complete text of the final summary rule can be found here: [Repeal Trans 139.06\(8\)](#).



Account activity alerts added to DMV's eNotify online service

eNotify is the easiest way to get plate renewal and driver license/ID reminders through email or text.

Subscribers to eNotify also receive alerts when certain transactions occur, such as when an application for a duplicate driver license or ID card is made, or when their address is changed in DMV's systems.

wisconsin.dmv.gov/enotify

WisDOT Enforcement Actions List

[View a Complete List of Recent Enforcement Actions](#)

We're at .gov

Note: Only the website with .gov is the official state DMV website. Other DMV sites with .org and .com are not official and may have extra charges for forms or list information that is outdated or incorrect.

Connect with us

- Secure Title Administration, Inc.
- Dealertrack Collateral Management Services
- Decision Dynamics, Inc.
- PDP Group, Inc.
- VINtek

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Follow us for breaking news.



The electronic lien and title (also known as ELT or e-Title) program is an optional program for lien holders who prefer receiving electronic title records instead of paper titles. This program has been available since July 30, 2012. For more information regarding ELT options, visit the DMV [Title to Lien Holder webpage](#).



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Wisconsin Department of Transportation,
Division of Motor Vehicles, Bureau of Vehicle Services,
Dealer and Agent Section.

Kristina Boardman,
Administrator

Patrick Fernan,
Deputy Administrator

Ann Perry,
Bureau Director (BVS)

Michael Domke,
Section Chief (DAS)

Scott Selbach, Vehicle Emissions Program, Supervisor

Mirenda McArdle, Field Investigation Unit, Supervisor

Shin Lin Tung, Business and Consumer Services Unit,
Supervisor

Dealer & Agent Section

dealers.dmv@dot.wi.gov

Phone: (608) 266-1425

Wisconsin Department of Transportation | (608) 266-1425
AgentPartnershipUnit@dot.wi.gov | DealerLicensingUnit@dot.wi.gov
Dealer and Agent Section
PO Box 7909
Madison, WI 53707

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Wisconsin Department of Transportation, Dealer and Agent Section,
4822 Madison Yards Way, Rm. 201, Madison, WI 53705

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WisDOT Enforcement Actions

Plain Dealing

4th Quarter (Sep-Dec) 2019

Citations

Best Motors LLC. *Arlington.* Failure to surrender licenses to the department after revocation. Complaint filed. Default judgment entered. Notice default judgment returned to department undelivered.

Garcia, Victor. *Chicago, IL.* Acting as an unlicensed dealer. Default judgment entered. Notice of default judgment.

Gilbo, Jordan. *Clintonville.* Acting as an unlicensed salvage dealer. Found guilty on three counts at \$515.00 each and two counts at \$263.50 each.

K and F Auto Sales and Service LLC. *Fort Atkinson.* Failure to submit title applications within one business day of processing. Default judgment entered.

L and L Auto Sales. *Mequon.* Failure to provide records for inspection. Citations filed. No appearance by Defendant. Default judgment entered.

Manhattan Motors LLC. *Arlington.* Failure to surrender licenses to the department after revocation. Complaints Filed. Default judgment entered. Notice default judgment returned to department undelivered.

Schmidt, Carley. *Wautoma.* Buying while buyer's license was suspended by the Department of Revenue for delinquency. Found guilty on three counts at \$767.50 each.

Application Denials

Akinyinka, Festus DBA First Brooks Motors Ltd DBA Gracefest Automobiles. *Milwaukee.* Buyer's license applications denied due to dealer conduct.

Barrera-Sandoval, Alejandro DBA Z Motors LLC. *Oak Creek.* Buyer's license application denied due to dealer conduct.

Carter, Kentrell DBA Exquisite Auto Collection. *Marietta, GA.* Buyer's license application denied due to dealer conduct.

Dhillon Enterprises LLC. *Milwaukee.* Retail detail license denied for failure to provide records and making a false statement on an application.

Cruse, Darnell DBA D & F Auto Group Inc. *Milwaukee* Buyer's and BID card license application denied due to individual and dealer conduct.

KenbriLynn Auto Sales LLC. *Milwaukee.* Wholesale license application denied due to owner conduct.

Neighborhood Auto Sales LLC. *Pardeeville.* Salesperson denial for William McCann for having engaged in an unconscionable practice relating to the licensed business activity.

Padilla, Ramiro. *Chicago, IL.* Buyer's and BID card license application denied due to dealer conduct.

Santiago Romero, Jose. *Menomonee Falls.* Buyer's license application denied due to dealer conduct.

Wright, Saquayah DBA Exquisite Auto Collection. *Milwaukee.* Buyer's license application denied due to dealer conduct.

West, Eddie Isaish Lee. *Milwaukee.* Buyer's license application denied due to dealer conduct.