

## Chapter Trans 137

### MOTOR VEHICLE MANUFACTURER'S LICENSES

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**Trans 137.01 Purpose.** The purpose of this chapter is:

(1) To establish the administrative interpretation of the terms "manufacturer" as used in s. 218.01 (1) (n), Stats., and "new motor vehicle" as used in s. 218.01(3) (a) 27., Stats., for the purposes of determining whether persons who are engaged in modifying or converting previously assembled or manufactured motor vehicles are eligible for motor vehicle manufacturer's licenses and are thereby authorized to issue certificates of dealer appointment for motor vehicle dealer licensing purposes under s. 218.01 (2) (bc), Stats., and implementing the enforcement of s. 218.01 (3) (a) 27., Stats.; and

(2) To prescribe procedures for issuing manufacturer's statements of origin (MSO's) and the titling and registration of modified or converted vehicles and of vehicles assembled or manufactured by final stage manufacturers.

**History:** Emerg. cr. eff. 4-7-77; cr. Register, November, 1977, No. 263, eff. 12-1-77; renum. from MVD 27.01, Register, July, 1980, No. 295, eff. 8-1-80.

**Trans 137.02 Applicability.** The provisions of this chapter relating to eligibility for motor vehicle manufacturer's licenses and motor vehicle dealers' licenses for the sale or distribution of new motor vehicles shall apply to all such licenses issued on or after December 1, 1977 and shall apply to any renewal of any such license that was issued prior to December 1, 1977.

**History:** Emerg. cr. eff. 4-7-77; cr. Register, November, 1977, No. 263, eff. 12-1-77; renum. from MVD 27.02, Register, July, 1980, No. 295, eff. 8-1-80; correction made under s. 13.93 (2m) (b) 14., Stats., Register, December, 1987, No. 384.

**Trans 137.03 Definitions.** In this chapter:

(1) "Complete motor vehicle" means a motor vehicle that requires no further manufacturing or assembly operations, other than the addition of readily attachable components such as mirrors, seats, or tire or rim assemblies, or minor finishing operations such as painting, to be legally operable on a public highway for the purpose of transporting persons or property. The term does not include a chassis unit with or without cab intended for completion as a motor home or as a motor truck with permanently installed equipment designed for nontransportation purposes such as, but not limited to, cranes, backhoes and the like.

(2) "Converter" means any person engaged in modifying or converting previously assembled or manufactured complete motor vehicles.

(3) "Final stage manufacturer" means a person who performs such manufacturing operations on an incomplete vehicle that it becomes a complete vehicle and who owns the completed vehicle.

(4) "Major manufacturing alteration" means:

(a) Any alteration or modification that substantially changes the original configuration, structure or specifications of basic components of a previously assembled or manufactured complete motor vehicle.

(b) The term also includes the permanent installation of special equipment designed for ambulance or mortuary purposes or for transportation of physically handicapped persons confined to wheelchairs.

(c) The term also includes conversion of motor vehicles for use as motor homes as defined in sub. (6).

(d) The term does not include alterations involving only:

1. The addition, substitution, or removal of readily attachable components such as mirrors, seats, or tire or rim assemblies;

2. Minor finishing operations such as painting, carpeting or other decorative trimming;

3. Installation of windows or skylights;

4. Installation in a vehicle, other than a motor home, of bed frames, cabinets, televisions, sound reproduction systems or other interior appliances designed for accommodating passengers;

5. Roof extensions; or

6. Any combination of alterations enumerated in subs. 1. to 5.

(5) "Manufacturing" as applied to a converter means the installation on a previously assembled or manufactured complete vehicle of a special body or equipment that when installed forms an integral part of the motor vehicle and constitutes a major manufacturing alteration.

(6) "Motor home" means a motor vehicle designed to provide temporary living quarters built into as an integral part of, or permanently attached to a self-propelled motor vehicle chassis or van. In addition to sleeping and dining facilities, the vehicle must contain permanently installed independent life support systems that provide at least 4 of the following facilities:

(a) A potable water supply system including plumbing, a faucet and a sink, designed as either self-contained or to be connected with an external water supply, or both;

(b) Permanently installed cooking facilities;

(c) A permanently installed ice box or refrigeration unit;

(d) A permanently installed self-contained toilet;

(e) A permanently installed 110-125 volt electrical power supply or L.P. gas supply or both; and

(f) A permanently installed heating or air conditioning system, or both.

(7) "New motor vehicle" for purposes of this chapter and enforcement of s. 218.01 (3) (a) 27., Stats., means any motor vehicle other than a used motor vehicle as defined in sub. (9).

(8) "Privately titled" means a vehicle titled by a 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:

(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 manufac-

urer 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 subd. 4., a 1985 model year vehicle may be offered for sale and sold by any motor vehicle dealer after December 31, 1985.

**History:** Emerg. cr. eff. 4-7-77; cr. Register, November, 1977, No. 263, eff. 12-1-77; renum. from MVD 27.03 and am. (4) (d) 5. and 6., (5) and (6), Register, July, 1980, No. 295, eff. 8-1-80; am. (7), Register, December, 1982, No. 324, eff. 1-1-83; am. (7), (8) and (9), Register, August, 1985, No. 356 eff. 9-1-85.

**Trans 137.04 Issuance of motor vehicle manufacturer's licenses to converters.** (1) A converter is eligible for a motor vehicle manufacturer's license only if the converter is engaged in manufacturing as defined in s. Trans 137.03 (5) and the converter owns the completed unit on which the converter's manufacturing operations were performed.

(2) A converter is not required to possess a valid motor vehicle manufacturer's license in order to perform manufacturing operations on motor vehicles owned by another manufacturer, distributor, licensed dealer or other person.

**History:** Emerg. cr. eff. 4-7-77; cr. Register, November, 1977, No. 263, eff. 12-1-77; renum. from MVD 27.04 and am. (1), Register, July, 1980, No. 295, eff. 8-1-80.

**Trans 137.05 Issuance of motor vehicle wholesaler's licenses to converters.** (1) A converter is eligible for a motor vehicle wholesaler's license if:

(a) The converter modifies or converts new complete motor vehicles;

(b) The conversion work does not constitute manufacturing as defined in s. Trans 137.03 (5); and

(c) The converter owns the completed unit on which the converter's conversion operations were performed.

(2) A converter operating under a valid motor vehicle wholesaler's license may:

(a) Be assigned and may reassign original MSOs; and

(b) Operate the converted vehicles on a public highway with distributor plates assigned to the converter.

(3) A converter operating under a valid motor vehicle wholesaler's license may not:

(a) Engage in retail sales of the vehicles without a motor vehicle dealer's license and without being franchised by the original manufacturer to sell new motor vehicles of that type and make;

(b) Issue its own manufacturer's statements of origin; or

(c) Appoint as its own franchised dealers any dealer that is not already franchised to sell new motor vehicles of the same make and type as the converted vehicle.

**History:** Emerg. cr. eff. 4-7-77; cr. Register, November, 1977, No. 263, eff. 12-1-77; renum. from MVD 27.05 and am. (1) (b), Register, July, 1980, No. 295, eff. 8-1-80; reprinted to restore dropped copy, Register, April, 1984, No. 340.

**Trans 137.06 Titling and registration procedures.**

(1) (a) New motor vehicles that are modified or converted under

a valid motor vehicle manufacturer's license shall be initially titled and registered with the vehicle name assigned by the converter-manufacturer and identification number assigned by the chassis manufacturer. The department may also include on the certificate of title such information relating to the identity of the vehicle as it deems necessary to protect the interest of the buying public and to assist law enforcement agencies. The converter shall issue a secondary manufacturer's statement of origin (MSO) and shall assign the MSO to its own franchised motor vehicle dealer offering the converted vehicle for sale to retail purchasers.

(b) The department shall also require the filing of the original MSO issued by the primary manufacturer as a prerequisite to titling and registration of converted vehicles.

(2) New motor vehicles that are not modified or converted under a valid motor vehicle manufacturer's license shall be initially titled and registered with the vehicle name assigned by the original manufacturer and identification number assigned by the chassis manufacturer. The department may also include on the certificate of title such information relating to the identity of the converter as it deems necessary to protect the interests of the buying public and to assist the law enforcement agencies.

(3) New motor vehicles that are manufactured or assembled by a final stage manufacturer under a valid motor vehicle manufacturer's license shall be initially titled and registered with the vehicle name assigned by the final stage manufacturer and identification number assigned by the chassis manufacturer. The department may also include on the certificate of title such information relating to the identity of the original manufacturer as it deems necessary to protect the interests of the buying public and to assist law enforcement agencies.

(4) Used motor vehicles that are modified or converted under a valid motor vehicle manufacturer's license and modified or converted used vehicles, such as semi-trailers, that are required to be registered by law, shall be initially titled and registered with the vehicle name assigned by the converter-manufacturer and identification number assigned by the chassis manufacturer. The department shall also require information relating to the converted vehicle's previous title and registration, including the vehicle's original vehicle name and vehicle identification number, and shall include such information on the title certificate and in the registration files.

(5) No later than with the 1981 model vehicles, secondary manufacturer's statement of origin shall also include:

(a) Either the month and year of chassis assembly or the chassis year model, if different from the year model of the finished vehicle as designated by the converter-manufacturer or final stage manufacturer.

(b) For each motor home, a statement that in addition to sleeping and dining facilities, the vehicle is equipped with at least 4 of the 6 life support systems enumerated in s. Trans 137.03 (6).

**History:** Emerg. cr. eff. 4-7-77; cr. Register, November, 1977, No. 263, eff. 12-1-77; renum. from MVD 27.06 and am. (1), (3) and (4), cr. (5), Register, July, 1980, No. 295, eff. 8-1-80.