



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2005 Wisconsin Act 397
[2005 Assembly Bill 1078]

**Licensing and Activities
of Driver Schools**

CURRENT LAW

Under current law, the Department of Transportation (DOT) licenses driver education schools. A driver education school is a school that gives, for compensation, instruction for driving a motor vehicle, except that a program that is offered as a course in a high school or technical college is not considered a driver education school under current law. [Subch. VI of ch. 343, Stats.; ss. 343.60 to 343.75, Stats.]

2005 WISCONSIN ACT 397

2005 Wisconsin Act 397 changes the standards for licensing, testing, and regulating driver education schools and driver education instructors, as follows:

1. **Definitions.**
 - a. Adds the following *exclusions* from the definition of “driver school”: (1) a motorcycle training school that offers a basic or experienced rider training course approved by DOT; (2) any driver training school that offers training exclusively in the operation of vehicles designed and manufactured for off-highway operation; and (3) an instructor.
 - b. Revises the definition of “instructor” to mean “any person who is employed by a driver school licensed under this chapter and who, for compensation, gives instruction in the operation of a motor vehicle.
 - c. Replaces the defined term “place of business” with “driver school office” and defines that term to mean the location at which the driver school business is conducted and approved by DOT. The definition specifies that it *does not* include any facility used only as a driver school classroom.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.state.wi.us/>.

2. **Driver School Requirements.**
 - a. Specifies that no person may operate a driver school, advertise, solicit bids for business, or provide services unless the person holds a valid driver school license issued by DOT. [Current law just states that “No person shall conduct a driver school without being licensed therefore by the department.”]
 - b. Requires the application for a license to include, among the items already identified in current law, identification of all driver school office and driver school classroom locations, and proof of insurance, as described below.
3. **New Fees; Bond Required.** Creates new \$10 fees related to mailing addresses, duplicate license certificates, and changes to license certificates. The Act also requires a driver school to file with DOT a bond in the form and amount established by DOT.
4. **Extends License Period for Drivers Schools.** Extends the license period for driver schools from the end of the calendar year after issuance (current law) to up to 24 months after issuance. Under the Act, a license expires on the date stated on the license, but not later than 24 months after the date it is issued. The DOT may institute any system of initial license renewals that it considers advisable for the purpose of gaining a uniform rate of renewals. To put such a system in operation, DOT may issue licenses that are valid for any period less than one year (with fees prorated accordingly).
5. **Proof of Insurance.** Revises the current provision relating to the applicant for a driver school license providing a copy of a standard liability insurance policy in amounts specified in current law. Under the Act, a driver school must maintain a standard liability insurance policy in the name of the school, with the minimum insurance coverage specified by DOT rule. The insurance policy must require the insurer to notify DOT not less than 30 days before the policy expires or is materially changed or canceled.
6. **Extends License Period for Instructors; Lost License.** Extends the license period for instructors from one year to up to 24 months. An instructor’s license expires on the date stated on the license, but not later than 24 months after the date on which the license is issued. As with the driver school license, above, DOT may institute any system of initial license issuance that it considers advisable for the purpose of gaining a uniform rate of renewals. If an instructor’s license is lost, DOT must issue a replacement upon receipt of a completed application, satisfactory proof of the instructor’s eligibility, satisfactory proof of loss, and a fee established by the DOT by rule.
7. **New Requirements for Instructors and “Classroom Only” Instructors.** Adds the requirement that a driver education instructor be at least 19 years of age and have at least two years of licensed driving experience. The Act revises the provisions in current law relating to the written, oral, and driving skills test for an instructor’s license. If a person wishes to be an instructor, he or she must pass a knowledge test developed by DOT and administered as provided by rule (as under current law, a score of at least 80% is passing). An applicant who fails to receive a passing score may be reexamined, except that an applicant who fails to pass the test after two successive attempts may not be reexamined until one year has elapsed since the date of the last test. The DOT may provide, by rule, for an alternative requirement for issuance of a license in lieu of taking and passing the test. Similar provisions apply to the driving skills test. As under current law, the Act also requires DOT to test applicants for an instructor’s license that is restricted to classroom

instruction. The Act adds that the applicant must satisfy standards established by DOT by rule relating to the ability of the applicant to: (a) communicate clearly and concisely; and (b) control the classroom environment.

8. **Knowledge Tests for Students Under 18 and Instructors.** Specifies that, any driver education school may be authorized by DOT to provide testing, limited to knowledge and sign tests, for students under age 18 and for instructors at the school. Schools providing such testing must meet standards and follow procedures established by the DOT by rule.
9. **DOT Rules for Safety Standards.** Allows DOT to set rules for safety standards for training vehicles and provides DOT broader discretion in setting disqualifying offenses for driver education school directors.
10. **Penalties; Progressive Enforcement Action by DOT.** Under *current law*, a person who commits a violation of the driver education school standards may be fined not less than \$25 nor more than \$100 or imprisoned for not more than 30 days for each offense. The Act requires DOT to set a system of progressive enforcement action taken against licensees for violations of subch. VI of ch. 343 or rules promulgated under that subchapter. This system must include a procedure for addressing consumer complaints and taking action against licensees when such complaints are found to be substantiated. The Act provides that a person who commits a violation of the driver education school or instructor standards may be required to forfeit not less than \$100 nor more than \$200 for each offense. These are civil forfeiture penalties. [Under current law, a person may be fined not less than \$25 nor more than \$100 or imprisoned not more than 30 days. These are criminal penalties.]
11. **Sign on Vehicle “Visible to Other Vehicles From Behind”.** Revises a provision in *current law* that provides that all driver training cars used by the school must be identified by a sign *on the rear of the vehicle* stating that it is a driver school vehicle. Under *Act 397*, “on the rear of the vehicle” is replaced with “*visible to other vehicles from behind.*” With this change, the provision will read: “All driver training cars used by the school must be identified by a sign visible to other vehicles from behind stating that the vehicle is a driver school vehicle.”

Effective Date: Act 397 takes effect on September 1, 2006. The Act first applies to licenses issued or renewed, actions taken by DOT against licenses, agreements entered into, and requests for review or hearing made, on that effective date.

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