



**WISCONSIN LEGISLATIVE COUNCIL
AMENDMENT MEMO**

2001 Assembly Bill 458

**Assembly Substitute
Amendment 1**

Memo published: February 6, 2002

Contact: Richard Sweet, Senior Staff Attorney (266-2982)

Current law provides that a salvage vehicle may not be registered or be issued a new certificate of title until an inspector authorized by the Department of Transportation (DOT) examines it for the following: (1) to determine whether the vehicle is the same vehicle for which the title was issued; (2) to verify the source and ownership of the major parts and components used to recondition the vehicle; and (3) to determine whether the vehicle is in compliance with safety equipment requirements. The term “salvage vehicle” is defined in current s. 340.01 (55g), Stats., as follows:

340.01 (55g) “Salvage vehicle” means a vehicle less than 7 years old that is not precluded from subsequent registration and titling and which is damaged by collision or other occurrence to the extent that the estimated or actual cost, whichever is greater, of repairing the vehicle exceeds 70% of its fair market value.

An applicant for a new certificate of title for a repaired salvage vehicle must pay a fee of \$80 to DOT for the above examination. If the examination is conducted by an inspector employed by a city, village, town, or county, 75% of this fee is used to reimburse the city, village, town, or county.

Assembly Bill 458 removes from the definition of “salvage vehicle” vehicles that are considered hail-damaged vehicles. The bill defines the term “hail-damaged vehicle” as follows:

340.01 (20m) “Hail-damaged vehicle” means a vehicle that is not precluded from subsequent registration and titling and that is damaged by hail to the extent that the estimated or actual cost, whichever is greater, of repairing the vehicle exceeds 70% of its fair market value.

Since a hail-damaged vehicle would not be considered a “salvage vehicle,” the current statutory provision dealing with inspection of salvage vehicles would not be applicable to hail-damaged vehicles.

In addition, the bill specifies that if a new certificate of title is issued for a vehicle that was a hail-damaged vehicle, DOT must record this on the certificate of title.

The bill also provides that DOT may contract with a private individual or agency to examine a repaired salvage vehicle for the following: (1) to verify the source and ownership of the major parts and components used to recondition the vehicle; and (2) to determine whether the vehicle is in compliance with safety equipment requirements. If an inspector employed by a city, village, town, or county conducts only the examination on determining whether the vehicle is the same vehicle for which the title was issued, the municipality is paid 25% of the inspection fee and the inspector contracted by DOT is paid the remaining 75% of the fee. The bill requires DOT to promulgate rules to determine and certify the competency of private individuals or agencies who wish to become inspectors and to prescribe the manner and form for the inspection certificate.

The bill would take effect on the first day of the fourth month beginning after publication.

Assembly Substitute Amendment 1 provides that the definition of “salvage vehicle” does not include a hail-damaged vehicle unless the vehicle is repaired with a replacement part. The term “replacement part” is defined in current law as “. . . a replacement for any of the nonmechanical sheet metal or plastic parts that generally constitute the exterior of a motor vehicle, including inner and outer panels.”

The substitute amendment defines “hail-damaged vehicle” as follows:

340.01 (20m) Hail-damaged vehicle means a vehicle less than 7 years old that is not precluded from subsequent registration and titling and which is damaged solely by hail to the extent that the estimated or actual cost, whichever is greater, of repairing the vehicle exceeds 70% of its fair market value.

The above definition differs from the definition of the term in Assembly Bill 458 by applying only to vehicles that are less than seven years old and by applying to vehicles that are damaged *solely* by hail. In addition, the substitute amendment does not include the provisions of the bill that relate to DOT contracting for inspection of salvage vehicles and distribution of inspection fees.

Under the substitute amendment, the new certificate of title would state that the vehicle was a hail-damaged vehicle. However, this requirement would not apply to a hail-damaged vehicle that was repaired with any replacement part.

The substitute amendment would take effect on the first day of the fourth month beginning after publication.

On January 10, 2002, the Assembly Committee on Transportation recommended adoption of Assembly Substitute Amendment 1; and passage of the bill, as amended; both on votes of Ayes, 15; Noes, 0.

RNS:ksm:tlu;ksm