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Assembly Committee on Consumer Protection

Public Hearing on Assembly Bill 734 Liability Exemption for Motor Vehicle Sellers after Sale

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Thank you Chairwoman Dittrich and members of the Committee for holding a public hearing on Assembly Bill 734, relating to a liability exemption for motor vehicle sellers after sale. I'd also like to thank Sen. Felzkowski for her efforts in moving this bill forward in the Senate. This bill clarifies an ambiguity in statute to better protect individuals who sell their motor vehicles.

It should be common sense that if an individual no longer holds legal title to a vehicle, or possesses a vehicle, they should generally not be held liable for the vehicle, or the actions of the new owner of the vehicle. But under current state statutes, when a vehicle is sold, the transfer is not considered effective unless the parties have complied with certain statutory formalities. One of those formalities, for example, might be where the buyer has not yet transferred the vehicle's title to their name.

I introduced this bill last session after hearing about a situation where a constituent sold their vehicle, but the buyer failed to transfer the car's title to their name. The buyer proceeded to accumulate a number of parking tickets. City police tracked down the seller, and threatened to suspend their registration and driver's license if they didn't pay the buyer's accrued parking tickets.

This legislation states that liability is shifted when the buyer and seller intend to transfer ownership of the vehicle, regardless of whether statutory formalities have been completed. We've also considered input from the Wisconsin Department of Transportation to incorporate case law in crafting Assembly Substitute Amendment 1.

Placing liability on the rightful owner of a vehicle will protect our state's vehicle sellers from unjust civil and criminal liability. It is important to note that liability exemptions do not apply if death or injury is caused by the seller's willful or wanton acts or omissions. Immunity also does not apply to motor vehicle wholesale dealers.

Thank you again for your time and consideration. I am happy to answer any questions.