



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #746

### **Allow Private Salvage Vehicle Inspections (Transportation -- State Patrol)**

[LFB 2019-21 Budget Summary: Page 434, #4]

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#### **CURRENT LAW**

Under current law, a repaired 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 the vehicle to verify the title, source, and ownership of parts, as well as compliance with safety equipment requirements. Inspectors may be a sworn law enforcement officer of the Department or employed by a county or municipal agency. The fee associated with this service is \$80, which is collected by, or remitted to, DOT and deposited to the associated program revenue appropriation account. If an inspection is performed by a county or municipal inspector, 75% of the revenue is returned to the associated local government agency, while 25% is retained by the Department.

A provision of DOT administrative rule (TRANS 149) currently requires that a person be a Wisconsin law enforcement officer or a full-time employee of DOT's State Patrol and complete specified training to be qualified to conduct salvage inspections.

#### **GOVERNOR**

Specify that if the Department establishes requirements for certification to conduct salvage vehicle inspections, it may not require that the inspector of these vehicles be employed by DOT or a law enforcement agency. Increase revenue and expenditure authority by \$117,000 annually to reflect an estimated increase in program revenue associated with this provision.

## DISCUSSION

1. The Governor's recommendations would invalidate certain provisions of TRANS 149, which require that a person be a Wisconsin law enforcement officer or a full-time employee of DOT's State Patrol and complete specified training, to be qualified to conduct salvage inspections. [Alternative 1]

2. The recommendation was also included under DOT's 2019-21 biennial budget request. Under the request, as under the bill, it could be expected that fee revenue from the Department and local government inspections would decrease, as private inspectors would instead perform a portion of these inspections. However, the bill would instead increase estimated inspection fee expenditure authority.

3. To reflect the expected reduction, the Department had intended to reduce expenditure authority in the related PR appropriation (\$145,900 annually under current law) by \$28,900 annually, to result in a modified expenditure authority of \$117,000 annually. A modification to the bill would be required to reflect this intent. [Alternative 2]

4. If this recommendation is not adopted, DOT could use its existing rulemaking authority to amend the related administrative code to allow for private inspections of salvage vehicles. Allowing the Department to make this change through its existing authority could provide DOT with more flexibility to administer these inspections. [Alternative 3] Conversely, adopting the Governor's recommendation would require further statutory approval if the provision would need to be modified or deleted.

## ALTERNATIVES

1. Approve the Governor's recommendation and specify that if the Department establishes requirements for certification to conduct salvage vehicle inspections, it may not require that the inspector of these vehicles be employed by DOT or a law enforcement agency. Increase revenue and expenditure authority by \$117,000 annually to reflect an estimated increase in program revenue associated with this provision.

ALT 1	Change to	
	Base	Bill
PR	\$234,000	\$0

2. Approve the statutory change specified under Alternative 1, but reduce the expenditure authority in the related PR appropriation by \$28,900 annually to reflect the anticipated reduction in revenue that is likely to occur under this provision.

ALT 2	Change to	
	Base	Bill
PR	-\$57,800	-\$291,800

3. Take no action.

<b>ALT 3</b>	<b>Change to</b>	
	<b>Base</b>	<b>Bill</b>
PR	\$0	- \$234,000

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