



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 **AN ACT to renumber and amend** 218.205 (1) and 218.23 (1); **to amend** 218.21
2 (4) (a), 218.22 (1) (intro.), 218.23 (2), 218.23 (3) and 218.24 (4); **to repeal and**
3 **recreate** 218.23 (1); and **to create** 218.20 (1w), 218.205 (1) (b), 218.205 (3),
4 218.23 (1) (b) and 218.23 (1) (c) of the statutes; **relating to:** regulation of motor
5 vehicle salvage dealers and providing a penalty.

Analysis by the Legislative Reference Bureau

Under current law, all motor vehicle salvage dealers (salvage dealers) must be licensed by the Department of Transportation (DOT). Any person who carries on or conducts the business of a salvage dealer without a license may be fined not less than \$500 nor more than \$5,000 or imprisoned for not more than 60 days or both. A salvage dealer is a person who purchases and resells motor vehicles for wrecking, processing, scrapping, recycling, or dismantling purposes or who conducts the business of wrecking, processing, scrapping, or dismantling motor vehicles or selling parts of those vehicles. Among the requirements for obtaining a license, a salvage dealer must furnish a \$25,000 bond or documentation of the salvage dealer's financial solvency.

Also under current law, a salvage dealer must deliver to DOT the certificate of title or bill of sale for any motor vehicle he or she acquires within 30 days after the vehicle is delivered to the salvage yard, unless the previous owner has already done so. A salvage dealer is required to maintain a record, in a form prescribed by DOT, for every vehicle he or she acquires and wrecks. Any person who violates these

provisions may be fined not less than \$25 nor more than \$200 or imprisoned not more than 60 days or both.

Current law also requires a salvage dealer to display his or her salvage dealer license number in proper form on every truck or truck-tractor owned by the salvage dealer that is operated for hauling, towing, or pushing salvage vehicles. Any person violating this provision may be fined not less than \$25 nor more than \$200 or imprisoned not more than 60 days or both.

Under this bill, a salvage dealer may provide a certificate of title, but may not provide a bill of sale, to DOT after acquiring a motor vehicle for the purpose of wrecking it. A salvage dealer may acquire a motor vehicle for the purpose of wrecking it without a certificate of title being delivered to DOT only if the salvage dealer does all of the following: 1) applies for a confirmation number by providing DOT or a participating political subdivision with the transferor's identification information and vehicle identification information; 2) pays DOT or the participating political subdivision a service fee; and 3) receives a confirmation number from DOT or the participating political subdivision.

Also under the bill, the minimum amount of the bond in lieu of solvency documentation is increased to \$90,000 and the monetary penalties for violation of record maintenance and salvage dealer motor vehicle identification requirements are increased to a fine of not less than \$150 nor more than \$1,500. The potential term of imprisonment is unchanged.

This bill also prohibits any person from using a salvage dealer's license issued to another. The penalty for violating this provision is the same as for conducting salvage dealer business without a license. This bill also requires salvage dealers to take reasonable measures to prevent disclosure of personal identifying information while carrying on or conducting the business of a salvage dealer. The penalty for violating this provision is the same as for failing to maintain required salvage dealer records.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 1 SECTION 1. 218.20 (1w) of the statutes is created to read:
- 2 218.20 (1w) "Participating political subdivision" means a city, village, town, or
- 3 county that accepts submissions of information from a motor vehicle salvage dealer
- 4 under s. 218.23 (1) (b) 1. and issues confirmation numbers under s. 218.23 (1) (b) 3.

1 and that is authorized to directly access department motor vehicle title and operator's
2 license records.

3 SECTION 2. 218.205 (1) of the statutes is renumbered 218.205 (1) (intro.) and
4 amended to read:

5 218.205 (1) (intro.) No person may ~~carry~~ do any of the following:

6 (a) Carry on or conduct the business of a motor vehicle salvage dealer unless
7 licensed to do so by the department. ~~Any person violating this section may be fined~~
8 ~~not less than \$500 nor more than \$5,000 or imprisoned for not more than 60 days or~~
9 ~~both.~~

10 SECTION 3. 218.205 (1) (b) of the statutes is created to read:

11 218.205 (1) (b) Use a motor vehicle salvage dealer's license not issued to that
12 person.

13 SECTION 4. 218.205 (3) of the statutes is created to read:

14 218.205 (3) Any person violating this section may be fined not less than \$500
15 nor more than \$5,000 or imprisoned for not more than 60 days or both.

16 SECTION 5. 218.21 (4) (a) of the statutes is amended to read:

17 218.21 (4) (a) Unless the applicant furnishes a bond, or other adequate
18 collateral as security, of not less than ~~\$25,000~~ \$90,000 under conditions provided by
19 s. 218.0114 (20) (b), every application shall be accompanied by a current financial
20 statement to determine the applicant's solvency as required under sub. (1). Except
21 as provided in par. (b), this paragraph does not apply to the application of a scrap
22 metal processor.

23 SECTION 6. 218.22 (1) (intro.) of the statutes is amended to read:

24 218.22 (1) (intro.) The department shall issue a license to the applicant for a
25 motor vehicle salvage dealer's license upon the receipt of a properly completed

900
211 + 200
200

1 application form accompanied by the fee required under sub. (2) (c) or (d), upon being
 2 satisfied that the applicant is financially solvent or that the applicant has furnished
 3 a bond, or other adequate collateral as security, of not less than ~~\$25,000~~ \$90,000
 4 under conditions provided by s. 218.0114 (20) (b), and of good character and:

5 SECTION 7. 218.23 (1) of the statutes is renumbered 218.23 (1) (a) and amended
 6 to read:

7 218.23 (1) (a) ~~Whenever~~ Except as provided in par. (b), whenever a licensed
 8 motor vehicle salvage dealer acquires a motor vehicle for the purpose of wrecking it,
 9 the dealer shall mail or deliver the certificate of title ~~or if the transfer to the salvage~~ + plus it - keep in
 10 dealer was by a bill of sale, the bill of sale, for such vehicle to the department within
 11 30 days after the vehicle is delivered to the salvage yard unless the previous owner
 12 already has done so. *owner should still mail a title*

13 (d) ~~If he or she~~ a motor vehicle salvage dealer subsequently wishes to transfer
 14 such a vehicle acquired for the purpose of wrecking it to another person, he or she
 15 shall make such the transfer only by bill of sale. In such the bill of sale, ~~he or she~~ the
 16 motor vehicle salvage dealer shall describe the vehicle and shall state that the
 17 certificate of title for the vehicle has been mailed or delivered to the department
 18 because the vehicle was to have been junked. *+ JD*

19 SECTION 8. 218.23 (1) of the statutes, as affected by 2011 Wisconsin Act 32, is
 20 repealed and recreated to read:

21 218.23 (1) (a) Except as provided in par. (b), whenever a licensed motor vehicle
 22 salvage dealer acquires a motor vehicle for the purpose of wrecking it, the dealer
 23 shall mail or deliver the certificate of title for such vehicle to the department within
 24 30 days after the vehicle is delivered to the salvage yard unless the previous owner

1 already has done so or, if another person is in possession of the certificate of title, as
2 shown by the records of the department, that the person has already done so.

3 (b) A licensed motor vehicle salvage dealer may acquire a motor vehicle for the
4 purpose of wrecking it from the owner of the motor vehicle without a certificate of
5 title being delivered to the department if the motor vehicle salvage dealer does all
6 of the following:

7 1. Applies for a confirmation number by providing the department or a
8 participating political subdivision with a copy of the transferor's operator's license
9 or any other information reasonably required to establish the transferor's identity
10 and a description of the vehicle, including the identification number and any other
11 information reasonably required for proper identification of the vehicle.

OB
ID
Part 2

12 2. Pays the department or, if the information under subd. 1. is provided to a
13 participating political subdivision, the participating political subdivision the
14 amount specified in s. 342.14 (5).

see
info
must be

15 3. Receives a confirmation number from the department or political
16 subdivision.

17 (c) The department or, if the information under par. (b) 1. is provided to a
18 participating political subdivision, the participating political subdivision shall
19 examine the department's records and may refuse to issue a confirmation number
20 if there are reasonable grounds to believe that the transferor of the motor vehicle is
21 not the owner of the motor vehicle or if the application under par. (b) 1. contains a
22 false or fraudulent statement.

23 (d) If a motor vehicle salvage dealer subsequently wishes to transfer a vehicle
24 acquired for the purpose of wrecking it to another person, the dealer shall make the
25 transfer only by bill of sale. In the bill of sale, the dealer shall describe the vehicle

- Keep copy of transferor's ID

1 and shall state that the certificate of title for the vehicle has been mailed or delivered
2 to the department because the vehicle was to have been junked.

3 **SECTION 9.** 218.23 (1) (b) of the statutes is created to read:

4 218.23 (1) (b) A licensed motor vehicle salvage dealer may acquire a motor
5 vehicle for the purpose of wrecking it from the owner of the motor vehicle without a
6 certificate of title being delivered to the department if the motor vehicle salvage
7 dealer does all of the following:

8 1. Applies for a confirmation number by providing the department or a
9 participating political subdivision with a copy of the transferor's *operator's license*
10 or any other information reasonably required to establish the transferor's identity
11 and a description of the vehicle, including the identification number and any other
12 information reasonably required for proper identification of the vehicle.

13 2. Pays the department or, if the information under subd. 1. is provided to a
14 participating political subdivision, the participating political subdivision the
15 amount specified in s. 342.14 (5).

16 3. Receives a confirmation number from the department or political
17 subdivision.

18 **SECTION 10.** 218.23 (1) (c) of the statutes is created to read:

19 218.23 (1) (c) The department or, if the information under par. (b) 1. is provided
20 to a participating political subdivision, the participating political subdivision shall
21 examine the department's records and may refuse to issue a confirmation number
22 if there are reasonable grounds to believe that the transferor of the motor vehicle is
23 not the owner of the motor vehicle or if the application under par. (b) 1. contains a
24 false or fraudulent statement.

25 **SECTION 11.** 218.23 (2) of the statutes is amended to read:

1 218.23 (2) Every licensed motor vehicle salvage dealer shall maintain a record
2 of every vehicle which is bought or otherwise acquired and wrecked by the salvage
3 dealer, which record shall state the name and address of the person from whom such
4 vehicle was acquired and the date thereof. The record shall be in the form prescribed
5 by the department. The motor vehicle salvage dealer shall take reasonable measures
6 to prevent the disclosure, except to the department, a participating political
7 subdivision, or an employee or agent of the motor vehicle salvage dealer, of any
8 personal identifying information, as defined in s. 943.201 (1) (b), of an individual
9 collected while carrying on or conducting the business of a motor vehicle salvage
10 dealer.

11 **SECTION 12.** 218.23 (3) of the statutes is amended to read:

12 218.23 (3) Any person violating this section may be fined not less than ~~\$25~~ \$150
13 nor more than ~~\$200~~ \$1,500 or imprisoned not more than 60 days or both.

14 **SECTION 13.** 218.24 (4) of the statutes is amended to read:

15 218.24 (4) Any person violating this section may be fined not less than ~~\$25~~ \$150
16 nor more than ~~\$200~~ \$1,500 or imprisoned not more than 60 days or both.

17 **SECTION 14. Initial applicability.**

18 (1) The treatment of sections 218.21 (4) (a) and 218.22 (1) (intro.) of the statutes
19 first applies to applications for motor vehicle salvage dealer licenses received by the
20 department of transportation on the effective date of this subsection.

21 (2) The renumbering and amendment of section 218.23 (1) of the statutes and
22 the creation of section 218.23 (1) (b) and (c) of the statutes first apply to vehicles
23 acquired by motor vehicle salvage dealers for the purpose of wrecking on the effective
24 date of this subsection.

