



“Nothing astonishes men so much as common sense and plain dealing.”

Ralph Waldo Emerson

NEWS

WISCONSIN DEPARTMENT OF TRANSPORTATION

Plain Dealing

A policy and administrative bulletin for licensed dealers from the Dealer and Agent Section of the WisDOT Division of Motor Vehicles

Hearing scheduled for electronic processing rule

A hearing for the creation of Chapter Trans 141 and the amendment of Chapter Trans 156 administrative code relating to electronic processing will be held on October 12, 2006 at 10:00 AM in Room 144-B of Hill Farms State Transportation Building, 4802 Sheboygan Avenue, Madison.

This proposed rule implements provisions enacted in 2005 Wis. Act 25 that require motor vehicle dealers licensed in Wisconsin to electronically process title applications for any retail dealer sales. This proposed rule also specifies what categories of dealers are not required to process electronically, and under what circumstances a dealer will be exempted from processing certain transactions. The rule establishes penalties that the department may impose on a non-exempt dealer who fails to comply. The rule also establishes a fee that a dealer will be charged by the department to process the dealer’s transactions submitted by mail, including not only those dealers or types of transactions that are exempted, but also a penalty fee for dealers who fail to comply with the law. The rule clarifies when the department may deny a dealer the authority to process title applications, and when penalties or sanctions to the dealer license may apply.

For more information or to view the rule please visit:

www.dot.wisconsin.gov/library/research/law/rulenotices.htm For a copy of the rule call Carson Frazier at 608-266-7857 or Nancy Passehl at 608-264-9538.

Salvage dealers must comply with new law Nov. 1, 2006

Licensed Wisconsin salvage dealers must have permit coverage under the Wisconsin Department of Natural Resources (DNR) Storm Water Program and must have registered or certified compliance with the Wisconsin DNR Refrigerant Recovery Program. Effective November 1, 2006, a salvage dealer must submit two letters from the DNR along with the Department of Transportation (DOT) salvage dealer application or the DOT salvage dealer renewal application confirming your coverage under a storm water permit and compliance with the refrigerant recovery program. For salvage dealer license application instructions please visit:

www.dot.wisconsin.gov/business/dealers/licenses/salvinstruct.htm. For more information please contact Mark Harings of the DNR at 715-831-3263 or e-mail Mark at mark.harings@dnr.state.wi.us

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Dealer Education

Traveling sales teams may cause problems for dealers

Wisconsin dealers have been receiving offers from out-of-state marketing companies that provide temporary sales staff and promotional materials. Generally, these marketing companies work with a dealer for a specific period of time, usually during a special promotion. Because many of these companies work in multiple states, it is important to be sure that they understand how to operate in Wisconsin. We often see temporary sales staff that has not been properly licensed, and promotional materials that do not comply with Wisconsin advertising standards. The most important thing to remember is that dealers are responsible for the actions of traveling sales teams. Questions regarding traveling sales teams may be directed to your field investigator.

Tips to remember:

- A dealership is responsible for anyone it hires.
- Salespersons must be properly licensed.
- Out-of-state companies should be informed of Wisconsin advertising laws.
- The Dealer and Agent Section must be notified any time a salesperson, buyer or bid cardholder leaves your employment.



Tips when completing sales transfer applications:

- Make certain that your applicant was previously licensed in Wisconsin as a salesperson.
- Fill in the dealer information, sign the application and submit prior to the sale.
- Validate that your applicant checked the yes/no boxes and explained any boxes checked yes.

Reminder - No initials needed when processing electronically

Since the electronic processing law was passed, customers do not have to initial the MV11 (application for title and registration) form and the electronic processing service no longer needs to be disclosed as optional. Trans 139 of the Wisconsin Administrative Code states you can charge a service fee for services required by law. The costs of electronic processing can be added to your service fee or itemized on the MV11 when using CVR or triVIN.

Sheboygan Wheel Tax Ends January 1, 2007

The Sheboygan Wheel Tax is often a confusing issue for dealers. The city of Sheboygan amended an ordinance that set in motion a gradual \$2 per annum decrease of their original \$10 municipal wheel tax beginning January 1, 2002 and ending January 1, 2006, at which time the tax would have been eliminated. The amended ordinance required a flat fee of \$6 on vehicles kept in the city of Sheboygan when license plates are first issued or registration is being renewed until the end of 2006. The last day the wheel tax needs to be charged is December 31st. The wheel tax is eliminated effective January 1, 2007. The wheel tax for the city of Beloit remains unchanged.

Dealer plates may be used on loaner vehicles

According to Wisconsin law, a vehicle may be legally operated with a dealer plate if the vehicle is offered for sale by a dealer. This may occur in a situation where the dealer uses a vehicle from their inventory as a loaner car for a service customer. The qualifying factor is that you must be able to prove the vehicle is being offered for sale during the time the vehicle is loaned.

Unpaid parking tickets on dealer plates hold up your license

Dealer plates or dealer licenses cannot be issued or renewed when the Dealer and Agent Section receives a notice from the Traffic Violation Registration Program (TVRP) unit that a municipality has issued outstanding tickets against a dealer plate. Dealers should also receive an unpaid citation/ticket notice from the municipality. A hold is placed against a dealer's record until the TVRP unit has received a notice that the ticket has been satisfied.



Motorcycle and Moped Do's and Don'ts

With high gas prices the department has seen more dealerships selling motorcycles and mopeds. Please review these guidelines before selling mopeds and motorcycles:

- Motorcycles and mopeds are registered biennially, expire in April of even number years and the customer pays a pro-rated license plate fee.
- Mopeds have an engine of 50 cc or less and are exempt from odometer disclosure.
- Moped plates stay with the vehicle and motorcycle plates are transferable.
- Dealers can obtain motorcycle dealer plates.
- Dealers can sell mopeds and motorcycles without an additional license.
- Dealers selling only mopeds need a moped dealer license.
- Dealers selling motorcycles only need a motorcycle dealer license. A franchise appointment is necessary if selling new motorcycles. Mopeds do not need a franchise appointment.
- Dealers cannot sell new motorcycles if the selling distributor or manufacturer is not licensed. Please see <http://www.dot.wisconsin.gov/business/dealers/licenses/manufactlic.htm>
- Motorcycles and mopeds sold in Wisconsin must have federal certification labels.

For more information please call the Dealer and Agent hotline at 608-266-1425.

DOT citations

Aaron, Mark, Greenfield—Twenty-seven citations issued for failing to return junk titles to the department. Pled no contest to all citations and was assessed \$6,827.50 in forfeitures.

Bartus, Sam, Wausau—former owner Sam's Auto Sales—Ten citations issued for failure to transfer titles into his name. Found guilty by jury trial and was assessed \$1,605 in forfeitures.

Brown, Judson, Trempealeau—One citation issued for providing a false odometer statement. Pled no contest and was assessed a \$429 forfeiture.

Chuck Van Horn Dodge, Plymouth—Two citations issued for advertising violations. Pled guilty/no contest and was assessed \$371 in forfeitures.

Dennis, Michael, Spooner—One citation issued for acting as a motor vehicle dealer without a license, one citation for failing to obtain a salvage title for a motor vehicle, and four citations for failing to transfer titles into his name. Pled no contest to all six citations and was assessed \$1,820.20 in forfeitures.

Fremstad, Curtis, Osseo—One citation was issued for acting as a motor vehicle dealer without a license and one citation for failure to apply for a title. Pled no contest to both citations and was assessed \$899.50 in forfeitures.

Gilbertson, Terry, Holmen—One citation was issued for acting as a motor vehicle dealer without a license and one citation for failure to apply for a title. Pled guilty / no contest to failure to apply for title and was assessed a \$160.50 forfeiture. The citation for unlicensed dealer activity was dismissed.

Hall Chevrolet, Wauwatosa—One citation was issued for failure to submit an application for title within seven business days and one citation for

misuse of dealer registration. Pled no contest to misuse of dealer registration and was assessed a \$227.30 forfeiture. The second citation was dismissed.

McMahon, David, Houlton—Two citations were issued for acting as a motor vehicle dealer without a license, one citation for failure to apply for a title and three citations for failing to obtain a salvage title for a salvage vehicle. Pled guilty/no contest to one unlicensed dealer citation and for failing to apply for title and was assessed \$895.20 in forfeitures. The citation for unlicensed dealer activity and the three citations for failing to apply for salvage title were dismissed.

Metroplex Auto, Milwaukee—One citation issued for failure to submit application to the department within seven business days. Pled guilty and was assessed a \$184.50 forfeiture.

Wilks, Alfred, Milwaukee—One citation issued for acting as a motor vehicle dealer without a license, one citation for failing to transfer title into his name, and one citation for displaying false registration. A default judgment was entered and he was assessed a \$906.80 forfeiture.

Wilks, Kirby, Milwaukee—One citation issued for acting as a motor vehicle dealer without a license and one citation for failing to transfer title into his name. Pled guilty to the unlicensed dealer citation and was assessed a \$500 forfeiture. The second citation was dismissed.

Wilks, Reggie, Milwaukee—One citation issued for acting as a motor vehicle dealer without a license and one citation for failing to transfer title into his name. Pled guilty to the unlicensed dealer citation and was assessed a \$500 forfeiture. The second citation was dismissed.

Enforcement Actions

All Star Rent-A-Car Inc., Madison—The Wisconsin Supreme Court upheld the denial and revocation of the dealer's retail license for violations related to the improper disclosure and sale of motor vehicles.

Bay Port Auto, Green Bay—A Special Order and ten-day suspension were issued for improper business practices and records.

Bee Auto Sales, Green Bay—Retail license renewal was denied for odometer tampering.

PPNA, Milwaukee—A Special Order and a 21-Day Suspension were issued for underreporting the selling price, and failing to collect and submit the required sales tax for approximately 100 motor vehicle sales.

Tiger Motors, Marshfield—A Special Order was issued for failing to execute retail installment contracts on financed vehicles.

DOT criminal actions

Andrews, Anthony (Tony), Siren—former owner, Siren Auto Sales- Charged in Federal Court with 13 counts of mail fraud related to the fraudulent sale of encumbered property. Andrews pled guilty to the charges and was sentenced to five years imprisonment; five years supervised release; and \$110,045 in restitution.

Bowers, Rick, Milwaukee—former owner, Superstarz Cars, Milwaukee—Charged in Milwaukee County with five counts of theft related to the illegal sale of motor vehicles. Pled guilty to one count of selling encumbered property and was sentenced to four months jail (stayed), \$4,000 in restitution, and 40 hours of community service.

Euhardy, Robert, New London—former owner, Euhardy's Auto & Cycle, New London—Charged in Waupaca County with eight felony charges related to the alteration of salvage titles and the subsequent submission of such documents to the state. Pled no contest to a charge of fraudulent data alteration and a charge of submitting a false application to the state.

Sentenced on the data alteration charge to a \$1,000 fine plus court costs and one year probation. Sentenced on the false application to the state, charge was withheld pending completion of his probation and will be dismissed if no violations of his probation occur. All other charges were dismissed.

Jendusa, Michael, Madison—Charged in Jefferson County with theft of movable property and in Dodge County with six counts of issuance of bad checks. Pled no contest and sentenced to two years imprisonment, three years probation, \$13,523.35 in restitution, \$1,360 in court costs, and is prohibited from self-employment or sales related to motor vehicles.

Mourans, Ivars, Chicago, IL—former owner, Ivy International, Elkhorn—Charged in Walworth County with three counts each of altering certificates of title and submitting false applications for title to the department. Pled no contest to an amended count of fraudulent data alteration and to two amended counts of failure to transfer title with intent to defraud. Sentenced to a \$1,000 fine for each violation plus court costs for a total of \$3,981.

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