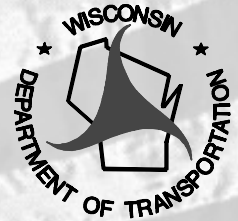




“Nothing astonishes men so much as common sense and plain dealing.”

Ralph Waldo Emerson



New online services for licensees coming this fall

Visit WisDOT’s website www.dot.wisconsin.gov at the “Doing Business” “Dealer and Motor Vehicle Businesses” page for the following new dealer services starting on or near October 1, 2003:

Wisconsin Dealer Directory—The new online *Wisconsin Dealer Directory* allows users to look up a dealership name, dealer number and more. Formerly available in print as *The Dealer Book*—the new online *WI Dealer Directory* lists all licensed retail dealers, wholesalers, distributors, motor vehicle auction dealers, manufacturers, motorcycle dealers, recreational vehicle dealers, and salvage dealers, as well as plates issued to finance companies, transporters and trailer dealers. Each entry includes dealership name, “doing-business-as” name, owner name, contact information, makes sold, dealer number, dealer plate number, and license expiration date in a downloadable Adobe Acrobat file. The list is used by local law enforcement, State Patrol, courts, libraries, DOT processors and other state agencies, as well as a variety of private businesses. The book was costly to produce, and swiftly out-dated. The new online directory will be updated every two months at license renewal time.

Directory of Invalid Buyer Identification (BID) Cards—The new *Directory of Invalid BID Cards* will list all Buyer Identification Cards that become invalid before the expiration date shown on the card. (Cards become invalid when the card is revoked or not renewed or the employing dealership discontinues business.) The directory will list BID card number, cardholder name, and employing dealership name for all previously issued, but currently invalid BID cards. It will be an invaluable tool for salvage pools, which previously had no practical means to detect if an auction customer’s BID card had become invalid before the expiration date.

Out-of-Business Dealers Directory—Published quarterly prior to 1999 (then discontinued due to limited resources), the *Out-of-Business Dealers Directory* lists all dealerships that went out of business prior to the license expiration. The new online listing will be an invaluable tool for wholesale motor vehicle auctions, which rely on the dealer license certificate to determine if a bidder is authorized to buy at auction. Auctions previously had to call WisDOT to determine if a dealer’s license certificate had become invalid prior to the expiration date shown on the license. An online version of

Continued on page 2

Inside this issue:

Developments	3
The real deal	4
Advertising alert	5
Dealer alert	7
News	8
Registration reminders	9
Business changes primer	10
Enforcement actions	12

Plain Dealing is published quarterly by the Wisconsin Department of Transportation, Division of Motor Vehicles, Bureau of Vehicle Services, Dealer Section.

Beverly Larson, Acting Administrator
Jane Zarada, Director
Chuck Supple, Section Chief

We welcome your questions and comments.

Contact Cat Skaar, editor, *Plain Dealing*, DOT Dealer Section, P.O. Box 7909, Madison, WI 53707-7909, (608) 266-1425; fax (608) 267-0323; email: dealers.dmv@dot.state.wi.us.

New online services *continued from page 1*

the list will speed auction processes, and ease WisDOT enforcement by helping auctions restrict sales to authorized wholesale buyers only. The list will be updated every other month at license renewal time.

“What’s New for Dealers” page—A monthly listing of articles of interest to dealers, including new trends, law changes, and dealer alerts.

“What’s New for Auctions” page—A monthly listing of articles of interest to auctions and motor

vehicle salvage pools, including new trends, law changes, and auction alerts.

Plain Dealing online—Read the latest issue of WisDOT’s *Plain Dealing*. Also, watch for an online library of back issues of *Plain Dealing*, plus a topical index of articles—coming soon!



For information contact Cathy Skaar (608) 267-3635 or cathy.skaar@dot.state.wi.us

Inspections implemented for first-time retail dealers

On April 1, 2003, Dealer Section began performing on-site follow-up inspections for all new (first-time) retail dealer licensees in response to feedback from dealers who were concerned that too many new dealerships begin selling vehicles before required business facilities and procedures are in place.

In order to continue providing same-day, one-stop license issuance for qualifying dealers who apply in person, DOT does not delay issuing the license of a new retail dealer pending inspection findings. Instead, investigators visit every new dealership within 30 days after license issuance to confirm that all business facility requirements have been met. (Dealers agree in writing, at the time of application, to surrender their license if a follow-up inspection reveals they have not met license requirements as reported on the application.) DOT also provides on-site training and answers questions to ease new dealers’ transition into the business.

Inspections should reduce the number of dealerships that begin selling cars without important consumer protections in place, such as, vehicle display areas and repair shops, exterior business signs, vehicle disclosure labels and storage areas for required record-keeping. Inspections will also ensure that new dealers receive personal attention to help them get off to a good start.

DMV licenses approximately 250 new dealerships each year. (Roughly the same number of dealers leave the business each year). No changes to current initial inspection procedures for other license types resulted from this policy change. Wholesalers, wholesale auction dealers, salvage dealers and recreational vehicle dealers are still subject to an initial inspection within two weeks of license application and prior to receiving a license.

For more information, contact Kevin Konopacki (608) 267-2033 or kevin.konopacki@dot.state.wi.us

Title and Registration Fees Increase

Effective October 1, 2003, title and automobile registration fees will each increase by \$10. This was a provision of the 2003-2005 Biennial Budget, Wisconsin Act 33. Dealers use the date of delivery of a vehicle to determine whether to charge the current fee or new fee (see the table below for details). New MV11 “Application for Title/Registration” forms should be available from your present suppliers by October 1st. You may continue to use older versions of the form if you write in the correct fee amounts.

(Note that the increase applies to any registration fee that is based upon auto fees, such as human service vehicles, special plates, personalized plates, etc.)

	Current fee	New fee
Title	\$25.00	\$35 (delivered on or after 10/1/03)
Auto registration	\$45.00	\$55 (delivered on or after 10/16/03)

Developments

Unique program should result in improved advertising

New forum for competitor ad complaints

A new pilot advertising review program launched March 1 by the Wisconsin Auto and Truck Dealers Association (WATDA) in conjunction with the UW Center for Consumer Affairs (CCA) creates a new forum for dealer complaints about competitors' misleading advertisements. "False or misleading advertising is one of the top ten consumer complaints to the Division of Motor Vehicle Dealer Section each year" notes DMV acting administrator, Bev Larson. "Dealers themselves file the majority of the complaints regarding competitors' misleading or questionable ads, so this program has strong industry support and should result in fewer complaints and happier car buyers." Due to limited resources, DMV has traditionally focused its attention on consumer complaints about advertising, not dealer complaints. The new program will give dealer advertising complaints the attention they deserve—while allowing DMV to focus on the most serious advertising violations.

*"Dealers themselves file the majority of the complaints regarding competitors' misleading or questionable ads, so this program has strong industry support and should result in fewer complaints and happier car buyers."
Beverly Larson, Acting Administrator*

- If CCA determines there is a violation of Wisconsin law or the WATDA advertising standards, CCA will contact the dealer who placed the ad, explain the violation and request correction. If CCA is unable to resolve the issue satisfactorily, they will refer the complaint to DMV.

DMV's role

DMV will change its role significantly under the new program by shifting its focus from education and mediation to enforcement. If DMV receives a complaint referred from CCA and finds a violation of Wisconsin advertising laws, DMV may issue a citation or pursue other sanctions—some of which would include a press release. The DMV reserves the right to handle any advertising complaint—with or without prior CCA handling.

CCA procedure

CCA will do the following when it receives a complaint about a

Dealer services

WATDA-member dealer:

Based on a successful model used for years in the Greater Milwaukee area by the Auto Dealers Association of Mega Milwaukee (ADAMM) and the UW Milwaukee Center for Consumer Affairs, the WATDA advertising program will provide Wisconsin auto dealers who are members of the association with the following services.

- Member dealers may have their ads reviewed before publication to ensure compliance with Wisconsin laws and WATDA advertising standards.
- Member dealers may request a review of a competitor's ads.
- Member dealers may register complaints against other dealers they suspect of running false or misleading ads.
- Those complaints will then be mediated.

1. Fax the dealer who placed the print or television ad, and explain the violation. The CCA will work with the dealer to bring the ad into compliance with WATDA standards, suggesting changes or recommending withdrawal of the ad.
2. Rely on the complainant to monitor future ads and report to CCA if the violation continues.
3. Close the case if the advertisement is corrected or withdrawn.
4. If the corrections have not been made, fax a warning letter to the dealer that reiterates the problem and the recommended correction.
5. Submit a summary of CCA findings to DMV for disciplinary action if the advertisement is not corrected.

Continued on page 6

And the winner is...

Zimbrick Group recognized for doing business the "Right Way"

The Zimbrick Group received the WisDOT Right Way Award for the first quarter of 2003. Beverly Larson, Acting DMV Administrator of the WisDOT Division of Motor Vehicles, presented the award on Tuesday, April 8, 2003, at Zimbrick, Inc. in Madison. The Zimbrick Group includes: Zimbrick Inc., Zimbrick Buick East, Zimbrick Isuzu, Zimbrick European, Saturn of Madison, Acura of Brookfield, Zimbrick Acura, Volkswagen, Zimbrick Volkswagen East. The Right Way Award



DMV Acting Administrator Beverly Larson congratulates Right Way Award winner, Mike Zimbrick, Madison

recognizes auto dealers who set an example of the *right way* to do business in Wisconsin.

All Zimbrick locations participate in WisDOT's APPS program (Automated Partners in Processing), a program that allows dealers and other businesses to electronically complete title and registration

transactions for their customers on-site—an efficient and convenient customer service. The Zimbrick group maintains a well-organized facility, and proactively initiates contact with its customers, quickly tending to their needs. In addition, the dealership completes licensing paperwork correctly and on time and maintains a facility that consistently complies with laws. Furthermore, the Zimbrick group strongly supports and participates in community causes.

For information, contact Nancy Passehl (608) 264-9538 or nancy.passehl@dot.state.wi.us. (Nancy Passehl, reporter)



The real deal... True answers to your burning questions

Welcome to *The real deal* a new forum for dealer questions about the industry, licensing, WisDOT policies and enforcement. **Send your questions to WisDOT Dealer Section** by e-mail at dealers.dmv@dot.state.wi.us or phone the editor, Cat Skaar at (608) 267-3635. All questions will be attributed to you or your dealership, unless you ask to remain anonymous.

Burning question: I passed my salesperson exam today, but I don't have my license card yet. I have a customer who wants to buy a Porsche Boxster. Can I sell the car if I don't have my card yet?

The real deal: Don't let that sale get away! If you passed the salesperson exam, you can sell the car now—even if your license card has not yet arrived in the mail. Your test receipt from the DMV Customer Service Center where you took your test is your proof that you passed. Current law requires salespeople to carry their license card on their person while transacting business. However, since DOT does not finish processing and mailing the license for a few days after you pass the exam, you may begin selling without the card. Simply use the first 8 digits of your driver's license number when entering your salesperson number on the purchase contract. When your card arrives, the numbers will coincide.

Advertising Alert

US Postal Service warns—beware of Government Look-Alike Mail

If you're planning to run a direct mail campaign in the future, be sure to check the ad proofs before signing off on the campaign. If your pieces resemble a government mailing, you may find yourself investigated not only by WisDOT, but also by the United States Postal Service (USPS). The following article was taken directly off the USPS web site at www.usps.com

Government Look-Alike Mail Consumer & Business Guide to Preventing Mail Fraud

That brown envelope in your mailbox looked so official you thought it was from a government agency. Even the name, return address, and seal looked official. Such mailings can be deceptive and confusing, and are sometimes illegal. They typically contain sweepstakes solicitations or requests for donations to political causes. Such mailings are no longer allowed unless one of the following is true:

- The entity actually has a government connection, approval, or endorsement;
- The mail and its envelope bear a notice by the U.S. Postal Service that disclaims government connection, approval, or endorsement; or
- The material is contained in a publication the addressee purchased or requested.

Carefully read the material inside the envelope to determine if it really is from a government agency.

As you can see from the article above, the USPS inspectors do not treat this type of advertising lightly. WisDOT has not seen a lot of government-look-alike

advertising in Wisconsin lately. However, in one recent case, a dealer was cited for sending a DMV-look-alike mailing to customers. The dealer agreed to send letters of apology to everyone on the original mailing list.

To give you an idea of how this type of advertising can set off a firestorm of controversy and bad press, WisDOT researched its advertising archives and found details of a 1990 complaint that occurred in Connecticut.

In that case, the dealer targeted ethnic and minority residents with a mailing that appeared to come from the "Motor Vehicle Department." The dealership, Schaller Mitsubishi, not only sent out letters of apology to consumers, but also paid consumer officials \$2,000 to cover the cost of their investigation. The investigation was triggered by multiple complaints received by a Connecticut senator and received local press coverage.

In addition, the federal government recently enacted the Deceptive Mail Prevention and Enforcement Act to toughen the existing federal standards. You will find a discussion of the Act in the October 1, 2001, issue of the *Marketing and Promotion News* (Vol. 1, No. 6) published by S & A Publications, LLC, and available online at www.santella.com.

The bottom line is: your dealership is ultimately responsible for the advertising you publish. Be sure to check and double-check those proofs before the ads run. *For information, contact Dealer Section at (608) 266-1425 (James Chaja, reporter)*

Cashable voucher program misleads consumers

The Wisconsin Department of Transportation's Dealer Section is warning dealers and consumers about a misleading marketing program. A promotion company is selling a "Cashable Voucher Program" to Wisconsin auto dealers who, in turn, use the voucher as a marketing tool to sell vehicles. The sales promotion allows a dealer to offer a customer the chance to recover up to 100% of the purchase price they paid for their vehicle. The dealer issues a voucher that the consumer must register at the time of sale. The consumer must then file a claim to redeem the voucher within seven days after the third anniversary of the issue date. The claim process is complex, and a voucher is cancelled if the consumer doesn't complete each step in the process correctly. Claiming payment of the vouchers is so challenging, in fact, that the promotion company boasts a very high percentage of vouchers will never be returned. This cashable voucher program may violate securities laws and is considered misleading advertising. The Wisconsin Department of Transportation Dealer Section is investigating the matter. WisDOT's advice to dealers is "If a deal seems too good to be true, it probably is." *For more information about the cashable voucher program, contact Nancy Passehl at (608) 264-9538 or nancy.passehl@dot.state.wi.us.*

Internet ads must meet ad standards

Internet advertising is appearing nationwide, and continues to be an effective marketing tool. We encourage the use of the Internet to supplement your business. Keep in mind that, in Wisconsin, Web sites are considered advertising representations subject to advertising laws. False or misleading advertising posted on a dealer's website carries the same penalties as any other type of advertising violation. WisDOT has recently seen the following advertising violations on the Web.



- Incorrect vehicle price is advertised (doesn't match price on the Wisconsin Buyers Guide).
- Incorrect model year of vehicle is advertised.
- Price does not include all charges to acquire the vehicle—for example, a service fee is not disclosed.
- A misleading or incorrect Internet ad is not corrected in a timely manner.

WisDOT recommends that you carefully review all Internet advertisements before displaying them. When errors or violations occur, DOT considers the following factors in determining what action to take against the dealer's license:

- Did the dealer have control over the Web site? For example, was it the dealer's own site or the Web site of a national group or advertising agency?
- Did WisDOT receive consumer complaints about the advertisement (as opposed to complaints from other dealers)?
- How fast was the Web site corrected once the problem was brought to the dealer's attention?
- Does the dealer have a history of problem ads?
- Did the dealer make a prompt, reasonable offer to take care of the customer or acknowledge and take responsibility for the error in some other way?
- Did the dealer cooperate promptly with WisDOT?

Remember these tips when advertising on the Internet:

- Always indicate the dates and duration of a sale.
- Advertise only those vehicles that have been properly inspected and labeled with a WI Buyers Guide.
- Verify that a vehicle is available for purchase before offering it for sale on the Internet. Have the title or acceptable proof of ownership at the dealership.
- Make sure that the sale price on the Web site matches the sale price posted on the vehicle.

For information, contact Dealer Section (608) 266-1425 or dealers.dmv@dot.state.wi.us. (Christine Thomas, reporter)

Advertising program *continued from page 3*

Penalties for bad ads

Potential DMV penalties for advertising complaints referred by CCA follow: (Listed penalties are not progressive. DMV may apply one or more penalties for a particular violation.)

- ✓ Issue a written warning letter. (The warning may be in addition to one issued previously by CCA.)
- ✓ Require the violating dealer to post a correction at the dealership.
- ✓ Require the dealer to send a correction and letter of apology to customers for direct mail advertising.
- ✓ Publish, in DMV's *Plain Dealing* newsletter, the illegal advertisement and the name of the dealership responsible for the advertisement.
- ✓ Issue a citation.
- ✓ Issue a forfeiture with a press release.

- ✓ Issue a special order with a press release.
- ✓ Suspend the dealership license with a press release.

Program benefits

The program's benefits are numerous: improved auto dealer advertising, self-regulation of the industry, fewer complaints that require DMV involvement and voluntary compliance without the need for penalties. Cases where dealers fail to solve an advertising complaint through CCA mediation will be referred to WisDOT or the appropriate regulatory authority for disciplinary action. Consumer and non-member auto dealer complaints will still be investigated and handled by the DMV; however, with the implementation of this program, more complaints will be handled up front resulting in increased efficiency and better consumer protection.

For information contact Nancy Passehl, (608) 264-9538 or nancy.passehl@dot.state.wi.us

Dealer Alert

Wholesale auctions not authorized to sell to salvage dealers

Salvage dealers can buy at vehicle salvage pools but cannot bid on vehicles at wholesale vehicle auctions. A salvage dealer wishing to bid at a wholesale auction would need to have a wholesale or retail dealer license.

Retail buyers not allowed at auctions

Dealers cannot bring retail buyers into wholesale auctions. Recently, a Green Bay TV station erroneously advised consumers to ask a dealer to take them to a wholesale auction to look for a car. (The station later announced a retraction.) Currently, only licensed dealers or their authorized staff are allowed to attend wholesale auctions.

Consumers need auction notice information

Dealers are required under Trans 139.04 (6)(a)1, WI Administrative Code, to disclose to consumers all *material* information regarding a used vehicle. Material information might be listed in wholesale auction notices, including block tickets and announcements. If so, it may have to be passed along to the retail consumer—particularly information about prior replacement of major parts and corrected or uncorrected frame or body damage.

“Material” means any information a reasonable person might consider important to their buying decision or information a buyer specifically requests. Erring on the side of over-informing the consumer cannot get a dealer into trouble. When in doubt, disclose!

Electric scooters illegal on highway

A wave of electric scooters is hitting the streets. These vehicles are generally not federally certified, cannot be registered, and are not legal to operate on Wisconsin highways. One brand of electric scooter has now received the federal certification label, but states are still evaluating whether the certified scooter is legal to operate on roadways. You may want to check with your own municipality to see if they allow electric scooters to be operated on locally-owned roads. *Contact WisDOT Dealer Section, (608) 266-1425, with questions.*

Check ID's for duplicate keys

Beware of strangers asking your dealership to make or order a replacement vehicle key from the manufacturer based on a Vehicle Identification Number. Some reports suggest car thieves may be targeting vehicles by copying down VIN's visible through a car's windshield, then requesting duplicate keys from a dealer. If you haven't already, your dealership might want to establish security measures for confirming vehicle ownership when an unfamiliar customer asks you to duplicate a key.

RV and motor home sales on Sunday

Though motor vehicle dealers are prohibited from selling vehicles on Sundays, recreational vehicle dealers are not, since they sell non-motorized units.

However, combination recreational vehicle and motor vehicle dealerships that sell *motor homes* as well as RV's are prohibited from selling motor vehicles on Sundays. A combination RV and motor vehicle dealership may be open on Sunday to sell RV's and trailers, as long as the motorized units are *not accessible* to customers. There is one exception to this rule. During an off-premise sale that falls on a weekend, dealers do not have to remove motor homes from display on

Sunday when they are being shown in combination with non-motorized recreational vehicles. However, the motor homes *may not be offered for sale on Sunday*. WisDOT allows this exception because of the difficulty in jockeying large vehicles around to remove them from a show before Sunday. *For information contact Dealer Section (608) 266-1425 or dealers.dmv@dot.state.wi.us.*

Updated Dealer Section staff list now available online

Up-to-date contact information for WisDOT Dealer Section staff, and a map of current field investigation territories is available online at the WisDOT Web site at www.dot.wisconsin.gov/business/dealers/index.htm.



We're on the Web
www.dot.wisconsin.gov

News

New-size motorcycle plate

Issuance of new, smaller, 4 inch x 7 inch motorcycle license plates began April, 2003. Some of your customers may ask you to order one of the new smaller plates to replace their current plate. *Note that moped plates and dealer plates issued to motorcycle and moped dealers have not changed size.*

To replace a current non-personalized regular cycle plate with the smaller plate, or to order a duplicate personalized regular cycle plate in the new smaller size, do the following:

- ✓ On the MV11 form, show plate number to transfer.
- ✓ Collect the \$2.00 replacement/duplicate plate fee. (Note the replacement fee for the US VET motorcycle plate is \$5.00.)
- ✓ Mail the MV11 to the WI Dept of Transportation, P.O. Box 7949, Madison, WI 53707-7949.

To replace or duplicate a US VET motorcycle plate with a new smaller US VET cycle plate, do the following:

- ✓ On the MV11, show the plate number to transfer.

- ✓ Collect the \$5.00 replacement/duplicate plate fee for US VET plates.
- ✓ Mail the MV11 to the Special Plates Unit (WisDOT SPU; P.O. Box 7911; Madison, WI 53708-7911) for manual processing.

To replace a current sequential or personalized plate with a smaller-size US VET cycle plate, do the following:

- ✓ On the MV11 form, show plate number to transfer.
- ✓ Collect \$15.00 US VET issuance/personalized plate fee. Have customer complete the MV2930 form and submit proof of eligibility.
- ✓ Mail the MV11, MV2930, and proof of eligibility to the Special Plates Unit (WISDOT SPU; PO BOX 7911; Madison, WI 53708-7911) for manual processing. Note: Requests for US Motorcycle Veteran Applications (MV2930) may be sent to the attention of US #2 at the Special Plates Unit, address above. Mail *any* transaction involving US VET plates to the Special Plates Unit, address above.

*For information, contact Lois Gartland (608) 264-7254
lois.gartland@dot.state.wi.us. (Lois Gartland, reporter)*

Tax news

New Green County sales tax

On January 1, 2003, Green County began collecting a .05% sales and use tax on vehicles customarily kept in Green County, to include vehicles purchased on or after January 1, 2003. For a full listing of Wisconsin county sales and use tax rates, visit the Department of Revenue Web site at www.dor.state.wi.us/faqs/county.html.

January 1, 2003—\$6.00 tax
January 1, 2004—\$4.00 tax
January 1, 2005—\$2.00 tax
January 1, 2006—\$0.00 tax

For information regarding the wheel tax, contact the WisDOT Dealer Registration Hotline at (608) 267-3646. (James Chaja, reporter)

Municipal wheel tax

Please be aware that the following cities collect a municipal wheel tax. Collect the wheel tax with first-time vehicle registrations and subsequent renewals only. Do *not* collect the wheel tax if a plate is being transferred.

- The wheel tax for the city of Beloit is \$10.00.
- The wheel tax for the city of Sheboygan is currently \$6.00. It will decrease by \$2.00 annually, until it is eliminated entirely on 1/1/06, according to the following schedule:

Your privacy matters to DOT

WisDOT will no longer print Social Security Numbers on dealer license renewal applications or salesperson and BID card-holder reports, because of the potential danger of identity theft if application materials fall into the wrong hands. WisDOT will continue to collect Social Security Numbers from applicants, as is required by law; however, the numbers will not print out on renewal application materials. Many thanks to Mike Seihoff, Samuels Recycling Company, for suggesting the change!

For more information, contact Vikki VanDeventer (608) 266-0965 victoria.vandeventer@dot.state.wi.us

Registration reminders

✓ **Renew expiring plates**—When transferring your customer’s current plate to a new vehicle, collect and submit the registration renewal fee if the plate to transfer will expire within the next 90 days.

✓ **Permission to pick up title required**—DMV now requires dealers picking up a title or anyone picking up a replacement title for a vehicle they do not own, to present written permission from the titled owner and to show a valid Driver License or Identification Card. If the requestor does not have written permission or proper identification, WisDOT will mail the title to the vehicle owner. Document permission to pick up a title on WisDOT's new MV2932 “Permission to Pick Up Title” form, (available in English and Spanish). The form is available online at www.dot.wisconsin.gov/business/dealers/dealer-forms.htm or by contacting WisDOT Stores at (608) 246-3265. *For information, contact Mary Kay Dodge (608) 266-3346.*



leave papers is required. Customers on active duty in the military are entitled to a refund of the unused portion of their license plates. To receive a refund, they should complete DMV form MV2030 (Registration Fee Refund Request Due to Military Service) and send the request, certificate of registration and their plates to the address on the form.

In WI, being in the military is not a valid tax exemption. Military personnel must pay taxes on vehicles purchased in Wisconsin unless a valid tax exemption is claimed.

For information, contact Mary Kay Dodge at (608) 266-3346 or marykay.dodge@dot.state.wi.us. (Mary Kay Dodge, reporter)

✓ **Registration information for active military**—WI residents on active duty in the military may have let their plates expire or obtained a refund on the unused portion of their plates, when they went into service. When they return home on leave, the DMV will issue free 30-day temporary plates and will reissue the temporary plates as needed if the leave lasts longer than 30 days. A copy of

✓ **List plate numbers before letters**—When showing a plate number to transfer on the MV11 form, be sure to show number first, then letters—the proper configuration for the new black and white license plates. For example, show plate number 107DFN, not DFN107, as was standard on the old red and white plate.

✓ **Show SSN or DID**—Remember to list either a Social Security Number, Driver License number or Driver ID number (DID#) on all MV11 applications. If customers are reluctant to provide the number, refer them to the instructions on the back of the yellow ply of the MV11, which lists the requirement.

Know your cycle distributor

WisDOT received numerous reports of an influx of Chinese-manufactured motorcycles and mopeds this season. Many of these cycles are not built to U.S. specifications, and cannot be operated legally in Wisconsin. A dealer must have a franchise to sell new motorcycles. A distributor license is required to distribute new motorcycles. (Note—Moped sellers must have a moped dealer license for retail sales, but moped distributors are not licensed in Wisconsin.) No dealers or distributors are currently licensed in Wisconsin to sell the Chinese-made motorcycles.

If your dealership buys motorcycles (over 50ccs) for resale, be sure the cycle distributor is licensed in Wisconsin. Be sure each vehicle has a permanently-affixed federal certification label that includes this statement: “*This vehicle conforms to all applicable federal motor vehicle safety standards in effect on the date of manufacture shown above.*” Without this federal certification label, a cycle cannot be registered or operated on Wisconsin roads.

A legitimate manufacturer or distributor should provide your dealership with a manufacturer statement of origin (MSO) on secured paper for each vehicle purchased. The back of the MSO must include a reassignment area to transfer vehicle ownership. Any other document may not be acceptable proof of ownership for titling and registering the vehicle in Wisconsin. For more information, contact *Nancy Passehl (608)264-9538 or Jim Chaja (608)261-2552.*

Business changes primer

By law, dealerships must report business changes to WisDOT promptly. In fact, if your dealership relocates or changes ownership, you need to apply for a new license. The following information will serve as a guide for all your dealership changes. Visit the WisDOT Web site at www.dot.wisconsin.gov for additional information and forms for reporting business changes.

Location change

If you move your dealership, you will need to file an original dealer license application with zoning approval and other documentation.

1. Complete a dealer license application form. Write “relocation” on the top of the form, include zoning and local permit signatures on the reverse side.
2. Complete and sign the Business Facilities Statement form MV2845.
3. If the new location is leased, submit a signed copy of the lease. The lease must include the terms and the address of the new location.
4. Include a Manufacturer/Importer/Distributor Certification of Dealer (form MV2131) for each make of new vehicle you sell.
5. Include a rider from your bond company changing the dealer location if you are moving to a different municipality.
6. If moving to a different municipality, fees are \$20 (payable to Registration Fee Trust) for auto/truck, motorcycle or RV dealers, and \$10 or \$50 (payable to the Department of Financial Institutions). There is no fee for moves within the same municipality.

Ownership change

If your business ownership changes, you must file a complete original dealer license application. The following changes constitute a change of ownership:

- Changing type of ownership—for example; changing from sole proprietor to corporation, adding or deleting a partner .
- Adding someone who has 10% or more stock in the corporation.

When ownership changes, submit the following to WisDOT:

1. A complete original application, including fees for two years. (If more than one year remains on the old license, we will refund one year’s fee.)
2. A bond or bond rider may or may not be needed. Call Dealer Section at (608) 266-1425 for specifics on what is needed in your situation.
3. Write “owner change” across the top of your license application.

Adding or deleting a franchise

To add a franchise to your current dealership, submit your new franchise agreement on DOT’s Manufacturer/Importer/Distributor Certification of Dealer Form (form MV2131) or on a similar form provided by the manufacturer. No fee is required. DOT will reissue your license certificate listing the new makes you are authorized to sell.

To delete an existing franchise, send a written notification showing the effective date of any franchise deletion. DOT will send a revised license certificate.

Changing business names

Trade names—If the trade name of your business changes, send written notification on your letterhead stating the trade name to be added or changed.

Legal names—If the legal name of a partnership or sole proprietorship changes, send written notification on your letterhead and a bond rider showing the change.

If the legal name of a corporation changes, send a copy of the name change papers filed with the Division of Corporations and a bond rider showing the new name.

More than a name change—if your business name changed because you changed business type, ownership or location, follow the instructions above for that type of change. For example, if you changed from Bob’s of Milwaukee to Bob’s of Racine, or from Bob’s Auto to Bob’s Auto, Inc.—that’s more than a name change. It requires you to apply for a new license.

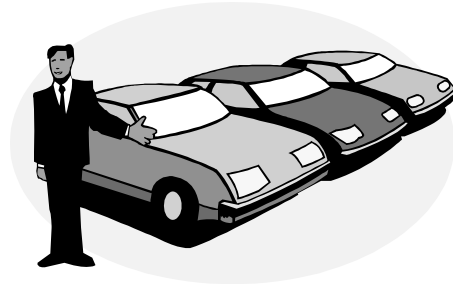
Off-premise sales

Notify WisDOT in writing, by U.S. mail, fax or e-mail at the address below at least 10 days before the start of any off-premise sale. WisDOT charges no fees for

off-premise sales and issues no special permit.

Note that the following special requirements apply to off-premise sales:

- The dealer must give consumers written notice of their 3-day right to cancel a sale anytime the transaction is initiated by face-to-face solicitation away from a regular place of business, and the transaction is consummated away from the dealer's regular place of business; or the dealer receives the customer's offer, contract or other written evidence of the transaction away from the dealer's regular place of business.
- Dealers may hold no more than six off-premise sales per year, and each sale may last no longer than 10 days.
- The ban on selling motor vehicles on Sunday applies to off-premise sales. Dealers cannot hold a sale on a Sunday. However, vehicle *shows* are allowed on Sunday as long as no salespeople are present. Non-sales personnel, such as "greeters" or security guards, may be present at the show.
- DOT allows occasional displaying of vehicles off premises, and does not count a display as an "off-premise sale" as long as all of the following are true:
 - ⇒ No salespeople are present at any time during the display.
 - ⇒ The display is not regularly held at one location. For example, a weekend display of a car at a charity golf tournament would not count as an off-premise sale. However, recurring or continuous displays of multiple vehicles at the same location—even without salespeople present—would probably require the site to be licensed as a separate location, subplot or branch, as appropriate (see below "adding a branch or subplot.")



1. Complete the original application form listing branch or subplot address. Be sure to include zoning and local permit signatures on the reverse side.
2. Write "adding branch or subplot" on the top of the application.
3. Include a lease for the branch or subplot location, unless the dealership owns the property.
4. If you will be selling new vehicles from your branch location, submit a revised Manufacturer/Importer/Distributor Certification of Dealer form (MV2131) for each make of new vehicle you will be selling at the branch.
5. Include fees payable to Registration Fee Trust. The fee is \$40 for a branch license, and \$2 for a subplot license.

Note: A storage lot is not a branch or subplot, and does not require a special license or notification to DOT. A storage lot may be used for new or used vehicles. The storage lot should not be accessible to the public, and vehicles should not look as if they are available for viewing or purchase. For example, a storage lot surrounded by a locked fence gives passersby a clear indication that the location is not a dealership, and the vehicles are not available for view.

Reporting and replacing lost plates

To report—but not replace—a missing dealer plate, contact the Dealer Section by US mail, fax or e-mail at the address below.

To replace a missing plate, mail a written request on your dealership letterhead, and include \$2.00 for each replacement plate. You may also fax or e-mail your request and send the fees by US mail.

Contact Dealer Section at:

WisDOT – Dealer Section
PO Box 7909
Madison, WI 53707-7909
Phone: (608) 266-1425
Fax: (608) 267-0323
e-mail at dealers.dmv@dot.state.wi.us

For more information about business change notification, contact WisDOT Dealer Section at (608) 266-1425. (Nancy Passehl, reporter)

Adding a branch or subplot

A *branch* is a secondary location within the same municipality, which has the facilities to operate independently from the main location. A *subplot* is a secondary location in the same municipality, which lacks indoor display and service facilities. Only used vehicles may be sold from a subplot. To add a branch or subplot to your current dealer license, do the following:

Enforcement Actions

Auto Mart, Milwaukee—License suspended 3-17-03 through 3-23-03 for failing to submit title applications in 7 days and violating a Special Order for the same violation.

Brown Deer Auto Body, Brown Deer—Special order for allowing vehicles to be sold at an unlicensed location.

Door County Auto Sales, Door County—Special Order for failing to maintain a vehicle logbook and failing to have proper incoming and outgoing odometer statements.

Easy Auto Sales, Green Bay—License suspended 1-06-03 through 1-10-03 for failing to do the following: maintain a vehicle logbook; have proper odometer statements; display Buyers Guides; inspect vehicles offered for sale; and list known components of sale price on a purchase contract.

Fox Valley Auto Auction, Inc., De Pere—Special Order for allowing a dealer investigator (posing as a buyer who was not a licensed dealer) to bid on vehicles offered for sale at auction. Dealer also agreed to pay a \$500 civil forfeiture in Brown County Court for logbook violations.

High Tech Auto, Inc., Sun Prairie—Wholesale license revoked for selling vehicles at retail.

Holloway, Donald, Green Bay—Special order issued against salesperson license for acting as an unlicensed dealer. Also, agreed to pay \$1,000 civil forfeiture in Brown County Court for unlicensed dealer violations.

Pete's Auto Sales, Milwaukee—License suspended 4-14-03 through 4-27-03 for failing to complete buyers guides or have titles available for vehicles offered for sale; allowing unlicensed sellers to sell vehicles using the dealer license; and conducting a fraudulent sale, lease or repossession

Sam's Auto Sales, Wausau—License suspended 2-03-03

through 2-07-03 for falsifying documentation of a sale.

WMI Auto Auction, Inc., Holmen—License suspended 12-23-02 through 1-12-03 for conspiracy to utter forgery and allowing unlicensed dealers to buy or bid on vehicles.

Citations and Criminal Charges

Blount, Reginald, Milwaukee—Citation for acting as a dealer without a license. Citation for failure to transfer title.

Borders, Jeffrey, Milwaukee—Citation for acting as a dealer without a license.

Daniels, Phillip, Milwaukee—Seven citations for acting as a dealer without a license. Six for failing to transfer title.

Kazee, Terry, Milwaukee—Citation for acting as a dealer without a license. Citation for failing to transfer title.

Kim, Dae, Delavan—Citation for acting as a dealer without a license. Citation for failing to transfer title.

Wilks, Kirby, Milwaukee—Citation for acting as a dealer without a license. Citation for failing to transfer title.

Perry, Todd, New York and **Rhymes, Phillip**, Milwaukee—Indicted by US Attorney's Office on ten counts of mail fraud and money-laundering related to a VIN-switching and replacement title scheme involving more than 50 stolen and salvage vehicles (mostly from New York) and more than 50 original and replacement WI titles. **Stephens, Jomo**, New York, aka Cornelius Henry, indicted on seven counts of mail fraud and money laundering in the case. Note: Rhymes was previously arrested in a search warrant conducted by the FBI, DOR, USPS Inspectors, NICB, Milwaukee Police and WisDOT Dealer Section on March 27, 2001.

Wis. Dept. of Transportation
Dealer Section
P.O. Box 7909, Room 806
Madison, WI 53707-7909