Plain Dealing

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

Vol. 9, No. 3 **Fall/Winter 1999**

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

R. W. Emerson

Here we are, rolling over the calendar's odometer to the year 2000. All state agencies have been working on Y2K readiness for several years and the DMV is no exception. Dealer Section sent December 1999 and January 2000 license expirations their renewal packets early in October. We asked for their return by Nov. 1st so we could get the bulk of our work done before any Y2K problems appear. Thanks to all of you who got your renewals in early, it looks like we'll meet our goal.

Congratulations to Thorstad Chevrolet of Madison and Art's Service of Elkhorn, third and fourth quarter 1999 winners of Dealer Section's "Right Way" dealer award. See page 2 for the details.

Best wishes to all of our readers for a happy holiday season and a healthy and prosperous new year!

In this issue:

Citations Issued 4
Criminal Actions 4
Dealer Alert 3
Licensing Actions 4
News 3
The Right Way 2

Plain Dealing is published quarterly by the Wisconsin Department of Transportation, Division of Motor Vehicles, Bureau of Vehicle Services, Dealer Section.
Roger Cross, administrator
Martha Gertsch, director
Chuck Supple, section chief

We welcome your questions and comments. Address correspondence to Vikki VanDeventer, editor, Plain Dealing, DOT Dealer Section, P.O. Box 7909, Madison, WI 53707-7909, FAX to (608) 267-0323 or e-mail: dealers.dmv@dot.state.wi.us

Budget bill brings changes for dealers

Passage of the long-awaited budget bill brought some changes that affect dealers:

Title fee increases

The fee for an original Wisconsin title is now $22. The $1 increase raises the environmental impact fee WisDOT collects on behalf of the Department of Natural Resources from $5 to $6. The MV11 application for title/registration will be revised soon. You should begin collecting the new fee immediately. You may continue to use your current supply of MV11s, but write in and collect $22 for the title. The fee for a replacement title remains $8.

Moped definition changes

Effective Oct. 29, 1999, the definition of moped changed to increase the allowable cubic centimeter size of the engine from 50cc to 130cc. The top speed permitted remains 30 miles per hour.

License plates to be reissued

DMV will begin reissuing license plates beginning in July 2000. The new design looks similar to the current one, but changes the color of the letters and numbers from red or blue to black for better readability. It also lists three numbers first followed by three letters to better distinguish the new plates from the old.

The new design will be issued to new customers, and will also replace existing plates as customers renew their registrations. Replacement will occur over a five-year period, starting with the oldest plates. The renewal notices will indicate if plates will be replaced.

Dealers who participate in the APPS program will receive supplies of the new-look plates before the July start date. (The APPS program enables dealers to issue plates to their customers through an electronic interface with DMV.)

Many special plates (military, endangered resources, etc.) will also be redesigned. These will be reissued after design discussions with the groups involved. The goal is to have special plates look as much as possible like regular plates while retaining some distinctive design features.

Process for salvage titles changes

Effective Nov. 1, 1999, dealers may reassign salvage titles instead of having to obtain a salvage title in their name. This makes the procedure the same for dealers handling titles whether the title is regular or salvage. Dealers will only need to get a salvage title in their name if all the reassignment areas are full. A salvage vehicle that does not yet have a salvage title will still need the salvage title before it can be reassigned.

The Right Way

And the winners are . . .

The Right Way Dealer Award was presented to Thorstad Chevrolet of Madison for the third quarter of 1999, and to Art's Service of Elkhorn for the fourth quarter of 1999.

Thorstad Chevrolet wins

Ron Thorstad of Thorstad Chevrolet, pictured below with DMV administrator, Roger Cross was nominated by consumer specialist, Mary Kay Dodge for:

★ Having all paperwork submitted on time and consistently accurate record-keeping.

★ Having a very positive attitude and approach to customers. The very few consumer complaints they've had are always addressed and resolved promptly.

★ Supporting WisDOT efforts by participating as a Wise Buys dealer. They were one of the first Wise Buys dealers and hosted the kick-off event in 1993.

★ Community service – Ron Thorstad founded and has served as long-time president of "Thursday's Child," an organization that provides trips for terminally ill children. The dealership also contributes to meals for the homeless.

As pictured above, the award was presented to Ron Thorstad (left) at Thorstad Chevrolet by DMV Administrator, Roger Cross. Also on hand were Chuck Supple (section chief of the Dealer Section), Consumer Specialist Mary Kay Dodge and Investigator Jim Harden.

Art's Service picked

The fourth quarter winner for 1999, Art's Service of Elkhorn, was nominated by Field Investigator Joe Paulick for:

★ Excellent record-keeping using a computerized format with paper back-up.

★ Having no consumer complaints since opening in 1995.

★ Supporting WisDOT efforts by participating as a Wise Buys dealer.

★ Maintaining a small, but well-organized facility.

★ Community service through donations and volunteer work with many organizations including the local fire department, humane society and a variety of youth groups.

Pictured from left to right are Art Fischer, Barbara Fischer, Marie Gollon and Joe Paulick.

Cross presented the Right Way award to Art and Barbara Fischer at the dealership. Also on hand were Supple, Paulick and Consumer Specialist, Marie Gollon.

The Right Way Award is presented quarterly to recognize dealers who set an example for other dealers of the right way to do business in Wisconsin. The winners are selected by a team of Dealer Section staff from nominations made by their co-workers. Any new or used auto/truck or motorcycle dealer, wholesaler or salvage dealer can be nominated based on criteria such as:

- Good record-keeping
- Few consumer complaints
- Rapid complaint settlement
- Good attitude
- Partnership involvement with DMV
- Community volunteer work.

News

Measure of use tax increases

Wisconsin licensed motor vehicle dealers are permitted to report use tax on a certain dollar amount per plate per month for the use of motor vehicles assigned to certain employees and dealership owners.

Effective Jan.1, 2000, the amount subject to use tax was increased from $104 to $106 per plate per month. Note that the use tax per plate per month is not $106. Rather, $106 is multiplied by the use tax rate (5%, 5.1%, 5.5% or 5.6% depending upon the county) to arrive at the use tax due per plate per month.

The Department of Revenue is required by law to adjust the amount subject to use tax annually to reflect the annual percentage change in the consumer price index. The U.S. Department of Labor determines the consumer price index based on the number of all urban consumers, U.S. city average, for the 12-month period ending June 30. The percentage change for the period July 1998 to June 1999 was 1.96%, so the previous measure of use tax of $104 multiplied by 1.0196 and rounded to the nearest whole dollar brings the measure of use tax to $106. If you have questions about this information, call the DOR at (608) 266-2776.

No reciprocity in Illinois for Wisconsin temporary plates

Some Illinois law enforcement agencies are honoring Wisconsin temporary plates for only 24 hours. Illinois law requires residents to apply for registration within 24 hours of taking ownership of a vehicle. Therefore, they only recognize our temporary plate as valid for 24 hours even though Wisconsin law allows a temporary plate to be issued to a non-resident for 30 days. Wisconsin dealers who sell to Illinois residents should be sure to let them know that they have only 24 hours to get an Illinois plate or they could be cited, regardless of the validation date of the Wisconsin temporary plate.

Renewing dealers to get stickers

Beginning with Jan. 31st renewals, all dealers renewing their licenses will receive a sticker to attach to their current license certificate extending the license for two years. The sticker will be attached to the lower right corner of the current certificate.

This is part of an effort to reduce use of paper and ultimately move to electronic licensing. We will continue to print certificates for first-time licensees and changes to existing licensees.

Dealer Alert

➢ Salvage dealers – be sure you have the current **"Junked Vehicle Bill of Sale"** form MV2459, revised 11/94. Any earlier versions of the form should be discarded. The forms are free and available by mailing your request to: WisDOT, Maps and Publication Sales, PO Box 7713, Madison, WI 53707-7713, or fax to (608) 246-5632. Remember too, that the form is only to be used for transferring ownership to a licensed salvage dealer from the registered owner, from one licensed salvage dealer to another, or from an insurance company when the title has already been turned in to the department.

➢ Provide **front plate brackets** for your customers. Wisconsin law requires both front and back license plates to be displayed. Your customers can be pulled over and fined for failure to display both plates.

➢ It's critical that **secured party number, name and address** are correct when completing the MV11 application for title and registration. Mixing up secured party numbers and addresses could mean liens aren't recorded correctly. If you have questions about a lienholder's secured party number or preferred mailing address, contact the lienholder directly.

➢ If you have any voided, damaged or unused temporary plates, please return them to:

WisDOT - Plate Issuance
Room 87, HFSTB
PO Box 7911
Madison, WI 53707-7911

Temporary Plate FAQs

Q. Can a temporary plate be issued to enable a customer to drive the vehicle home and then store the vehicle?

A. No. The registration fee must be paid if the vehicle is operated. You must collect the fee and a complete application in order to issue a temporary plate.

Q. If a customer buys a vehicle at a dealership, but doesn't have their metal plates with them to transfer, can temporary plates be issued for the drive home?

A. No. The customer has two business days to get plates on the car so a temporary plate isn't needed to drive home. A temporary plate is issued only when registration fees have been collected.

Dealer and Salesperson Actions

Badger Auto Sales, Milwaukee — Dealer license was suspended for six calendar days for failing to display a Wisconsin Buyers Guide on a vehicle offered for sale, failing to properly inspect a vehicle offered for sale and complete the buyers guide, failing to enter a vehicle in the log book, failing to have evidence of ownership of a vehicle offered for sale, and failing to submit the application for title to WisDOT within seven business days of the sale.

H E Auto Sales, Eau Claire—Dealer license was revoked for indulging in an unconscionable practice relating to the purchase of motor vehicles.

Sullivan Enterprises Inc., Muskego— Dealer license was revoked for sale and delivery of five vehicles without certificates of title.

CRIMINAL ACTIONS

Axel's Auto Sales, Milwaukee – Owners Christopher Harrell and Kevin Roby pled guilty to felony theft and were sentenced to six months with work release, six years prison (stayed) and six years probation.

Capitol Import Auto, Inc., Milwaukee – An out-of-court settlement was reached in which the dealership agreed to pay $450,000 restitution to the Department of Revenue for unpaid sales tax. In return, criminal charges were dropped.

Robert Radtke, Pewaukee – Sentenced to three years probation, $19,000 restitution, and $2,057 in fines and court costs for three counts of odometer tampering. He was also ordered to have nothing to do with the motor vehicle business during his probation.

Citations Issued

Dennis Bishoffski, La Crosse—acting as an unlicensed dealer and made restution to two consumers.
Martin Maidment, New Auburn—Acting as an unlicensed salvage dealer and failing to send junk titles to WisDOT.
Duane Roth, Grant County—acting as an unlicensed dealer, failing to obtain a salvage title, and six counts of failing to apply for title.

S & S Auto Sales, Milwaukee—Cited by the U.S. Environmental Protection Agency for alleged violations of federal regulations on chlorofluorocarbon (CFC) refrigerants that can damage the ozone layer. An $8,005 penalty was proposed.

Wilcox Gas & Steel, Platteville—Unlicensed salvage.

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