



Plain Dealing

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

Vol. 5, No. 1 & 2

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

R. W. Emerson

Thanks to everyone who responded to the survey included with our last issue of Plain Dealing. Your feedback will help us decide where we can make the most effective use of our resources. We'll keep asking for your ideas by making the survey an annual event. See page 3 for a summary of responses.

You can also read about the two newest manufacturers to join the list whose lemon law arbitration programs are certified in Wisconsin—Ford and Saturn.

There are some new tips in “Paperwork Pointers” including a list of WisDOT forms you may want to have on hand for your customers’ special registration requests (like the new “wolf” plate or university plates).

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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 or FAX to (608) 267-0323.

New disclosure label ready

The used vehicle disclosure label is undergoing major revisions to make it easier to use and understand. Meanwhile, an interim version of the label is ready to use. The interim version was designed specifically to include categories from Wisconsin’s title branding law in the “Vehicle Use” area of the label.

Changes to the label include:

- “Other Vehicle History” now shows items included in Wisconsin’s title branding law (rebuilt salvage, flood damaged, transferred to insurance company—damage claim paid, manufacturer buyback). It also eliminates “Junked Vehicle” and “Glider Kit.”
- “Vehicle Use” area is now in the order they are used most often.
- “Privately Driven” and “Business Vehicle” are now “Personal Use Vehicle” and “Business Use Vehicle.”
- “Identification number” is now “VIN.”
- “Engine Type” is now “Engine Size.”
- “Manufacturer Warranty” is included in the warranty area.
- The language in the odometer reading area is simplified and the boxes used to write in the reading are enlarged.

The labels are ready to order from your usual forms supplier. You may use up your existing supply of labels before ordering the new ones.

Contact these suppliers to order labels:

- Good Morning Advertising
P.O. Box 268
Whitewater, WI 53190
Phone: (800) 747-4647
FAX: (414) 473-4575
- WATDASI Forms
P.O. Box 5345
Madison, WI 53705
Phone: (800) 236-7672
FAX: (608) 251-5557
- Lieberman Printing Co., Inc.
7011 W. Mill Road
Milwaukee, WI 53218
Phone: (414) 358-1700
FAX: (414) 358-1706
- Reynolds + Reynolds
10533 W. National, Suite 205
Milwaukee, WI 53227
Phone: (800) 697-0884
FAX: (414) 321-9597

News

Saturn and Ford certified to handle lemon law complaints

Wisconsin consumers received some welcome “lemon”-aid during July’s heat wave. Ford and Saturn earned certification from WisDOT for meeting all consumer protection requirements under the state’s Lemon Law.

DMV administrator Roger Cross commented during the formal presentation of certificates that both manufacturers offer programs that provide a free and fair process for consumers to resolve their complaints without having to go through the courts. Cross added that this gives manufacturers an opportunity to have their problems solved in an informal procedure which we certify as being fair to the consumer.

The lemon law requires that manufacturers repurchase or replace new vehicles with chronic serious defects during

DMV administrator Roger Cross presents Lemon Law Certification to Michele Sowers of Ford Motors.

Photo Not Available

their first year under warranty. If consumers are unable to

DMV administrator Roger Cross presents Lemon Law certification to Sue Jordan of Saturn Corporation and Bob Hampton of the Milwaukee Better Business Bureau.

Photo Not Available

obtain a refund or replacement, they may use the manufacturer’s third-party arbitrator.

Saturn has contracted with the Better Business Bureau’s AUTOLINE and Ford has contracted with the Dispute Settlement Board to serve as third-party arbitrators. The arbitrators will determine if a consumer is entitled to receive a repurchase or replacement vehicle.

It is not mandatory that consumers accept the arbitrators’ recommendation. If they do accept it, the ruling is binding on the manufacturer. Consumers must use the arbitration program before they can sue manufacturers who have certified arbitration programs.

Ford and Saturn join General Motors, Volkswagen and Audi as manufacturers whose arbitration programs are certified by WisDOT.

CONGRATULATIONS!!

Fagan Chevrolet-Cadillac, Janesville, is the first car dealership in the state to win WisDOT’s Award of Excellence as part of the 1994/95 “Corporate Traffic Safety Challenge.”

The importance of the traffic safety program hit home when one of the company’s employees was involved in a serious crash and saved from death by wearing his seat belt. To boost employee belt use and promote other traffic safety messages, Fagan attached

information to paychecks, put seat belt stickers on all exit doors and displayed literature in employee lounges. Seat belt use by employees skyrocketed from 29.8% in November to a near-perfect 97.6% in late February.

In commending the dealership WisDOT Secretary Charles H. Thompson said, “I think this program is a perfect match for car dealers, because it takes their commitment to quality transportation to a new level. I hope other car dealerships will follow the excellent example Fagan has set.”

Breakfast of Champions

DMV Administrator Roger Cross has been traveling around the state meeting with small groups of dealers for breakfast (or lunch) to share concerns and information about what's going on in the industry. He wants to know what trends and issues the department should be aware of—and is interested in hearing what we're doing well and what we can do to serve dealers better.

Roger is also telling dealers about things that are happening in DMV that will affect them. He's explained the impact of proposed budget cuts and our need to find new ways of doing things that respond to a tighter budget. For instance, there are plans for a dealer title/registration pilot program with a sample group of dealers entering title/registration data into their dealership computers and sending it electronically to DMV. The dealers would be able to give their customer plates or a registration sticker on the spot. This speeds service to the customer, allows the dealer to avoid mailing or dropping off paper applications, and reduces processing time for DMV. Another possibility is to have dealers issue registration renewals. This would bring extra traffic through the dealership and provide renewal service during times the DMV customer service centers are closed.

The main concerns reported by dealers at the meetings were unlicensed activity, salvage branding, non-conforming Manufacturer Certificates of Origin and trying to keep up with all the changes. The consensus has been to have more meetings and make them an annual event in each area. If we haven't gotten to you this round, plan to hear from us next year and bring lots of ideas and stories to share.

Dealer hot line improved

You may have noticed that your calls to the Registration Information Unit's dealer hot line are being answered faster. Recent improvements to the system allow hot line calls to move to the head of the public line when all hot line representatives are busy. Using the hot line allows you to bypass recorded messages and talk to a representative with a wait time under two minutes. So remember, when you have questions about titles or registration call (608) 267-3646 and go to the head of the class!

Over 200 respond to survey

Thanks to all of you who responded to the survey in our last issue of *Plain Dealing*. To date, we've received 211 surveys. Your answers are giving us information on topics that are important to you and telling us how we're doing in meeting your needs.

Overall, the responses have been positive. You especially liked *Plain Dealing*—98% strongly agreed or agreed that it's an effective way to keep informed of law changes, department policies and enforcement actions. Most also said they save issues for future reference.

Only 24% of dealers responding were the subject of a department consumer complaint in the past year. Of those, 75% felt our staff clearly explained laws or policies involved and were objective and fair in investigating and mediating the complaint.

When asked how often you thought dealers should be inspected after their first year in business, the following table shows the responses:

Chart Not Available

In considering importance of and satisfaction with services we provide, dealer education topped the list in importance, with odometer fraud investigation, unlicensed dealer investigation and dealer licensing following close behind. The top scorers in terms of satisfaction with the service were salesperson licensing, dealer plate issuance and dealer licensing. Franchise Disputes were at the bottom of the list in both importance and satisfaction.

We'll be taking your answers into consideration as we make plans for the future. If you haven't returned a survey yet, we're still interested in hearing from you. Just tear off the survey page from the last *Plain Dealing*, fold it with the address out, tape it closed and drop it in the mail. If you've misplaced your copy and would like another, call us at (608) 266-1425.

Dealer Hot Line
(608)267-3646

Policy Briefing

What's a "used" motor vehicle?

Used car dealers who buy new cars from franchised dealers or at auctions may not be able to sell them! At least not right away. For franchise purposes, the Wisconsin Administrative Code Chapter Trans 137.03(9) defines a used motor vehicle as:

- (a) any motor vehicle which has been privately titled, or
- (b) any motor vehicle which has not been privately titled, but:
 - 1. Has been operated more than 6,000 miles, or
 - 2. Has been operated more than 4,000 cumulative miles, and owned more than 120 days by the licensee currently offering the vehicle for sale, or
 - 3. Has sustained damage while in transit and been acquired by the motor carrier from the manufacturer [under] a liability agreement between [them], or
 - 4. Is of a previous model year. A vehicle is considered to be a previous model year after December 31 of the calendar year identical to the manufacturer's designated model year.

Vehicles titled to a dealership, lease or rental company are *not* privately titled vehicles. Dealers may not get a "title only" on new vehicles. You can title and register new vehicles and offer them for sale after they meet the definition of a used vehicle. If you have any questions, please call us at (608) 266-1425.

Temporary Plate records needed

Part of selling temporary plates to your customers is keeping records of the transactions. Receipt forms (MVD2467) are included with the packets of plates. When you sell a plate to a customer, complete a receipt form (they're two-part carbon forms), give the original to the customer, and keep the copy.

Law enforcement agencies who contact us trying to trace a temporary plate number are referred to the dealership it was sold to. You need to be able to tell them the information on the receipt, so, you need quick access to those receipts. Don't put them in the customer's deal jacket—keep them all together, in plate number order, and retain them for five years.

To order a supply of temporary plates, send a request on your business letterhead with your name, dealer license number, address, and the number of plates you want. Plates are sold in packets of five for \$3 per plate (\$15 per packet). Enclose a check payable to Registration Fee Trust and mail to:
WisDOT — Dealer Section
P.O. Box 7909, Room 806
Madison, WI 53707-7909

Help prevent VIN/title fraud

If you take these steps and keep accurate records when you acquire a junk or incomplete vehicle, you'll help prevent VIN and title fraud and help protect consumers from stolen and unsafe cars:

1. Get the vehicle title from the seller. If no title exists, get a salvage bill of sale *showing the vehicle's public identification number (VIN)*. If a title exists, but isn't in the seller's name, get the title *plus* a salvage bill of sale showing the VIN from the seller.
2. Check that the title of salvage bill of sale matches the VIN on the vehicle.
3. We strongly recommend you don't buy a vehicle with missing or hard-to-read identification numbers, *unless the seller gives you a police or insurance report explaining the missing or damaged VIN*. For your protection, keep the report on file. Without it, police can seize vehicles and parts with missing or damaged VINs.
[s. 342.30(4)(a), stats.]
4. Record the junk vehicle in your salvage log book right away.
5. Mark all titles and salvage bills of sale with "Junked by" and your business name.
6. Photocopy the title or salvage bill of sale for your records.
7. Within 30 days of purchase, mail the title or salvage bill of sale to:
DMV—"Junk" Titles
P.O. Box 7909, Room 100
Madison, WI 53707-7909
8. Record the date you sent the title or salvage bill of sale to DMV in your log book.

"LAF" plates owners can be stopped

Owners driving vehicles with signs saying "License Applied For" or "LAF" can be stopped and questioned, even though their title/registration applications have been submitted. A state circuit court of appeals ruled that law enforcement officers can't tell that the owner has applied for plates without stopping the vehicle.

Once stopped, the owner's copy of the completed application for title/registration is still valid for operation in Wisconsin. You can also keep a supply of temporary plates on hand to sell to your customers. They're valid for 30 days for non-residents and 60 days for Wisconsin residents.

Paperwork Pointers

Special license forms available

Many of the forms used to apply for special license plates have been revised to make them easier to use. They include personalized plates, university plates and endangered resources plates (the new "wolf" plate). You may want to keep a supply on hand for customer requests. The forms are free—just mail your request to:

Maps and Publication Sales
Wisconsin Dept. of Transportation
P.O. Box 7713
Madison, WI 53707-7713.

Special Registration Forms

MV2162 — Disabled Person's Special Plates Application	MV2652 —Civilian Special Plates Application
MV2172 —Disabled Veteran Special Plates Application	MV2653 —Military Special Plates Application
MV2323 —Collector Special Plates Application	MV2724 —University Special Plates Application
MV2428 —Personalized Plates Application	MV2858 —Endangered Resources Plate Application
MV2548 —Disabled Parking Identification Card Application	AS1023 —Request for Forms (for complete list of forms)

How to upgrade weight-rated plates

Your customer has a pick-up truck with a 4,500 pound plate and trades it in for a larger truck that needs a 6,000 pound plate. Can he transfer the old plate to the new truck? No, but he does get credit for the old plate to upgrade it to a higher weight rating by paying the difference between the weight categories for the time left on the old plate. (This also applies to someone who buys the same size truck but changes its use; for example, a Suburban changing from passenger use only to hauling construction materials.)

When you fill out the application for title/registration, you'll need to:

- In section A
 1. Fill in the plate number to transfer,
 2. Write "re-registration" next to the plate number,
 3. Fill in the gross weight rating.
- Figure the registration fee by looking at the back of the pink copy.
 1. Look at column A to find the difference between the fees for the new truck and old truck weight ratings.
 2. Divide that amount by 12 to find the amount per month.
 3. See how many months are left until the old plate expires. The number of months left multiplied by the amount from item 2 is the registration fee to collect.

Your customer will receive new plates with the higher weight rating that will have the same expiration date as his old plates. The old plates should be destroyed. If you need help calculating the fee, call the dealer title and registration **hot-line at (608) 267-3646**.

Speed up title processing by:

- Double checking that the lienholder's address and secured party number (section C of the application form) are correct. Keep this information updated.
- Checking applications to make sure they're complete (including fees and attachments) before sending them in. If something was overlooked, contact the dealer hot-line (608) 267-3646 for instructions.

Dealer Alert

Salvage vehicle definition corrected

Last issue's model year exemption for defining a salvage vehicle contained a misprint. Here's the correct information:

Salvage Vehicle Definition: 1995 - 6 = 1989 (current calendar year - 6 = the first model year covered by the salvage definition). The definition applies to 1989 and newer vehicles.

Reminders

- DMV title processors are seeing an increase in applications mailed long after the sale. Wisconsin law requires dealers to submit title/ registration paperwork on behalf of their customers **within 7 business days** of delivery. The penalty for submitting a late application is \$200.
- When accepting a vehicle in trade, be sure it's titled in the name of the person trading it in. Otherwise, you might have some unpleasant surprises (it might be a leased vehicle the person has no right to trade in or a child trading in a parent's car that hasn't been properly transferred).

Licensing Actions

Doucas Motors, Inc., Oshkosh—Dealer license was revoked and 25 felony counts were brought against owner William Doucas in Winnebago County Circuit Court for failing to pay off liens on trade-in vehicles, failing to pay nearly \$200,000 in sales tax due, and failing to pay more than \$12,000 of employee contributions to the company's retirement plan.

David Elliot, Minocqua—Charged with acting as an unlicensed dealer and salvage dealer, removal of VIN, false title application, failing to title 35 vehicles and possession of cocaine with intent to deliver. He pled guilty to the drug charge (the other charges were dropped) and was sentenced to county jail and probation.

Damon Honegger, Milwaukee —Salesperson license was denied for failing to comply with odometer laws and failing to pay an outstanding judgement from a previous dealership.

Hulick Chevrolet, Inc., Stoughton—Owners Nicholas and Ted Hulick each pled guilty to one felony count of fraudulent writing (false warranty claims submitted to General Motors) and were fined \$5,000 each.

Lakeside Pontiac Buick GMC, Inc., Whitewater—Dealer license was suspended for two days and a

Special Order was issued for failing to submit funds to the warrantor on behalf of 47 customers who purchased service contracts. The dealership is also required to post an additional \$25,000 bond through their next licensing period.

Siren Auto Sales, Siren—A Special Order was issued for violating the franchise law by quoting prices for new vehicles without a franchise.

Schmidt's New London Auto Salvage, New London — Dealer paid a \$1,900 civil forfeiture plus costs and a 22% penalty assessment for failing to enter vehicles in the log book.

Jim Strait Used Cars, La Crosse—Dealer paid a \$1,000 civil forfeiture plus costs and a 22% penalty assessment for forging an inspector's signature on used vehicle disclosure labels.

Retraction

We apologize for mistakenly including Bargain Bob's Wholesale, Inc., dba Auto Baron Fine Used Cars in the licensing action section of the last issue of *Plain Dealing*. The article incorrectly stated that Bargain Bob's Wholesale, Inc. stipulated to violations in the Special Order they signed.

Two publications are available that you might find helpful. *The Right Way* provides information on record-keeping, disclosure, purchase contracts and copies of back issues of *Plain Dealing*. The *Guide to Implementation of the Truth in Mileage Act (TIMA)* provides step-by-step instructions on completing mileage disclosures in a variety of situations. Both are great reference manuals or training tools.

To order *The Right Way* or TIMA guide, send your request with a check for \$2 per book payable to Registration Fee Trust to:
WisDOT — Dealer Section
P.O. Box 7909, room 806
Madison, WI 53707-7909

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