



Plain Dealing

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

Vol. 11, No. 1

Summer 2001

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

R. W. Emerson

Our new state budget is in place, and that means changes to fees and policies. This special issue is devoted to letting you know the changes in store.

The MV11 application for title and registration will be revised soon to reflect the changes. You may continue to use your current supply of MV11s if you write in the correct fees.

The Dealer Section would like to take this opportunity to recognize the new Field Investigation Unit Supervisor, Kevin Konopacki. Kevin has been with the Dealer Section for nearly ten years, as a Consumer Specialist, Investigator, and Odometer Fraud Program Specialist. He is recognized nationally as a leader in odometer and title fraud enforcement.

Be careful about signing up with rent-to-own programs that originate in another state. Wisconsin's Consumer Act provisions are very specific about disclosures, forms and repossessions. It's a good idea to contact the Department of Financial Institutions, Wisconsin Consumer Act Section, at (608) 264-7969 for a review of any program you're considering joining.

Plain Dealing is published 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

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.

Budget bill brings changes for dealers

Wisconsin's new state budget brings a number of changes affecting dealers. Here are the changes and effective dates.

Title fee increase

Effective October 1, 2001, the fee for an original Wisconsin title is \$25. The \$3 increase raises the environmental impact fee WisDOT collects on behalf of the Department of Natural Resources from \$6 to \$9. The MV11 application for title/registration is in the process of being revised. You should begin collecting the new fee for any vehicles delivered on or after October 1st. You may continue to use your current supply of MV11s, but write in and collect \$25 for the title. The fee for a replacement title remains unchanged at \$8.

Theft of rented/leased vehicles

Effective September 1, 2001, if you rent or lease a motor vehicle to someone who intentionally fails to return it, you can report it stolen as soon as the lease or rental agreement expires. In the past, the law defining what constitutes theft required a 10-day waiting period before the leased or rented item was considered stolen. The 10-day waiting period for vehicles made it less likely that they would be recovered because, during that time, they could be moved out of state, have identification numbers altered or be sold to an unsuspecting buyer.

Special plate issuance fee

In order to have a more uniform fee structure, the fee to issue or reissue some special plates will be raised from \$10 to \$15 effective March 1, 2002. Plates affected are Amateur Radio, Collector, Endangered Resources and Wisconsin National Guard. In addition, the surviving spouse of a qualified holder of a special military group plate may have the plate reissued for a \$15 fee.

Veteran plate for motorcycles

A special military group plate for qualified veterans to use on motorcycles will be available after March 1, 2002.

Low Speed Vehicles

All provisions relating to Low Speed Vehicles (LSVs) were vetoed. Two separate bills are now pending in the legislature to spell out the details about sales, equipment and operation of LSVs. Meanwhile, off-road operation continues to be the only legal use of LSVs in Wisconsin.

Dealer Alert

"Title Only"

Recent Dealer Section investigations, performed in the Milwaukee area, have suggested that there is a developing problem regarding the sale of vehicles as "Title Only." Selling a vehicle as title only is not in itself against the law. However, allowing consumers to drive a vehicle off the dealer lot without proper registration is a violation.

A number of Milwaukee dealerships were recently mailed an anonymous questionnaire in an attempt to evaluate this problem. It was determined that nearly 7% of the vehicles being sold by the participating dealerships were sold as title only. Most of the dealerships involved in the study made it clear that they do not approve of customers driving off of the lot without registration. However, some dealers, especially those providing service to lower income buyers, are worried that enforcing the registration requirements would adversely impact their business.

Many of the individuals driving a vehicle without registration do so because they are not eligible for that registration (e.g., too many tickets), or don't want to pay the fee. Looking the other way is done to limit the risk of losing a sale, but also puts dealers at risk of receiving significant sanctions against their licenses, and severely limits the ability of law enforcement to identify non-conforming vehicles.

Protect yourself by not allowing vehicles to be driven off your lot without registration. Again, we thank the dealerships that participated in this study.

Odometer tampering on exempt cars

Beware of the potential risks when purchasing vehicles through a wholesale auction, especially an out-of-state establishment. WisDOT investigators have been finding cases of odometer tampering in which the person performing the "rollback" felt that it wasn't a problem as long as the vehicle was over ten years old, and marked exempt. While a vehicle over ten years old is exempt from odometer disclosure

requirements, a "rollback," or other form of odometer tampering, is still illegal. The five most recent cases being investigated by the Odometer Fraud Unit have involved "rollbacks" on vehicles that are over ten model years old. All of these cases have, or are likely to, result in major fines and payments of restitution, suspension of the offending dealer's license, and possible jail sentences.

Use a common sense buying approach. Look for evidence of the dashboard or instrument pod being removed. Determine whether the vehicle miles appear to match the wear patterns.

Look the vehicle over carefully, and make a judgment using your product knowledge and experience. Are the miles low, but the tires new or mismatched by size, type or brand? Have parts been replaced that normally would not have been replaced on a low mileage vehicle? Pay attention to parts such as batteries, hoses and clamps, fan or air conditioning belts, starters and alternators. Is there excessive wear in the interior, especially in the driver's area? Look for maintenance stickers, warranties or other paperwork that may indicate a higher mileage. They may be found under the hood, on the air cleaner, on the doorjambs, in the glove box, under the seats or in the trunk. A vehicle titled in the selling dealer's name is another "red flag." One should also examine the number of miles driven, in relation to the date on the previous title. For example, a lengthy time span, with a relatively low amount of additional mileage should command a closer examination.

The Odometer Fraud Unit discovers many of the rollbacks through WisDOT's weekly odometer discrepancy report. However, to protect yourself, it is important to steer clear of vehicles with odometer discrepancies.

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