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FORM 2

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## WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

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**Ronald Sklansky**  
*Clearinghouse Director*

**Richard Sweet**  
*Clearinghouse Assistant Director*

**Terry C. Anderson**  
*Legislative Council Director*

**Laura D. Rose**  
*Legislative Council Deputy Director*

### CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

#### CLEARINGHOUSE RULE 02-029

AN ORDER to amend TRANS 154.01, 154.02 (intro.) and 154.03 (2) (a) 1., relating to vehicle odometer disclosure requirements.

Submitted by **DEPARTMENT OF TRANSPORTATION**

02-26-02 RECEIVED BY LEGISLATIVE COUNCIL.

03-21-02 REPORT SENT TO AGENCY.

RS:RW:tlu;ksm

**LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT**

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached      YES       NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached      YES       NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached      YES       NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS  
[s. 227.15 (2) (e)]

Comment Attached      YES       NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached      YES       NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL  
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached      YES       NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached      YES       NO



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## WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

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### CLEARINGHOUSE RULE 02-029

#### Comments

**[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated September 1998.]**

#### 5. Clarity, Grammar, Punctuation and Use of Plain Language

The agency may wish to include an initial applicability section in the rule to specify how pending or interim documents are to be treated.

The Wisconsin Department of Transportation proposes an order to amend TRANS 154.01, 154.02(intro.) and 154.03(2)(a)1., Wisconsin Administrative Code, relating to vehicle odometer disclosure requirements

**NOTICE OF HEARING  
AND  
TEXT OF PROPOSED RULE**

NOTICE IS HEREBY GIVEN that pursuant to Wis. Stat. ss. 85.16(1), 218.0146(1), 218.0152(3), 227.11(2)(a), 342.155(1)(c), 342.156(5), 342.157 and 342.16(1)(c), and interpreting Wis. Stat. ss. 218.0146, 342.155, 342.156, 342.157, 342.16(1g), the Department of Transportation will hold a public hearing in **Room 421** of the Hill Farms State Transportation Building, 4802 Sheboygan Avenue, Madison, Wisconsin on the **4th** day of **April**, 2002, at **1:00 PM**, to consider the amendment of ch. Trans 154, Wisconsin Administrative Code, relating to vehicle odometer disclosure requirements.

An interpreter for the hearing impaired will be available on request for this hearing. Please make reservations for a hearing interpreter at least 10 days prior to the hearing.

The public record on this proposed rule making will be held open until close of business Friday, April 5, 2002, to permit the submission of written comments from persons unable to attend the public hearing or who wish to supplement testimony offered at the hearing. Any such comments should be submitted to Adam Boardman, Division of Motor Vehicles, Dealer Section, Room 806, P. O. Box 7911, Madison, Wisconsin 53707-7911.

Parking for persons with disabilities and an accessible entrance are available on the north and south sides of the Hill Farms State Transportation Building.

## Analysis Prepared by the Wisconsin Department of Transportation

**STATUTORY AUTHORITY:** Wis. Stat. ss. 85.16(1), 218.0146(1), 218.0152(3), 227.11(2)(a), 342.155(1)(c), 342.156(5), 342.157 and 342.16(1)(c)

**STATUTES INTERPRETED:** Wis. Stat. ss. 218.0146, 342.155, 342.156, 342.157 and 342.16(1g)

**General Summary of Proposed Rule.** Chapter Trans 154 establishes the Department of Transportation's interpretation of statutes relating to the implementation of the provisions of the federal odometer law, as they affect regulation of vehicle odometer disclosure.

When reassigning ownership of a new motor vehicle which has not been previously titled or registered, ch. Trans 154 currently requires the dealer to complete an odometer disclosure on a "conforming" odometer disclosure statement. This rule making will amend s. Trans 154.03(2)(a) by replacing the existing requirement with the requirement that the odometer disclosure shall be recorded in the designated spaces provided on the manufacturer's document of origin when disclosing mileage that is actual. When the odometer reading is not "actual," a separate conforming document will be required. The odometer reading is not "actual" if that odometer reading differs from the vehicle's mileage. An odometer reading can be not actual for a variety of reasons, including an odometer calibration error, mileage in excess of the designed mechanical odometer limit, accident, fire, fraud, etc. However, most of these reasons for a not actual reading are uncommon to new cars.

The manufacturer's document of origin was specifically designed to facilitate ownership and odometer tracking in an effective and consistent manner. Adopting the policy of disclosing mileage on the manufacturer's document of origin, without requiring an additional "conforming" document, will increase interstate and intrastate consistency, will decrease redundancies created by recording the mileage on the manufacturer's document of origin and on a separate conforming document, will align the state law more closely with the federal law, 49 CFR 580.17, and will promote goodwill and efficiency.

**Fiscal Impact.** The Department estimates that there will be no fiscal impact on the liabilities or revenues of any county, city, village, town, school district, vocational, technical and adult education district, sewerage district, or federally-recognized tribes or bands. The Department estimates that there will be no fiscal impact on state revenues or liabilities.

**Initial Regulatory Flexibility Analysis.** This proposed rule will have no adverse impact on small businesses.

**Copies of Rule.** Copies of this proposed rule can be obtained, without cost, by writing to Adam Boardman, Division of Motor Vehicles, Dealer Section, 4802 Sheboygan

Avenue, Room 806, P. O. Box 7911, Madison, WI 53707-7911, or by calling (608) 264-9538. Alternate formats of the proposed rule will be available to individuals upon request.

### **TEXT OF PROPOSED RULE**

Under the authority vested in the state of Wisconsin, department of transportation, by Wis. Stat. ss. 85.16(1), 218.0146(1), 218.0152(3), 227.11(2)(a), 342.155(1)(c), 342.156(5), 342.157 and 342.16(1)(c), the department of transportation hereby proposes to amend a rule interpreting Wis. Stat. ss. 218.0146, 342.155, 342.156, 342.157, 342.16(1g), relating to vehicle odometer disclosure requirements.

**SECTION 1.** Trans 154.01 is amended to read:

**Trans 154.01 Purpose and scope.** The purpose of this chapter is to establish the department's administrative interpretation of ss. 218.01(7a) 218.0146, 218.33, 218.52, 341.10, 342.01, 342.05, 342.06, 342.10, 342.11, 342.14, 342.15, 342.155, 342.156, 342.157, 342.16, 342.18, 342.23, 342.25, 342.255, 342.32 and 347.415, Stats., relating to the implementation of the provisions of the federal odometer law, 49 USC 32701 to 32711, as they affect regulation of vehicle odometers, odometer mileage disclosure, odometer record keeping requirements, and titling by distributors, wholesalers, manufacturers, motor vehicle dealers, mobile home dealers, motor vehicle salvage dealers, motor vehicle auction dealers, moped dealers, motor vehicle salvage pools, and nonresidents.

**SECTION 2.** Trans 154.02(intro.) is amended to read:

**Trans 154.02 Definitions.** (intro.) The words and phrases defined in ch. 340, Stats., and ss. 342.01(2), ~~218.01(1)~~ 218.0101, 218.10, 218.20, 218.30, 218.40 and

218.50, Stats., have the same meaning in this chapter unless a different definition is specifically provided. In this chapter:

**SECTION 3.** Trans 154.03(2)(a)1. is amended to read:

Trans 154.03(2)(a)1. If the document of origin does not include ~~a conforming~~ contain an odometer disclosure statement which includes a certification stating the mileage at the time of transfer, the name and address of the transferring dealer, the name and address of the purchasing dealer, the date of transfer, and that the odometer reading is actual, the odometer disclosure statement shall be completed on a separate conforming odometer disclosure statement which has been issued or approved by the department. The reassignment of ownership shall be completed on the manufacturer's document of origin.

**(END OF RULE TEXT)**

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**Effective Date.** This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22(2), Stats.

Signed at Madison, Wisconsin, this 26<sup>th</sup> day of February, 2002.



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GENE E. KUSSART  
Secretary  
Wisconsin Department of Transportation



## Wisconsin Department of Transportation

www.dot.state.wi.us

Scott McCallum  
Governor

Terrence D. Mulcahy, P.E.  
Secretary

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FAX: 608-267-6734  
E-Mail: [ogc.exec@dot.state.wi.us](mailto:ogc.exec@dot.state.wi.us)

January 15, 2002

Mr. Gary L. Poulson, Deputy Revisor  
Revisor of Statutes Bureau  
131 West Wilson Street  
Suite 800  
Madison, Wisconsin 53703

RE: **STATEMENT OF SCOPE OF PROPOSED RULEMAKING, TRANS 154**

Dear Mr. Poulson:

Enclosed is the Statement of Scope for the proposed amendment of ch. Trans 154. Please publish the Scope Statement in accordance with § 227.135(3), Stats., in the Administrative Register.

Sincerely,

A handwritten signature in cursive script, appearing to read "Julie A. Johnson".

Julie A. Johnson  
Paralegal

Enclosures

cc: David Schmiedicke/DOA State Budget Director  
Senator Judy Robson, Co-Chair/JCRAR  
Representative Glenn Grothman, Co-Chair/JCRAR  
Alice Morehouse  
Mike Goetzman  
Adam Boardman



## **STATEMENT OF SCOPE**

### **DESCRIPTION OF THE OBJECTIVE OF THE RULE:**

When reassigning ownership of a new motor vehicle which has not been previously titled or registered, ch. Trans 154 currently requires the dealer to complete an odometer disclosure on a "conforming" odometer disclosure statement. This rule making will amend ch. Trans 154 by replacing the existing requirement with the requirement that the odometer disclosure shall be recorded in the designated spaces provided on the manufacturer's document of origin when disclosing mileage that is actual. When the odometer reading is not "actual," a separate conforming document will be required. The odometer reading is not "actual" if that odometer reading differs from the vehicle's mileage. An odometer reading can be not actual for a variety of reasons, including an odometer calibration error, mileage in excess of the designed mechanical odometer limit, accident, fire, fraud, etc. However, most of these reasons for a not actual reading are uncommon to new cars.

### **DESCRIPTION OF EXISTING POLICIES RELEVANT TO THE RULE AND OF NEW POLICIES PROPOSED TO BE INCLUDED IN THE RULE AND AN ANALYSIS OF POLICY ALTERNATIVES:**

Currently, when reassigning ownership of a new motor vehicle which has not been previously titled or registered, dealers are required to complete the reassignment of ownership and odometer disclosure in the designated spaces on the manufacturer's document of origin. Because the document of origin does not normally include a "conforming" odometer disclosure statement, dealers are required to complete an additional disclosure on a separate "conforming" odometer disclosure statement which has been issued or approved by the department. Vehicle odometer disclosure requirements are based on the requirements promulgated by the federal odometer law. However, the federal odometer law does not require a "conforming" odometer disclosure statement when reassigning ownership of a motor vehicle which has not been previously titled or registered. 49 CFR s. 580.17(b) states the following: "A transferor of a new vehicle prior to its first transfer for purposes other than resale need not disclose the vehicle's odometer mileage."

The proposed policy change will amend the current rule by removing the "conforming" disclosure requirement, of ch. Trans 154.03(2)(a)1., on the document of origin, except in cases where an odometer change has occurred. The remaining provisions of s. Trans 154.03 would remain unchanged.

The policy alternatives are to begin accepting odometer disclosures in the designated spaces on the manufacturer's document of origin, without requiring that disclosure to meet the definition of "conforming"; or to maintain the existing odometer disclosure requirements. One problem with the current rule is that by requiring a disclosure that is more strict than the federal requirement, you reduce consistencies with other states. It is in the best interest of all parties to establish a consistent and accurate mileage and ownership trail that is easy to use. The manufacturer's document of origin was

specifically designed to facilitate ownership and odometer tracking in an effective and consistent manner. Adopting the policy of disclosing mileage on the manufacturer's document of origin, without requiring an additional "conforming" document, will increase interstate and intrastate consistency, will decrease redundancies created by recording the mileage on the manufacturer's document of origin and on a separate conforming document, will align the state law more closely with the federal law, and will promote goodwill and efficiency. Also, the disclosure on the manufacturer's document of origin is essentially conforming when disclosing actual mileage.

**STATUTORY AUTHORITY FOR THE RULE:**

ss. 85.16(1), 218.0146(1), 218.0152(3), 227.11(2)(a), 342.155(1)(c), 342.156(5), 342.157 and 342.16(1)(c), Stats.

**ESTIMATES OF THE AMOUNT OF TIME THAT STATE EMPLOYEES WILL SPEND DEVELOPING THE RULE AND OF OTHER RESOURCES NECESSARY TO DEVELOP THE RULE:**

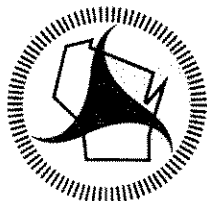
Approximately 200 hours, which represents the collective time expected to be spent by the Dealer Section policy analyst, the Dealer Section Field Investigation Unit Supervisor, and the Office of General Counsel.

Signed at Madison, Wisconsin, this 15<sup>th</sup> day  
of January, 2002.

  
\_\_\_\_\_  
TERRY MULCAHY, P.E.

Secretary

Wisconsin Department of Transportation



## Wisconsin Department of Transportation

www.dot.state.wi.us

Scott McCallum  
Governor

Gene E. Kussart  
Secretary

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February 26, 2002

The Honorable Judy Robson  
Senate Chairman  
Joint Committee for Review  
of Administrative Rules  
Room 15 South, State Capitol  
Madison, Wisconsin 53702


The Honorable Glenn Grothman  
Assembly Chairman  
Joint Committee for Review  
of Administrative Rules  
Room 15 North, State Capitol  
Madison, Wisconsin 53702

RE: **NOTICE OF PUBLIC HEARING** and Text of Proposed Rule, relating to **vehicle odometer disclosure requirements, Trans 154**

Dear Senator Robson and Representative Grothman:

Enclosed for your information is a Notice of Public Hearing and Text of Proposed Rulemaking relating to the above-entitled matter. These documents have also been filed with the Revisor of Statutes, the Legislative Council, and the Department of Administration in accordance with the requirements of §§ 227.15 and 227.17, Stats.

Sincerely,

  
Julie A. Johnson  
Paralegal

Enclosure

cc: Alice Morehouse  
Mike Goetzman  
Roger Cross  
Adam Boardman

---

The Wisconsin Department of Transportation proposes an order to amend TRANS 154.01, 154.02(intro.) and 154.03(2)(a)1., Wisconsin Administrative Code, relating to vehicle odometer disclosure requirements

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**NOTICE OF HEARING  
AND  
TEXT OF PROPOSED RULE**

NOTICE IS HEREBY GIVEN that pursuant to Wis. Stat. ss. 85.16(1), 218.0146(1), 218.0152(3), 227.11(2)(a), 342.155(1)(c), 342.156(5), 342.157 and 342.16(1)(c), and interpreting Wis. Stat. ss. 218.0146, 342.155, 342.156, 342.157, 342.16(1g), the Department of Transportation will hold a public hearing in **Room 421** of the Hill Farms State Transportation Building, 4802 Sheboygan Avenue, Madison, Wisconsin on the **4th** day of **April**, 2002, at **1:00 PM**, to consider the amendment of ch. Trans 154, Wisconsin Administrative Code, relating to vehicle odometer disclosure requirements.

An interpreter for the hearing impaired will be available on request for this hearing. Please make reservations for a hearing interpreter at least 10 days prior to the hearing.

The public record on this proposed rule making will be held open until close of business Friday, April 5, 2002, to permit the submission of written comments from persons unable to attend the public hearing or who wish to supplement testimony offered at the hearing. Any such comments should be submitted to Adam Boardman, Division of Motor Vehicles, Dealer Section, Room 806, P. O. Box 7911, Madison, Wisconsin 53707-7911.

Parking for persons with disabilities and an accessible entrance are available on the north and south sides of the Hill Farms State Transportation Building.

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**Analysis Prepared by the Wisconsin Department of Transportation**

**STATUTORY AUTHORITY:** Wis. Stat. ss. 85.16(1), 218.0146(1), 218.0152(3), 227.11(2)(a), 342.155(1)(c), 342.156(5), 342.157 and 342.16(1)(c)

**STATUTES INTERPRETED:** Wis. Stat. ss. 218.0146, 342.155, 342.156, 342.157 and 342.16(1g)

**General Summary of Proposed Rule.** Chapter Trans 154 establishes the Department of Transportation's interpretation of statutes relating to the implementation of the provisions of the federal odometer law, as they affect regulation of vehicle odometer disclosure.

When reassigning ownership of a new motor vehicle which has not been previously titled or registered, ch. Trans 154 currently requires the dealer to complete an odometer disclosure on a "conforming" odometer disclosure statement. This rule making will amend s. Trans 154.03(2)(a) by replacing the existing requirement with the requirement that the odometer disclosure shall be recorded in the designated spaces provided on the manufacturer's document of origin when disclosing mileage that is actual. When the odometer reading is not "actual," a separate conforming document will be required. The odometer reading is not "actual" if that odometer reading differs from the vehicle's mileage. An odometer reading can be not actual for a variety of reasons, including an odometer calibration error, mileage in excess of the designed mechanical odometer limit, accident, fire, fraud, etc. However, most of these reasons for a not actual reading are uncommon to new cars.

The manufacturer's document of origin was specifically designed to facilitate ownership and odometer tracking in an effective and consistent manner. Adopting the policy of disclosing mileage on the manufacturer's document of origin, without requiring an additional "conforming" document, will increase interstate and intrastate consistency, will decrease redundancies created by recording the mileage on the manufacturer's document of origin and on a separate conforming document, will align the state law more closely with the federal law, 49 CFR 580.17, and will promote goodwill and efficiency.

**Fiscal Impact.** The Department estimates that there will be no fiscal impact on the liabilities or revenues of any county, city, village, town, school district, vocational, technical and adult education district, sewerage district, or federally-recognized tribes or bands. The Department estimates that there will be no fiscal impact on state revenues or liabilities.

**Initial Regulatory Flexibility Analysis.** This proposed rule will have no adverse impact on small businesses.

**Copies of Rule.** Copies of this proposed rule can be obtained, without cost, by writing to Adam Boardman, Division of Motor Vehicles, Dealer Section, 4802 Sheboygan

Avenue, Room 806, P. O. Box 7911, Madison, WI 53707-7911, or by calling (608) 264-9538. Alternate formats of the proposed rule will be available to individuals upon request.

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### **TEXT OF PROPOSED RULE**

Under the authority vested in the state of Wisconsin, department of transportation, by Wis. Stat. ss. 85.16(1), 218.0146(1), 218.0152(3), 227.11(2)(a), 342.155(1)(c), 342.156(5), 342.157 and 342.16(1)(c), the department of transportation hereby proposes to amend a rule interpreting Wis. Stat. ss. 218.0146, 342.155, 342.156, 342.157, 342.16(1g), relating to vehicle odometer disclosure requirements.

**SECTION 1.** Trans 154.01 is amended to read:

**Trans 154.01 Purpose and scope.** The purpose of this chapter is to establish the department's administrative interpretation of ss. ~~218.01(7a)~~ 218.0146, 218.33, 218.52, 341.10, 342.01, 342.05, 342.06, 342.10, 342.11, 342.14, 342.15, 342.155, 342.156, 342.157, 342.16, 342.18, 342.23, 342.25, 342.255, 342.32 and 347.415, Stats., relating to the implementation of the provisions of the federal odometer law, 49 USC 32701 to 32711, as they affect regulation of vehicle odometers, odometer mileage disclosure, odometer record keeping requirements, and titling by distributors, wholesalers, manufacturers, motor vehicle dealers, mobile home dealers, motor vehicle salvage dealers, motor vehicle auction dealers, moped dealers, motor vehicle salvage pools, and nonresidents.

**SECTION 2.** Trans 154.02(intro.) is amended to read:

**Trans 154.02 Definitions.** (intro.) The words and phrases defined in ch. 340, Stats., and ss. 342.01(2), ~~218.01(1)~~ 218.0101, 218.10, 218.20, 218.30, 218.40 and

218.50, Stats., have the same meaning in this chapter unless a different definition is specifically provided. In this chapter:

**SECTION 3.** Trans 154.03(2)(a)1. is amended to read:

Trans 154.03(2)(a)1. If the document of origin does not ~~include a conforming~~ contain an odometer disclosure statement which includes a certification stating the mileage at the time of transfer, the name and address of the transferring dealer, the name and address of the purchasing dealer, the date of transfer, and that the odometer reading is actual, the odometer disclosure statement shall be completed on a separate conforming odometer disclosure statement which has been issued or approved by the department. The reassignment of ownership shall be completed on the manufacturer's document of origin.

**(END OF RULE TEXT)**

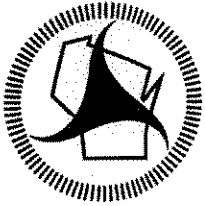
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**Effective Date.** This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22(2), Stats.

Signed at Madison, Wisconsin, this 26<sup>th</sup> day of February, 2002.



GENE E. KUSSART  
Secretary  
Wisconsin Department of Transportation



## Wisconsin Department of Transportation

www.dot.state.wi.us

Scott McCallum  
Governor

Thomas E. Carlsen, P.E.  
Acting Secretary

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E-mail: ogc.exec@dot.state.wi.us

The Honorable Fred Risser  
President, Wisconsin State Senate  
Room 220 South, State Capitol  
Madison, Wisconsin 53707

April 18, 2002

The Honorable Scott Jensen  
Speaker, Wisconsin State Assembly  
Room 211 West, State Capitol  
Madison, Wisconsin 53707

RE: Proposed Administrative Rule **TRANS 154**  
Notification of Legislative Standing Committees  
**CLEARINGHOUSE RULE 02-029**

Gentlemen:

Enclosed is a copy of Clearinghouse Rule **02-029**, relating to **vehicle odometer disclosure requirements**. The rule is submitted to you for referral to the appropriate standing committees.

Sincerely,

A handwritten signature in cursive script that reads "Julie A. Johnson".

Julie A. Johnson  
Paralegal

JAJ/dim

Enclosure

cc: Gary Poulson/Senator Judy Robson/Representative Glenn Grothman/  
Roger Cross/Adam Boardman/Carson Frazier



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**CR 02-029**

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The Wisconsin Department of Transportation proposes an order to amend TRANS 154.01, 154.02(intro.) and 154.03(2)(a)1., Wisconsin Administrative Code, relating to vehicle odometer disclosure requirements

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**REPORT OF THE DEPARTMENT OF TRANSPORTATION  
ON THE FINAL RULE DRAFT**

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This report is submitted to the presiding officers of the Senate and Assembly for referral to the appropriate standing committees. The report consists of the following parts:

Part 1--Analysis prepared by the Department of Transportation.

Part 2--Rule text in final draft form.

Part 3--Recommendations of the Legislative Council.

Part 4--Analysis prepared pursuant to the provisions of s. 227.19(3), Stats.

Submitted by:



---

CHARLES M. KERNATS  
Assistant General Counsel  
Office of General Counsel  
Department of Transportation  
Room 115-B, Hill Farms State  
Transportation Building  
P. O. Box 7910  
Madison, WI 53707-7910  
(608) 267-7940

## **PART 1**

### **Analysis Prepared by the Wisconsin Department of Transportation**

**STATUTORY AUTHORITY:** ss. 85.16(1), 218.0146(1), 218.0152(3), 227.11(2)(a), 342.155(1)(c), 342.156(5), 342.157 and 342.16(1)(c), Stats.

**STATUTES INTERPRETED:** ss. 218.0146, 342.155, 342.156, 342.157 and 342.16(1g), Stats.

**General Summary of Proposed Rule.** Chapter Trans 154 establishes the Department of Transportation's interpretation of statutes relating to the implementation of the provisions of the federal odometer law, as they affect regulation of vehicle odometer disclosure.

When reassigning ownership of a new motor vehicle which has not been previously titled or registered, ch. Trans 154 currently requires the dealer to complete an odometer disclosure on a "conforming" odometer disclosure statement. This rule will amend s. Trans 154.03(2)(a) by replacing the existing requirement with the requirement that the odometer disclosure shall be recorded in the designated spaces provided on the manufacturer's document of origin when disclosing mileage that is actual. When the odometer reading is not "actual," a separate conforming document will be required. The odometer reading is not "actual" if that odometer reading differs from the vehicle's mileage. An odometer reading can be not actual for a variety of reasons, including an odometer calibration error, mileage in excess of the designed mechanical odometer limit, accident, fire, or fraud. However, most of these reasons for a not actual reading are uncommon to new cars.

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**Fiscal Impact.** The Department estimates that there will be no fiscal impact on the liabilities or revenues of any county, city, village, town, school district, vocational, technical and adult education district, sewerage district, or federally-recognized tribes or bands. The Department estimates that there will be no fiscal impact on state revenues or liabilities.

**Copies of Rule.** Copies of this proposed rule can be obtained, without cost, by writing to Adam Boardman, Division of Motor Vehicles, Dealer Section, 4802 Sheboygan Avenue, Room 806, P. O. Box 7911, Madison, WI 53707-7911, or by calling (608) 264-9538. Alternate formats of the proposed rule will be available to individuals upon request.

**PART 2**  
**TEXT OF PROPOSED RULE**

Under the authority vested in the state of Wisconsin, department of transportation, by ss. 85.16(1), 218.0146(1), 218.0152(3), 227.11(2)(a), 342.155(1)(c), 342.156(5), 342.157 and 342.16(1)(c), Stats., the department of transportation hereby proposes to amend a rule interpreting ss. 218.0146, 342.155, 342.156, 342.157, 342.16(1g), Stats., relating to vehicle odometer disclosure requirements.

**SECTION 1.** Trans 154.01 is amended to read:

**Trans 154.01 Purpose and scope.** The purpose of this chapter is to establish the department's administrative interpretation of ss. ~~218.01(7a)~~ 218.0146, 218.33, 218.52, 341.10, 342.01, 342.05, 342.06, 342.10, 342.11, 342.14, 342.15, 342.155, 342.156, 342.157, 342.16, 342.18, 342.23, 342.25, 342.255, 342.32 and 347.415, Stats., relating to the implementation of the provisions of the federal odometer law, 49 USC 32701 to 32711, as they affect regulation of vehicle odometers, odometer mileage disclosure, odometer record keeping requirements, and titling by distributors, wholesalers, manufacturers, motor vehicle dealers, mobile home dealers, motor vehicle salvage dealers, motor vehicle auction dealers, moped dealers, motor vehicle salvage pools, and nonresidents.

**SECTION 2.** Trans 154.02(intro.) is amended to read:

**Trans 154.02 Definitions.** (intro.) The words and phrases defined in ch. 340, Stats., and ss. 342.01(2), ~~218.01(1)~~ 218.0101, 218.10, 218.20, 218.30, 218.40 and 218.50, Stats., have the same meaning in this chapter unless a different definition is specifically provided. In this chapter:

**SECTION 3.** Trans 154.03(2)(a)1. is amended to read:

Trans 154.03(2)(a)1. If the document of origin does not include ~~a conforming~~ contain an odometer disclosure statement which includes a certification stating the mileage at the time of transfer, the name and address of the transferring dealer, the name and address of the purchasing dealer, the date of transfer, and that the odometer reading is actual, the odometer disclosure statement shall be completed on a separate conforming odometer disclosure statement which has been issued or approved by the department. The reassignment of ownership shall be completed on the manufacturer's document of origin.

**(END OF RULE TEXT)**

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**Effective Date.** This rule shall take effect on the first day of the month following publication in the Wisconsin Administrative Register as provided in s. 227.22(2), Stats.

Signed at Madison, Wisconsin, this 17 day of April, 2002.



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THOMAS E. CARLSEN, P.E.  
Acting Secretary  
Wisconsin Department of Transportation

**PART 4**  
**CR 02-029**

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**ANALYSIS OF FINAL DRAFT OF TRANS 154**

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(a) **Need for Amended Rule.** When reassigning ownership of a new motor vehicle which has not been previously titled or registered, ch. Trans 154 currently requires the dealer to complete an odometer disclosure on a "conforming" odometer disclosure statement. This rule will amend s. Trans 154.03(2)(a) by replacing the existing requirement with the requirement that the odometer disclosure shall be recorded in the designated spaces provided on the manufacturer's document of origin when disclosing mileage that is actual. When the odometer reading is not "actual," a separate conforming document will be required. The odometer reading is not "actual" if that odometer reading differs from the vehicle's mileage. An odometer reading can be not actual for a variety of reasons, including an odometer calibration error, mileage in excess of the designed mechanical odometer limit, accident, fire, or fraud. However, most of these reasons for a not actual reading are uncommon to new cars.

The manufacturer's document of origin was specifically designed to facilitate ownership and odometer tracking in an effective and consistent manner. Adopting the policy of disclosing mileage on the manufacturer's document of origin, without requiring an additional "conforming" document, will increase interstate and intrastate consistency, will decrease redundancies created by recording the mileage on the manufacturer's document of origin and on a separate conforming document, will align the state law more closely with the federal law, 49 CFR 580.17, and will promote goodwill and efficiency.

(b) **Modifications as a Result of Testimony at Public Hearing.** The public hearing was held in Madison on April 4, 2002. No modifications were made as a result of testimony given at the hearing.

(c) **List of Persons who Appeared or Registered at Public Hearing.** The following person appeared/registered at the hearing:

Chris Snyder, Staff Attorney, Wisconsin Automobile and Truck Dealers Association, 150 East Gilman Street, Madison, WI 53703—spoke in favor of the rule. Written comment was also provided.

(d) **Response to Legislative Council Recommendations.** The Department has considered the suggestion of including an initial applicability section, but does not believe this suggestion is necessary or beneficial.

(e) **Final Regulatory Flexibility Analysis.** This proposed rule will have no adverse impact on small businesses.