



## 1999 ASSEMBLY BILL 137

February 22, 1999 - Introduced by Representatives BRANDEMUEHL, STONE, LADWIG, STEINBRINK, OLSEN, POWERS, GOETSCH, AINSWORTH, ALBERS, OWENS, LA FAVE, PLOUFF, GRONEMUS, SYKORA, LASSA, GROTHMAN, SKINDRUD and SERATTI, cosponsored by Senators BRESKE, FARROW and ZIEN. Referred to Committee on Transportation.

1     **AN ACT to repeal** 342.281, 342.282, 342.283, 342.284 and 342.285; and **to amend**  
2             342.12 (2) (b), 342.19 (4) and 409.302 (3) (b) of the statutes; **relating to:** older  
3             security interests in motor vehicles.

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### *Analysis by the Legislative Reference Bureau*

Under current law, beginning on June 1, 1966, the exclusive means of perfecting security interests in vehicles for which a certificate of title is required is to surrender the existing certificate of title to the department of transportation (DOT) and to make application for a new certificate of title bearing the name and address of the secured party. Prior to June 1, 1966, security interests could be perfected using other means, except that the current means of perfecting security interests by reflecting them on the certificate of title applies upon transfer of the vehicle or upon DOT issuing a certificate of title for the vehicle. This bill repeals the transitional language under which security interests created and perfected prior to June 1, 1966, are not required to be reflected on the vehicle's certificate of title.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

4             **SECTION 1.** 342.12 (2) (b) of the statutes is amended to read:  
5             342.12 (2) (b) Issue a distinctive certificate of title pursuant to s. 342.10 (4) or  
6             ~~342.283.~~

**ASSEMBLY BILL 137**

1           **SECTION 2.** 342.19 (4) of the statutes is amended to read:

2           342.19 (4) The rules of priority stated in s. 409.312, and the other sections  
3 therein referred to, shall, to the extent appropriate, apply to conflicting security  
4 interests in a vehicle of a type for which a certificate of title is required, ~~or in a~~  
5 ~~“previously certificated vehicle” as defined in s. 342.281.~~ A security interest  
6 perfected under this section ~~or under ss. 342.284 and 342.285~~ is a security interest  
7 perfected otherwise than by filing for purposes of s. 409.312.

8           **SECTION 3.** 342.281 of the statutes is repealed.

9           **SECTION 4.** 342.282 of the statutes is repealed.

10          **SECTION 5.** 342.283 of the statutes is repealed.

11          **SECTION 6.** 342.284 of the statutes is repealed.

12          **SECTION 7.** 342.285 of the statutes is repealed.

13          **SECTION 8.** 409.302 (3) (b) of the statutes is amended to read:

14          409.302 (3) (b) The following vehicle title statutes: ss. 342.19, and 342.20,  
15 ~~342.284 and 342.285~~; but during any period in which collateral is inventory held for  
16 sale by a person who is in the business of selling goods of that kind, the filing  
17 provisions of ss. 409.401 to 409.408 apply to a security interest in that collateral  
18 created by that person as debtor; or

19          **SECTION 9. Nonstatutory provisions.**

20          (1) LIENS IN OLDER VEHICLES. If a security interest in a previously certificated  
21 vehicle, as defined in section 342.281, 1997 stats., was created, but was unperfected  
22 prior to June 1, 1966, under any laws of this state other than chapter 342 of the  
23 statutes, the security interest may be perfected under chapter 342 of the statutes,  
24 but such perfection dates only from the date on which the department of

**ASSEMBLY BILL 137**

1 transportation receives the application for a new certificate of title showing the  
2 security interest.

3 (END)