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WISCONSIN STATE SENATOR

Senate Bill 640

November 3, 2021

Good morning, members of the committee, and thank you for the opportunity to speak today on Senate Bill 640.

Under current law, a vehicle owner must apply to the Department of Transportation for a certificate of title for the vehicle when the person first acquires or registers the vehicle. For all vehicles 10 years old or newer, the application for the title must include a disclosure of the vehicle's mileage. Every time a vehicle changes ownership and is retitled, the vehicle's odometer reading is recorded at the department.

Under new federal regulations, effective January 1, 2021, vehicles manufactured in or after 2011 will be exempt from this mileage disclosure only if the vehicle being titled is at least 20 years old. Right now, Wisconsin is in compliance, because the new requirement covers all vehicles – those that are 10 years old or newer – that are currently subject to mileage disclosure.

Starting next year, however, this “look back” to 2011 means that vehicles 11 years old or less must disclose the odometer reading when transferred, and so on each year. This is a phased approach – eventually, all vehicles that are 20 years old or newer will be subject to the odometer reading disclosure requirement.

This bill will bring Wisconsin into compliance with the new federal regulation by providing that a person applying for a certificate of title for a motor vehicle of a model year 2011 or later that is less than 20 years old must include a disclosure of the vehicle's mileage as shown by the vehicle's odometer.

Nationally, the average vehicle age is 12 years old. This means that a large portion of the current fleet is at risk of odometer fraud due to being exempt from odometer disclosure. Sixty percent of odometer rollbacks are on vehicles 11-19 years old, with an average rollback per vehicle of 50,000 miles. The National Highway Traffic Safety Administration estimates that more than 450,000 vehicles are sold each year with false odometer readings, which costs American car buyers more than \$1 billion annually. By extending this requirement to report odometer readings for more vehicles, we can help to identify and deter fraud on Wisconsin consumers.

Thank you again for the opportunity to speak on this bill. I would be happy to answer any questions you may have.

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JOHN SPIROS
State Representative • 86th Assembly District

**Testimony on Senate Bill 640
Senate Committee on Transportation and Local Government
Wednesday, November 3, 2021**

Hello, and thank you Chairman Petrowski and members of the Senate Committee on Transportation and Local Government for allowing me to submit written testimony regarding Senate Bill 640, relating to disclosure of mileage when titling a motor vehicle.

The intent of SB 640 is simple: update the requirements for when a vehicle's mileage must be disclosed when applying for a certificate of title for a vehicle. Currently, individuals or manufacturers transferring a title to a vehicle less than 10 years old must disclose the mileage. This bill lengthens the timeframe to a vehicle less than 20 years old, or of model year 2011 or later. These changes were requested by the Wisconsin Department of Transportation to bring Wisconsin into compliance with new federal regulations. Federal regulations state that vehicles manufactured in or after 2011 will only be exempt from mileage disclosure if the transfer is at least 20 years after the first day of the calendar year corresponding to the designated model year of the vehicle.

As technology developments allow vehicles to stay on the road longer and individuals are purchasing more used cars, amid a supply shortage not expected to resolve soon, it is important that consumers know how many miles are on a car at the time of sale. Currently, the average age of a vehicle on the road is 12.1 years. This means that consumers could be seeing more odometer fraud in Wisconsin as currently the mileage only needs to be reported for vehicles less than 10 years old. According to the National Highway Traffic Safety Administration, an estimated 450,000 vehicles are sold each year with false odometer readings. This fraud ends up costing car buyers at a time when prices continue to rise and vehicles are in short supply. Expanding the timeframe for the required reporting of mileage on a vehicle, helps to deter this fraud.

Thank you again for allowing me the opportunity to share testimony in support of this bill.