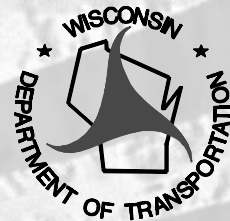




**“Nothing astonishes men so much as common sense and plain dealing.”**

Ralph Waldo Emerson



## Buyer’s License required Nov. 1

Starting November 1, 2004, a new law will require motor vehicle buyers to have a Wisconsin Buyer’s License from WisDOT. Under the new law, only licensed motor vehicle dealers, wholesalers or licensed vehicle buyers will be allowed to buy vehicles at wholesale auctions or from other dealers. The Buyer’s License, created by Wisconsin Act 216, protects consumers and dealers by bringing all wholesale vehicle buyers under WisDOT regulation.

**A Vehicle Buyer is** “an individual who is employed by or who has contracted with one or more motor vehicle dealers to bid on or purchase a motor vehicle being held and offered for sale by a motor vehicle dealer or motor vehicle auction.”

- Motor vehicle buyers who buy vehicles on behalf of more than one dealership must have a Buyer’s License for each employing dealership—including out-of-state dealerships. **A buyer employed by more than one dealer may bid on behalf of only one dealer at a time.**
- Dealer principals and licensed wholesalers **are not required** to hold a Buyer’s License in order to buy vehicles at wholesale auctions. However, employees who act as buyers on behalf of dealers and wholesalers must have a Buyer’s License.
- *The Buyer’s License is for wholesale buyers of non-salvage vehicles.* Salvage vehicle buyers and bidders at salvage pools are still required to have a *WisDOT Salvage Buyer Identification (BID) Card*. The new Buyer’s License is not required for buying only salvage vehicles or bidding at salvage pools only.

## Good-bye snail-mail



See page 9 to learn more about WisDOT Dealer Section publications slated for exclusive e-mail distribution in coming months. *Join WisDOT’s e-mail distribution list (dealer listserv) today by visiting the WisDOT Web site at [www.dot.wisconsin.gov/business/dealers/listserv.htm](http://www.dot.wisconsin.gov/business/dealers/listserv.htm)*

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*We welcome your questions and comments. Contact Cat Skaar, Editor, Plain Dealing, DOT Dealer Section, P.O. Box 7909, Madison, WI 53707-7909, (608) 266-1425; fax (608) 267-0323; email: [dealers.dmv@dot.state.wi.us](mailto:dealers.dmv@dot.state.wi.us).*

# BUYER'S LICENSE APPLICATION

MV2941 2005 Ch. 218 Wis. Stats.

Wisconsin Department of Transportation

Driver License Number OR Photo ID Number \_\_\_\_\_

Employe Applicant Name (Last, First, MI) \_\_\_\_\_

Social Security Number - For Verification Purposes \_\_\_\_\_

Residence Street Address, City, State, ZIP Code \_\_\_\_\_

Height	Weight	Eye Color	Hair Color
Gender <input type="checkbox"/> Male <input type="checkbox"/> Female	Birth Date		

Dealer License Number \_\_\_\_\_ License Expiration \_\_\_\_\_

Dealer Name \_\_\_\_\_

Business Street Address, City, State, ZIP Code \_\_\_\_\_

**DEALER'S STATEMENT** - I request that a license be issued and agree that the dealer take full responsibility for the actions of the above named employee as a buyer's licensee.

**X** \_\_\_\_\_ (Date)  
(Owner, Officer, or Authorized Agent)

\_\_\_\_\_  
(Title)

## APPLICATION TYPE

- In-State**  
 If dealer license expires in less than 1 year, fee is \$6  
 If dealer license expires in more than 1 year, fee is \$12
- Out-of-State, fee is \$12**
- Original**  
 **Renewal**  
 **Duplicate:** Check reason below  
 Lost  Destroyed  Stolen  Illegible
- Name Change** (Give Former Name) \_\_\_\_\_
- Address Change** (Give Former Address) \_\_\_\_\_

## APPLICANT'S STATEMENT

1. Were you ever denied a buyer's license, salesperson/rep. or dealer license in this or any other state?  No  Yes-Attach Explanation
2. Have you ever been convicted of a crime?  No  Yes-Attach Explanation

I certify with my signature below that I have read and understand all the provisions pertaining to the buyer's license for which I am making application and that the answers and statements made are complete, correct and true.

**X** \_\_\_\_\_ (Employee Applicant)

\* A **Buyer's License** is required to submit bids and purchase motor vehicles held and offered for sale by motor vehicle wholesale auctions and dealers. Employees or those who contract with motor vehicle dealers or wholesalers are eligible for Buyer's Licenses. Licensed motor vehicle dealers and licensed wholesale dealers are not required to hold a Buyer's License.

In-State Buyer's License is valid until employing dealer's license expires. Out-of-State Buyer's License is valid for up to 2 years and expires on the second July 31st after the Buyer's License is issued. Your license expiration will appear on your license.

## APPLICATION INSTRUCTIONS

1. A separate Buyer's License Application is required for each dealership for which you will be purchasing vehicles.
2. Complete all blanks on the application.
3. Copy the ID Number from a driver's license or other official government issued PHOTO IDENTIFICATION card belonging to the applicant, exactly as it appears on the photo ID card.
4. Provide social security number. The buyer's license cannot be issued without it.
5. Give physical description and birth date.
6. Enter the motor vehicle dealer or wholesaler license number issued to the business if licensed in Wisconsin. If the dealer is an out-of-state business, include the two-letter state abbreviation as a prefix to your dealer number. Include with the application a PHOTOCOPY of the credential which is issued to the business by the regulating authority in that jurisdiction verifying the authority of the entity to do business.  
**NOTE:** If the dealer license is not in English, you must include an English translation. The license must allow buying and selling, not just importing and exporting, to qualify.
7. Indicate the type of application: In-State or Out-of-State, original, renewal, or duplicate. Include the appropriate fee with the application. If a DUPLICATE application, indicate the reason. Include original Buyer's license with this application if not lost, stolen or destroyed. If a lost or stolen license is recovered after a duplicate is issued, return the recovered license. If name and/or address have changed, enter former name and/or address.
8. Sign the application where applicant's signature is indicated.
9. Have Dealer's statement signed by an owner, officer or agent of the dealership.
10. Submit completed application to:  
WISCONSIN DEPT. OF TRANSPORTATION  
DEALER SECTION  
PO BOX 7909  
MADISON, WI 53707-7909

**Upon termination of employment, the Buyer's License shall be surrendered to the dealer or firm named on the license. This dealer or firm shall return the license to the department for cancellation at the address listed above.**

If you have questions, please call 608-266-1425.

## Buyer's License required Nov. 1 *Continued from page 1*

- Vehicle buyers must carry their license when engaged in business and display the license upon request.
- Vehicle buyers must include their Buyer's License number on any bid submitted to a wholesale auction.
- The Buyer's License fee is \$6 per year. Buyer's Licenses issued to employees of Wisconsin dealerships expire concurrently with the employer's dealer license. Therefore, the fee for a first-time applicant employed by a Wisconsin dealer is \$6 if the dealer's license expires in less than 12 months or \$12 if the dealer's license expires in 12 months or more. License fees are not prorated for partial years.
- Buyer's Licenses issued to buyers for out-of-state dealerships cost \$12 and expire the second July 31<sup>st</sup> after the Buyer's License is issued.

Contact WisDOT Dealer Section with questions (608) 266-1425 or [dealers.dmv@dot.state.wi.us](mailto:dealers.dmv@dot.state.wi.us)

### **Apply for your Buyer's License today!**

Apply NOW for your Vehicle Buyer's license by completing the Motor Vehicle Buyer License Application (DMV form MV2941) on the facing page. You may also download the form at the WisDOT Web site at the following address: [www.dot.wisconsin.gov/business/dealers/dealer-forms.htm](http://www.dot.wisconsin.gov/business/dealers/dealer-forms.htm) or pick up a copy at your auction. If you have questions about completing the form call WisDOT Dealer Section at (608) 266-1425. To speed processing, please mail your Buyer's License application to the following address: **Attention: Buyer's License/ DOT/ PO Box 7909/ Madison, WI 53707-7909**

## DMV Registration and Titling System Redesign

The Division of Motor Vehicles (DMV) is creating a new computer system to replace its existing Registration and Titling system, which has been in existence since the late 1970's. The new system is a client/server application using DB2 as the database platform. It utilizes current programming languages and technology that will make it easier to expand upon and change in the future.

Advantages of the new system include:

- Creation of a single record for each customer, combining all registration and driver licensing records for that customer—reduces data entry, improves record accuracy and completeness, and allows for fast, comprehensive record checks;
- Reduced need for programming to meet legislative changes;
- User-friendly design that creates opportunities for DMV to issue more products and services online.

Implementation is expected to begin in late 2004 and will take several days to complete. DMV expects some interruption in customer service during system implementation, but is making plans to minimize customer inconvenience.

### **Dealer preparation for DMV implementation**

During implementation of DMV's new computer system, processing of titles and plates will not occur. DMV is developing a number of contingency plans that will allow it to continue to provide some level of service during this time (which may include the issuance of license plates and stickers), including services provided at our Customer Service Centers around the state. Dealers should make sure to have adequate inventories of forms and temporary plates to avoid any possible inconvenience. Please note that during the implementation of the new system, it will take some time to enter transactions. That could temporarily increase the time it takes for dealership customers to receive their title and registration.

Dealers participating in WisDOT's "APPS program" will receive a separate mailing to help them prepare for DMV's system implementation.

### **Fast service applications**

Also during system implementation, DMV will not be able to process *FAST SERVICE* applications. We are developing plans to manage our workloads before and after implementation; however, we encourage dealers to plan accordingly to lessen any inconvenience delays may create for your customers and your dealership.

## DMV redesign *continued from page 2*

### DMV Customer Service Centers

DMV Customer Service Centers will close for one day (date yet to be determined) to help bring the system up and train staff.

### New Titles

With the implementation of the new computer system, DMV will also be using a new title design and Certificate of Registration. The new title will have many enhancements, including improved security features and a comprehensive display of vehicle title brands from Wisconsin and other states.



### Internet and Call-in Charge Card Renewals

The online registration renewal function on the WisDOT Web site, and the renewal phone line (for call-in charge card renewals) will be turned off and unavailable during

implementation. DMV will encourage customers who need registration renewal to send their applications to the Milwaukee Post Office Box where our Lockbox vendor can process renewals and update records on DMV's system when it comes back online.

### IM Testing During Implementation

The IM test centers will continue to provide vehicle emission testing during our implementation window.

### Questions about DMV redesign

Please e-mail any questions you may have regarding DMV's system redesign effort to DMV at [Registration-redesign.dmv@dot.state.wi.us](mailto:Registration-redesign.dmv@dot.state.wi.us). Your question will be forwarded to the appropriate person for a prompt reply.

## Use PO Box 7926 for Heavy Vehicle Applications

Please use **PO Box 7926** when mailing applications for heavy vehicles to WisDOT. Using PO Box 7926 for heavy vehicles benefits you and your customers by separating these applications from auto and light truck applications that await processing. If you have a "split" (several applications with one check from the dealership), which includes applications for heavy vehicles as well as autos and light trucks, send the split to PO Box 7926 as well. However, do not send applications other than heavy vehicle applications to the PO Box 7926, unless they are included in a "split" with heavy vehicle applications, or the applications will be delayed while they are re-routed to the correct area for processing.

## Cashable Voucher program revisited

The Spring/Summer, 2003, edition of *Plain Dealing* discussed WisDOT and Department of Financial Institutions (DFI) concerns regarding a marketing program called the "Cashable Voucher Program." At that time, DFI believed the program may have violated securities laws and WisDOT believed it constituted misleading advertising.

The Department of Financial Institutions, has now determined that the cashable vouchers, as currently marketed, do not violate securities laws, because they do not create "indebtedness" and are not a security requiring registration under the Wisconsin Uniform Securities law.

WisDOT spoke with a handful of dealers who currently use the cashable voucher program, in an attempt to improve disclosures and bring the program into compliance with Wisconsin law. Despite those efforts,

and after additional discussion with Wisconsin regulatory agencies and other states, WisDOT maintains its position that the program constitutes misleading advertising under Trans 139.03. There is also growing consensus among state agencies that the program may violate other laws as well. The program is still under investigation.

WisDOT strongly discourages Wisconsin dealers from using the cashable voucher program. For more information, contact Nancy Passehl at (608) 264-9538 or [nancy.passehl@dot.state.wi.us](mailto:nancy.passehl@dot.state.wi.us). (Reporter: Nancy Passehl, DOT Policy Analyst, Financial Specialist)



# Service fee reminder

WisDOT has seen problems lately with how service fees are represented to consumers and disclosed in paperwork, particularly lease paperwork. Please see the Summer 2002 issue of *Plain Dealing* (online at [www.dot.wisconsin.gov/business/dealers/plain-dealing.htm](http://www.dot.wisconsin.gov/business/dealers/plain-dealing.htm)) for an in-depth description of rules regarding advertising and disclosure of dealership service fees. Please also note the following specific concerns that have come to WisDOT’s attention in recent months:

## Service fee is NOT a government fee

WisDOT is hearing frequent complaints from consumers that dealership personnel are verbally misrepresenting the service fee as a mandatory government fee. Such statements are not only illegal misrepresentations, but they are also self-defeating for the dealership.

Attempts to deflect a customer’s displeasure about the service fee by shifting blame to the government only motivate customers to complain to WisDOT or legislators about the fee. Such complaint calls inform WisDOT of the misrepresentation and imbed in the minds of law-makers a strong negative public sentiment about service fees. WisDOT suggests that, instead of deflecting customer criticism about the service fee, dealers take a moment to educate customers by emphasizing that the service fee is *not a government fee*, but rather, a *dealership fee*, which covers consumer protection services only licensed dealers (not private sellers) provide.

Current law creates a helpful framework for responding in a positive way to customer concerns about the fee, since it requires that service fees reasonably reflect the dealer’s costs for complying with government regulations that protect car-buyers, and that dealers provide a written disclosure of services included in the fee, upon customer request. By meeting those requirements, dealers can do much to put the fee in a more positive light for their customers. Dealers may also develop their own handout or brochure listing all the services they provide for the fee, or they may purchase such a brochure from the Wisconsin Automobile and Truck Dealers Association.

By taking the opportunity to show customers what the service fee buys, dealers can educate them about consumer protection laws and illustrate the advantages of buying from a licensed dealer where car-buyers can expect increased disclosure and other protections unavailable in private vehicle sales.

**When customers question your dealership service fee, avoid misleading responses. Instead, take the opportunity to educate them about services that licensed dealers provide:**

Misleading:	Educational:
“The DMV <i>makes</i> us charge this service fee.” or “A new law says we’re supposed to charge this fee.”	“The law <i>allows</i> dealers to charge this fee to cover dealer costs for complying with regulations that protect consumers. It is <b>not</b> a government fee.”
“All dealers are charging the service fee, by law.”	“This dealership charges a service fee as allowed by law. It is <b>not</b> a government fee.”
“It’s a mandatory fee for government services.”	“It is not a government fee—it is a dealership fee. And it is our dealership policy to charge it of all customers equally.”
“We <i>have to</i> charge this fee of everyone. We can’t waive it for some and not others.” (Falsely suggests the fee is mandatory under law, not just by dealership policy.)	“This dealership charges a services fee uniformly of all customers, so as not to be discriminatory. Therefore, we do not negotiate the fee or eliminate it for some customers and not others.”



## Service fee disclosure for leases

Dealers who choose to charge a service fee on a lease, are required by Trans 139 to disclose the service fee amount on the lease contract prior to execution of the lease along with a pre-printed statement that reads as follows:

**“A service fee is not required by law, but may be charged to motor vehicle purchasers or lessees for services related to compliance with state and federal laws, verifications and public safety and must be reasonable.**

Lease contracts produced by some Wisconsin forms vendors include these required service fee disclosures. However, lease contracts produced by some captive finance companies do not include the pre-printed disclosures, and *cannot be used to fulfill the service fee disclosure requirements under Trans 139*. Dealers

executing leases on lease contracts that have not been revised by the forms vendor to include the Wisconsin service fee disclosures ***must complete a motor vehicle lease order form or motor vehicle pre-lease agreement*** to fulfill the service fee disclosure requirements before *and in addition to* completing the motor vehicle lease contract.

Completing either a pre-lease agreement or lease order form, plus a lease contract, for a leased vehicle in stock, may seem duplicative to some dealers. However, it is similar to completing a motor vehicle purchase contract prior to completing a retail installment contract on a purchase. The pre-lease agreement or lease order form is a necessary step in providing required disclosures when the lease contract being used does not include required Wisconsin disclosures.

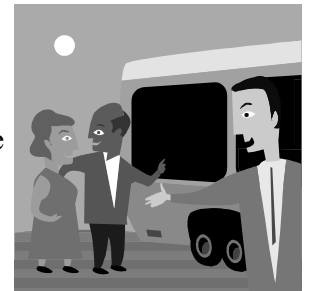
## Sunday vehicle displays are allowed

Sunday sales of motor vehicles (cars, trucks, motorcycles, motor homes) are legally prohibited at Wisconsin dealerships. However, vehicle *displays* on Sundays are permissible, if they meet the requirements below. Note that these restrictions apply to dealership events held at the dealership, off-premise displays and car shows when they occur on a Sunday.

### Sunday display rules:

- No salespeople present if vehicles are accessible to the public.
- No contracts written.
- No vehicle test drives.
- Vehicles may be on display inside or outside the dealership facility and accessible to the public.
- Vehicles may be unlocked for public inspection of the vehicle interior.
- Dealer principal or general manager, as well as “greeters” or security staff *who are not licensed salespeople* and do not “talk product,” may be present for a Sunday vehicle display event.

- The public may deposit written “silent bids” in a drop box on Sundays for vehicles on display—but the dealership must not make follow-up contacts on Sunday in response to bids.
- Salespeople may be present for a non-sale, non-display dealership event on a Sunday (for example, a “customer appreciation day”) but only if displayed vehicles are completely inaccessible to the public and no test drives are taken, no terms negotiated, no contracts completed.



WisDOT recognizes that Internet vehicle displays and online auctions do not stop operating on Sunday and bidding occurs 24/7. However, follow-up contacts and purchase contracts resulting from an Internet vehicle listing or online auction should not be completed on Sunday.

## Okay to start selling after passing salesperson exam

Newly-licensed salespeople do not need to wait until the dealership receives their salesperson license in the mail before beginning to sell vehicles. Salespeople are legal to sell as long as they have the receipt showing they took the salesperson exam. Applicants’ motor vehicle salesperson license number (required to be recorded, in part, on the motor vehicle purchase contract of vehicles they sell) is the same as their Wisconsin Driver License number. Salespeople awaiting their license card after passing the test may show the first eight digits of their Driver License number on purchase contracts they write.

# Dealer alert

## Walk-in dealer licensing eliminated

In order to better manage workflow and serve customers more equitably, WisDOT has eliminated fast-service issuance of dealer and other motor vehicle business licenses at the Dealer Section public counter in the Hill Farms State Office Building, Madison. Applicants may still hand-deliver applications to the Dealer Section counter in order to reduce mail-in time. However, all applications are now being processed in the order in which they are received—whether delivered by mail or in-person. “Walk-in” licenses will no longer be processed on the spot.

Immediate processing of “walk-in” applications unfairly delayed processing of mail-in applications that arrived sooner. It also served Madison-area dealers better at the expense of more remote ones.

Salesperson license exams are not affected by this change. Applicants may still take the salesperson license exam in-person at the DMV customer service center in Hill Farms State Office Building and will receive their salesperson license in the mail after they pass the test.

## Beware of bogus check scam

A dealer recently shared a questionable e-mail from a party offering to buy a vehicle from the dealer with a cashier check made out for \$6,000 more than the purchase price, on the condition that the dealer refund the overage via Western Union funds transfer immediately upon receiving the cashier check. A man posing as the purchaser explained that the check was actually a refund for a different cancelled purchase and needed to be made out directly to the selling dealer. Had

this dealership complied with the request, it would have found itself with a worthless check and \$6,000 lost from their bank account. Such scams are common on the Internet, and generally easy to spot, but beware. Never issue a refund against any check that hasn't cleared the bank first.



## Manufacturers withholding lemon titles

Some Wisconsin dealers have reported difficulty acquiring the title for manufacturer buyback vehicles they are offering for resale. A Wisconsin dealer is required to possess a title for every vehicle offered for sale and must show the title and odometer statement to a prospective purchaser. However, currently General Motors and Ford Motor Company retain the title for any manufacturer buyback vehicle until the selling dealer provides evidence that the vehicle purchaser has received the manufacturer's required lemon law resale disclosures.

WisDOT has notified General Motors and Ford that manufacturers must meet the following requirements in Wisconsin when withholding lemon titles pending proof of lemon law resale disclosure:

- Provide the purchasing dealer with a photocopy of the title showing complete transfer of the reacquired

vehicle to the dealer. *Titles must be completely reassigned, and the odometer statement completed.*

- Establish a process that ensures original titles will be provided to dealers promptly to prevent delays in title application after the retail sale. *Wisconsin dealers have 7 days to submit their customer's title application to WisDOT after the sale.*

- Provide the original title to WisDOT upon request.

Wisconsin dealers may not offer a manufacturer buyback vehicle for sale, unless they possess the original or a photocopy of the reassigned title with odometer disclosure completed. Any dealer who is unable to acquire a copy of the completed title from the manufacturer, before offering a buyback vehicle for re-sale, may contact the Dealer Section for help at (608) 266-1425 or [dealers.dmv@dot.state.wi.us](mailto:dealers.dmv@dot.state.wi.us).



## Loan acceptance fee must appear in Truth-in-Lending disclosures

Dealers have reported that one New York-based bank is charging a \$50 fee upon the customer's acceptance of a loan and advising dealers to pass the fee along to the borrower as a prepaid finance charge without including it in the Truth-in-Lending disclosures. Bad advice. While the bank may make it sound easy to pass the fee along to the consumer after the loan has already been accepted, the fee is charged as a condition of extending credit, therefore, it is a finance charge. If the dealer wanted to pass the fee along to the borrower, it would have to treat it as a prepaid charge and reflect it in the finance charge and APR in the Truth-in-Lending disclosure. It cannot be

treated as an additional charge added to the amount financed on the installment sales contract and must not be considered part of the service fee that is added to the cash price of the vehicle. So, while the bank may make it sound simple, it may not be possible for the dealer to legally pass the fee on to the consumer after the Truth-in-Lending disclosures have already been made, the finance terms accepted and the retail installment contract signed. Since loan acceptance fees can't readily be passed along to the consumer, a dealer may have to weigh the costs of absorbing the fees when deciding to do business with banks that charge them.

## Estimated mileage on new order-out vehicles

The Spring/Summer 2004 issue of *Plain Dealing* (Volume 14, Issue 2) reported that dealers must provide a new car mileage estimate on the purchase contract for *any* new vehicle that is not on the dealer's lot at the time of contract negotiation. DOT has revised that interpretation, in part. *Dealers must provide the mileage estimate for new "locate" vehicles—new vehicles they are attempting to locate on another dealer's lot.* However, they are not



required to provide the estimate for new vehicles ordered directly from the manufacturer. Mileage on factory order-out vehicles is consistently low. Therefore, the requirement to provide an estimate for order-outs created additional work for dealers with no real consumer benefit. By contrast, new car "locate" vehicles do vary widely in mileage upon arrival. The mileage estimate for locate vehicles prevents surprises and unhappy dealership customers.

## Position window labels safely

When attaching the Wisconsin Buyers Guide to the window of a used vehicle as required by Trans 139, be sure it does not obstruct the driver's view. If possible, attach it to the rear passenger window. One dealership was recently cited for attaching the label on the front passenger window in the driver's line of sight in such a way that it led to a crash during a test drive. Trans 139

does require that the label be attached to the window if possible. Dealers may place the label on the dash if attaching it to the window is not possible—for example, in the case of a cargo van with no rear windows. Since Trans 305 prohibits obstructing a driver's view, it is important for dealers to keep that law in mind, as well as Trans 139, when positioning vehicle window labels.

## Registration reminders

- ✓ Remember that pick-up trucks should be registered for truck plates, not auto plates.
- ✓ Recheck MV11 forms carefully before submission. WisDOT must return incomplete or inaccurate applications without processing. Common MV11 errors processors see include the following:

- Failure to list owner full name, including middle initial
- Failure to list a Social Security or driver license number for *each owner* when multiple owners are listed.
- Failure to include \$4 lien filing fee
- Missing signatures of dealer and customer
- No date of first operation listed
- Illegible writing
- Stray marks in upper right corner of MV11 interfere with machine-reading of form



# Web dealer details

Licensed Wisconsin dealers who sell vehicles on the Internet—whether from their own Website or via online retail auctions, such as *eBay*, are required to comply with all of the same trade practice regulations as when they sell on-site at their dealership, including advertising regulations, inspecting vehicles, posting Wisconsin Buyers Guides, executing motor vehicle purchase contracts and maintaining all required records of the sale. Due to a recent rule change, those same requirements also now apply to out-of-state sellers who sell vehicles into Wisconsin via the Internet when they deliver those vehicles in Wisconsin.

In this and future issues of *Plain Dealing*, WisDOT will describe the ways dealers who sell on the Internet may meet those trade practice requirements when advertising and paperwork are being handled electronically, rather than on-site at a dealership. In some cases, adaptation of existing WisDOT requirements to Internet sales transactions may require WisDOT to create policy statements or pursue additional rule changes for clarity. Along the way, however, wisDOT will offer guidelines in *Plain Dealing* articles so dealers can better understand and comply with existing laws.

## Common questions about Internet sales:

### 1. Must a dealer who sells a vehicle on the Internet give the customer a 3-day right to cancel?

Under s. 423.201(1)(a), a dealer must give a customer notice of their 3-day right to cancel the deal when a sale is initiated by a face-to-face solicitation away from the seller's regular place of business or by mail or telephone solicitation directed at a particular customer. In the case of an Internet sale, if the customer responds to a general advertisement or vehicle listing not directed at the particular customer, the customer has no 3-day right to cancel a purchase resulting from the customer having contacted the seller—regardless of whether the sale transaction is completed at the dealership or off-site. However, if a dealer sends an e-mail to a particular person offering a vehicle for sale and completes the sale transaction away from the licensed place of business, the dealer must give the purchaser written notice of the 3-day right to cancel the deal. If that same direct e-mail

to a consumer results in a sale that is transacted *at the dealership*—the purchaser does not have a 3-day right to cancel.

### 2. What advertising rules apply to Internet advertisements and online auction listings?

The same rules apply to Internet ads as apply to other advertising mediums. In particular, keep in mind that a listing at an online auction such as *eBay* is an advertisement and must include the dealership name.

### 3. How should a dealer advertise price when selling a vehicle in an online auction?

Dealers should list the “minimum bid price” in the “asking price” box on the Wisconsin Buyers Guide when selling a used vehicle via retail auction (whether by Internet or at auction on the dealer's lot or off-premises). When the vehicle is sold, the “winning bid price” should appear on the purchase contract. Any difference between the

minimum bid (or asking price) and the winning bid should be shown on the contract as dealer mark-up or discount. In addition, vehicles offered for sale concurrently on *eBay* or some other online auction and the dealer's lot, should show the following on the Wisconsin Buyers Guide: “Vehicle is concurrently offered for sale on [name of online auction] for a minimum bid of \$ \_\_\_\_\_”

### 4. Does eBay online auction have a Wisconsin dealer license?

No, at the present time *eBay*'s procedural and pricing structure exempts it from the requirement to hold a Wisconsin dealer license. *eBay* does not negotiate vehicle prices or receive a commission based on vehicle sales—they list vehicles for a flat fee only. Such flat fee vehicle listing services are exempt from dealer licensing in Wisconsin. Note, however, that individuals selling cars via *eBay* may need a dealer license. By law, any Wisconsinite selling more than five vehicles per year must have a dealer license—even when selling on the Web to non-residents. Out-of-state individuals who sell more than 5 vehicles per year into Wisconsin over the Internet and deliver them in Wisconsin must also have a Wisconsin dealer license.



# DOT dealer publications go electronic

In order to keep the information you need up-to-date, accessible, and economical, WisDOT will begin posting some of its publications exclusively online or distributing them to dealers by e-mail late in 2004. *Paper copy distribution of these electronic publications will be eliminated when e-mail distribution begins.*



To avoid missing out on important, timely information, please provide WisDOT with an e-mail address where your dealership may receive DOT communications.

**Join WisDOT's e-mail distribution list (dealer listserv) today  
by visiting the WisDOT Web site at**

**[www.dot.wisconsin.gov/business/dealers/listserv.htm](http://www.dot.wisconsin.gov/business/dealers/listserv.htm)**

**Please note: Dealers who have previously signed up to receive Dealer Section's *Plain Dealing* newsletter via e-mail will need to join the new listserv to continue to receive *Plain Dealing* electronically.**

## Dealer publications going electronic soon:

- **The Right Way Guide for Dealers**—WisDOT's comprehensive guide to Wisconsin dealer license and trade practice laws distributed to all new dealers at the time of licensing. *Goal date for online publication and elimination of hard copy distribution—July 2005*
- **Plain Dealing Newsletter**—WisDOT's quarterly newsletter covering law changes, industry trends, enforcement actions, and tips and tools for dealers. *Goal date for e-mail distribution to dealers and elimination of all hard-copy mailing—July 2005*

Note: Current and past issues of *Plain Dealing* newsletter will remain available for viewing online at WisDOT's Website at [www.dot.wisconsin.gov/business/dealers/plain-dealing.htm](http://www.dot.wisconsin.gov/business/dealers/plain-dealing.htm)

## Dealer publications already available electronically:

- **Wisconsin Dealer Directory**—WisDOT list of all licensed motor vehicle businesses in Wisconsin.
- **Non-valid Salvage Buyer Identification (BID) Card Directory**—WisDOT list of all Salvage Buyer Identification Cards that become non-valid before the expiration date shown on the card.
- **Out-of-Business Dealers Directory**—WisDOT list of all dealerships that went out of business prior to the license expiration date shown on their license certificate.
- **"What's New for Dealers" page**—A monthly listing of articles of interest to dealers, including new trends, law changes and dealer alerts.
- **Plain Dealing online**—Current and back issues of WisDOT's *Plain Dealing* newsletter.

## WisDOT criminal actions and citations

**Borst, Mark**, Lake Geneva—Sentenced by Walworth County Court to a \$3000 fine, \$3583.79 restitution to the Department of Revenue, and 2 years probation for submitting false title applications to the Department.

**Brandon, Kyle**, Milwaukee—Sentenced by Milwaukee County court to 6 months in jail and 4 years probation for submitting a false title application to the Department and for forgery.

**Danca's Car Corral**, Turtle Lake—One citation issued for misuse of dealer plates and one citation issued for logbook violations.

**Day, Jack**, LaCrosse—Sentenced in federal court to 25 months imprisonment and \$39,875 in restitution for odometer tampering and misrepresentation.

**Diggers Auto Sales**, Green Bay—One citation issued for failure to submit transfer of title within 7 business days.

**Fox, Kevin**, Stevens Point—One citation issued for acting as a motor vehicle dealer without a license.

**Laes, Cheryl**, Green Bay—Two citations issued for acting as a dealer without a license.

**Laes, Doug**, Green Bay—13 citations issued for acting as a dealer without a license.

**Midwest Auto Sales**, Holmen—One citation issued for failure to submit transfer of title within 7 business days.

**Perry, Todd**, New York—Sentenced in federal court to 21 months imprisonment, 3 years probation and \$27,000 restitution for participating in a stolen vehicle ring that altered VIN numbers and falsified title documents in order to obtain Wisconsin titles and sell stolen vehicles.

**Radtke, Mary**, Jefferson—Sentenced by Waukesha County court to 5 years probation and \$32,477 in restitution for theft by fraud.

**Radtke, Robert**, Pewaukee—Sentenced by Waukesha

County Court to 120 days in jail, 10 years probation and \$32,477 in restitution for theft by fraud.

**Rhymes, Phillip**, Milwaukee—Sentenced in federal court to 4 months imprisonment, 4 months in-home incarceration, 3 years probation and \$27,000 restitution for participating in a stolen vehicle ring that altered VIN numbers and falsified title documents in order to obtain Wisconsin titles and sell stolen vehicles.

**Tom's Auto Body**, Ladysmith—Two citations issued for failure to submit transfer of title within 7 business days.

**Traxx Auto**, Beloit—One citation issued for failure to possess an ownership document for a vehicle offered for sale and one citation issued for failure to submit transfer of title within 7 business days.

**Wocelka, William**, Menasha—One citation issued for failure to provide an odometer disclosure at the time of ownership transfer.

**Vittas, John**, Bartlett, IL—Sentenced by Milwaukee County Court to 21 days in jail, a \$1000 fine and 2 years probation for submitting a false title application to DOT.

**Wilks, Curtis**, Milwaukee—One citation issued for failure of a transferee to obtain a title to a motor vehicle.

**Wilks, Kirby**, Milwaukee—Two citations issued for acting as a motor vehicle dealer without a license and two citations for failure of a transferee to obtain a title to a motor vehicle.

**Wilks, Reginald**, Milwaukee—Two citations issued for acting as a motor vehicle dealer without a license and two citations for failure of a transferee to obtain a title to a motor vehicle.

**Zalabak, John**, Pensacola, FL—One citation issued for acting as a motor vehicle dealer without a license.

# WisDOT administrative enforcement actions

**Blue Diamond Auto Sales, Inc.**, Appleton—Special Order issued for failure to perform a written agreement and failure to pay off a security interest in a vehicle.

**Chuck Van Horn Dodge, Inc.**, Plymouth—Special Order issued for selling or offering to sell new vehicles for which they were not franchised.

**Greenfield Pontiac, Buick, Inc.**, Greenfield—Special Order issued for failing to obtain licenses for two of their salespersons.

**Lake Country Motor Sports, Delafield**—Special Order issued for failing to warranty title.

**REO Motors, Milwaukee**—Special Order issued and a \$500 civil forfeiture assessed for the facilitation of motor vehicle sales by unlicensed dealers.

## Don't be left out of the loop!

Join WisDOT Dealer Section's e-mail distribution list (Dealer Listserv) today and keep your dealership up-to-date regarding law changes, *Plain Dealing* newsletter, and other important dealer license information. Register today with the DOT e-mail listserv at:

[www.dot.wisconsin.gov/business/dealers/listserv.htm](http://www.dot.wisconsin.gov/business/dealers/listserv.htm)

**Please note: Dealers who are already signed up to receive Dealer Section's *Plain Dealing* newsletter via e-mail will need to join the new listserv in order to continue receiving *Plain Dealing* electronically.**

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