



# bulletin

Wisconsin Automobile & Truck Dealers Association • P.O. Box 5345 • Madison • WI • 53705 • (608) 251-5577

WILLIAM SEPIC  
President

BULLETIN #6  
6/17/16

*Entering Mileage in the  
DMS Results in  
Advertising Mileage*

## LISTING AN ODOMETER READING ON A VEHICLE OVER 10 YEARS OLD

### A Typical Scenario:

Many dealerships routinely enter vehicles' mileage into their dealership computer system (DMS) regardless of the age of the vehicle or its disclosure status. This often results in mileage being shown on website listings.

The dealership may or may not show the mileage as exempt (or exempt AND actual) on the Wisconsin Buyers Guide and discuss it as part of the sales process. Finally, once the vehicle is sold, unless the dealership mails the transaction for manual processing, the mileage will automatically be recorded as exempt as part of the electronic title processing regardless of how the mileage is disclosed on the title application form (MV11).

*Basics of Odometer  
Disclosure*

Both Wisconsin and the United States have a Truth in Mileage law. The laws require that mileage be disclosed whenever ownership changes hands [Trans 154.03].

### “(1) RESPONSIBILITIES OF OWNER OR AGENT OF OWNER.

When transferring ownership of a previously titled motor vehicle, the owner named on the certificate of title or the agent of the owner shall complete the assignment of ownership and odometer disclosure...”

The rule then defines what information is required in an odometer disclosure, what forms are used, what vehicles are exempt from odometer disclosure and much more.

## *A Vehicle Is Either Exempt or the Mileage is Disclosed – It Can't Be Both*

☐ 10 or more model years old

☐ Gross vehicle weight rating exceeds 16,000 lbs.

\_\_\_\_|\_\_\_\_|\_\_\_\_,\_\_\_\_|\_\_\_\_|\_\_\_\_. (no tenths)

- ### Why Is This an Issue?

The following common situations could be considered an odometer disclosure error or fraud:

- 2

Whether intentional or not, dealers frequently commit these errors along with others not listed here. The best way to avoid an odometer disclosure error is to be consistent.

### *How to Disclose the Odometer Correctly*

- If a vehicle has previously been disclosed as exempt, then mileage should never be disclosed as anything other than exempt. Once a vehicle has been disclosed as exempt the chain of odometer disclosure has been broken and the mileage can no longer be represented as actual.
- Never disclose both mileage and that a vehicle is exempt – it can only be one or the other.
- Keep all of your disclosure documents as well as electronic files consistent so you don't inadvertently disclose mileage. If your DMS automatically uploads the mileage to vehicle listing website, don't enter mileage into the DMS.
- If you have disclosed mileage on a ten-year-old vehicle, submit the title application correctly so the mileage is carried forward.

### *When Can You Disclose Mileage on a Ten-Year-Old Vehicle?*

There are instances when the mileage of an otherwise-exempt vehicle is known and a dealer, knowing the risks, wants to maintain the mileage going forward.

The following must be true for a dealer to disclose the mileage on a vehicle that is ten or more years old.

- The vehicle has never been disclosed as exempt
- The dealer is certain that the mileage is actual (there is no break in odometer disclosure)

If the dealership is certain it can disclose the mileage as actual, it can disclose the vehicle the same way it discloses a vehicle under ten years old. In addition, the exempt boxes should not be checked.

### *How to Correctly Process Paperwork*

Dealers' electronic processing systems default to exempt when a vehicle is ten or more years old. Transactions must be sent for manual processing, with a letter of explanation, to ensure that the odometer reading is listed as actual.

Part of having an age exemption in the law is because there is a greater risk of transfer errors, equipment failures and

*Disclosure Anywhere Is  
the Same as Disclosing  
Everywhere*

other factors that can cause an odometer reading to no longer be accurate. Dealers should not disclose the mileage as actual if there is any indication that a discrepancy may exist.

If the mileage is disclosed to the purchaser on any dealership documents, including the Wisconsin Buyers Guide, Title Application, Odometer Disclosure form, advertisements, etc., the dealership is responsible for the mileage disclosure. If it is later discovered that the mileage was disclosed incorrectly, even though the vehicle is exempt, the dealership will be responsible for the discrepancy. This responsibility may include compensating the customer for differences in value or, in rare instances, buying the vehicle back.

*This Bulletin was authored by: Sue Miller*

**WATDA Bulletins** are intended to help Wisconsin automobile & truck dealers to understand the activities of the Association as well as the laws that pertain to listed issues. Opinions and interpretations expressed in **WATDA Bulletins** are those of WATDA. These opinions and interpretations are intended to be general in nature and should not be used as a substitute for the advice of your own legal counsel or other professional counsel.

General questions or comments regarding the subject matter of this **WATDA Bulletin** may be directed to its author or any member of the WATDA Team:

William Sepic, President  
Susan Miller, VP Member Services

Chris Snyder, Executive VP, General Counsel  
Matt Lavold, VP Controller