



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-4814/1
ARG:kjf

2017 SENATE BILL 862

March 7, 2018 - Introduced by Senator HANSEN, cosponsored by Representatives STUCK and SINICKI. Referred to Committee on Insurance, Financial Services, Constitution and Federalism.

1 **AN ACT to repeal** 128.001 and 128.02, 128.03, 128.05, 128.06, 128.07, 128.08,
2 128.09, 128.10, 128.11, 128.12, 128.13, 128.14, 128.15, 128.16, 128.17, 128.18,
3 128.19, 128.20 and 128.25; and **to amend** 108.02 (4m) (f), chapter 128 (title),
4 128.01 and 972.085 of the statutes; **relating to:** creditors' actions.

Analysis by the Legislative Reference Bureau

This bill eliminates certain legal proceedings governing the distribution of a debtor's assets to creditors.

Under current law, a debtor may make a voluntary assignment for the benefit of creditors and, if accepted, the assignee must file this assignment with the court where the debtor lives or has its principal place of business. This assignment and filing initiates a legal proceeding through which the assignee takes control of the debtor's property and is responsible for distributing the debtor's assets to creditors. Also under current law, a creditor may petition the court to sequester a debtor's property and appoint a receiver if the execution of the creditor's judgment against the debtor is returned unsatisfied or if a debtor corporation is insolvent or has been dissolved. If the court appoints a receiver or an assignment is filed, the receiver or assignee is vested with title to the debtor's property and the debtor must file with the court an inventory of the debtor's assets and a list of the debtor's creditors along with the amount due each. The receiver or assignee must give notice of the proceeding to the debtor's creditors and these creditors have three months to file their claims. At the expiration of this three-month period, the receiver or assignee must file certain information with the court, including a list of creditors and claims filed. The receiver

SENATE BILL 862

1 **128.01 Jurisdiction.** The circuit courts shall have supervision of proceedings
2 under this chapter and may make all necessary orders and judgments therefor; and
3 ~~all assignments for the benefit of creditors shall be subject to this chapter.~~

4 **SECTION 5.** 128.02, 128.03, 128.05, 128.06, 128.07, 128.08, 128.09, 128.10,
5 128.11, 128.12, 128.13, 128.14, 128.15, 128.16, 128.17, 128.18, 128.19, 128.20 and
6 128.25 of the statutes are repealed.

7 **SECTION 6.** 972.085 of the statutes is amended to read:

8 **972.085 Immunity; use standard.** Immunity from criminal or forfeiture
9 prosecution under ss. 13.35, 17.16 (7), 77.61 (12), 93.17, 111.07 (2) (b), ~~128.16~~, 133.15,
10 139.20, 139.39 (5), 195.048, 196.48, 551.602 (5), 553.55 (3), 601.62 (5), 767.87 (4),
11 885.15, 885.24, 885.25 (2), 891.39 (2), 968.26, 972.08 (1) and 979.07 (1) and ch. 769,
12 provides immunity only from the use of the compelled testimony or evidence in
13 subsequent criminal or forfeiture proceedings, as well as immunity from the use of
14 evidence derived from that compelled testimony or evidence.

15 **SECTION 7. Nonstatutory provisions.**

16 (1) Any proceeding commenced as provided in sections 128.02, 128.03, 128.05,
17 128.06, 128.07, 128.08, 128.09, 128.10, 128.11, 128.12, 128.13, 128.14, 128.15,
18 128.16, 128.17, 128.18, 128.19, 128.20, and 128.25, 2015 stats., prior to the effective
19 date of this subsection may be continued until completion of the proceeding and may
20 be appealed as provided in section 128.20 (2), 2015 stats.

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(END)