

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-2677/1dn  
MDK&PJK:kjf:jf

January 27, 2012

Rep. Nygren:

Please note the following about this bill:

1. The treatment of persons acting as warranty plans and warranty plan administrators under OCI's rules is set forth in the applicability provisions of s. 100.70 (2) (c), rather than in a second set of applicability provisions in s. 100.70 (8). Also note that we revised the language. See also our changes to s. 100.70 (3) (d) 2.
2. Section 100.70 (3) (a) (intro.) provides that a provider is liable for any violations of s. 100.70 committed by an administrator appointed by the provider, which we think is clearer than providing that the acts of an administrator appointed by a provider are imputed to the provider.
3. Section 100.70 (3) (g) 3. refers to "each year" instead of the "current year." Also, note that s. 100.70 (3) (h) refers to the end of "each" fiscal year of a provider. We think the foregoing changes accomplish your intent that the requirements apply on an ongoing, rather than one-time, basis.
4. We made revisions to the last sentence in s. 100.70 (4) (d).
5. Section 100.70 (4) (p) refers to refunding 100 percent of the unearned pro rata provider fee, but s. 100.70 (4) (r) refers to refunding the unearned pro rata provider without mentioning 100 percent. Should the two provisions be revised to be consistent? Also, in s. 100.70 (4) (r), we referred to a service contract holder, rather than a consumer. Is that okay?
6. Section 100.70 (5) (b) 1. refers to intentionally refraining from making a proper entry, instead of willfully refraining to do so.
7. In s. 100.70 (7) (a), we added a reference to service contact sellers and to service contracts sold on behalf of a provider. Is that okay? Also, should the second sentence be revised to refer to administrators, service contract sellers, insurers, or other persons, in addition to referring to providers?
8. We revised s. 100.70 (7) (b) to allow OCI to subject a provider to any reporting or replying requirement in s. 601.42. The language you proposed stated that a provider is subject to those requirement as applicable. Because s. 601.42 does not otherwise

apply to providers, we think our revision better accomplishes your intent. In addition, we amended ss. 601.41 (1), 601.43 (1) (a), 601.64 (1), (3) (a) and (c), and (4) to refer to s. 100.70 to ensure that OCI is authorized to use those statutes to enforce s. 100.70.

9. The delayed effective date refers to the first day of the 13th month after publication which ensures a delay of at least one year. A reference to the first day of the 12th month could result in a delay of slightly less than a year.

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