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# Wisconsin Legislative Council

## ACT MEMO

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**Prepared by:** David Moore, Senior Staff Attorney

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### 2019 Wisconsin Act 67 [2019 Senate Bill 304]

### Prohibited Practices of Motor Vehicle Manufacturers, Importers, and Distributors

2019 Wisconsin Act 67 provides that it is a violation of the motor vehicle dealer law for a motor vehicle manufacturer, importer, or distributor to directly or indirectly take or threaten to take an “adverse action,” as defined by the act, against a dealer for any of the following reasons:

- For the purpose of recovering costs of compensating dealers under the warranty reimbursement statute.
- In retaliation for a dealer’s exercising a right or seeking a remedy under the motor vehicle dealer law or under rules promulgated by the Department of Transportation under the motor vehicle dealer law.

For these purposes, “adverse action” includes all of the following:

- Increasing a price charged for services or goods.
- Assessing a penalty, fee, or surcharge.
- Withholding, reducing, or delaying an incentive or other payment.
- Transferring or shifting costs.
- Limiting allocations of vehicles or parts.
- Failing to act in good faith.
- Failing to make timely payment for compensation.
- Establishing or applying a discriminatory standard.
- Conducting or threatening to conduct a nonroutine or nonrandom audit.

**Effective date and initial applicability:** 2019 Act 67 took effect on November 27, 2019, and initially applies to an adverse action taken or continued on that date.

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