



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2005 Assembly Bill 587

Assembly Amendments 1 and 3

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Contact: Anne Sappenfield, Senior Staff Attorney (267-9485)

Assembly Bill 587 creates regulations relating to rental-purchase agreements.

Assembly Amendment 1

Assembly Amendment 1 does the following:

1. Provides that an applicant for a license to operate a rental-purchase company who is an individual who does not have a social security number must submit a statement made or subscribed under oath or affirmation that the applicant does not have a social security number. If an applicant submits a false statement that he or she does not have a social security number and is issued a license, the license is invalid.
2. Deletes a provision that requires the Division of Banking in the Department of Financial Institutions to immediately commence an investigation of a rental-purchase company if five or more persons file a verified complaint with the division alleging that the rental-purchase company has engaged in an act that is subject to action by the division.
3. Makes several changes to clarify that the rental-purchase companies are subject to the provisions of the subchapter regulating such companies, as created in the bill, as well as certain provisions of the Wisconsin Consumer Act.

Assembly Amendment 3

Assembly Amendment 3 does the following:

1. Deletes the provision of the bill that permits a rental-purchase company to give or offer a rebate or discount to a lessee under a rental-purchase agreement in consideration for names of prospective lessees. No referral discounts may be given under the amendment.

2. Deletes the provision of the bill which excludes a rental-purchase agreement from the definition of a consumer approval transaction. Thus, under the amendment, a rental-purchase agreement is subject to the notification and cancellation requirements of ch. 423, Stats., including the customer right to cancel a transaction until midnight of the third business day after the merchant has notified the customer of his or her right to cancel.

3. Prohibits a rental purchase company from committing a breach of the peace or entering a customer's residence, except with the contemporaneous permission of that customer, when attempting to repossess rental property.

Legislative History

Representative Stone offered Assembly Amendment 1 on September 19, 2005, and offered Assembly Amendment 3 on September 27, 2005. The Assembly Committee on State Affairs recommended adoption of the amendments on votes of Ayes, 9; Noes, 0, and recommended passage of the bill, as amended, on a vote of Ayes, 6; Noes, 3 on September 27, 2005.

AS:ksm