



2007 ASSEMBLY BILL 721

January 24, 2008 - Introduced by Representatives VAN ROY, NYGREN, HAHN, MUSSER, WOOD, NELSON, F. LASEE, JESKEWITZ, NASS, SHILLING, LOTHIAN, SINICKI, TOWNSEND, BERCEAU, A. OTT, GUNDERSON, BIES, PETERSEN, KESTELL, TAUCHEN, A. WILLIAMS and TOLES, cosponsored by Senators LASSA, ROESSLER, TAYLOR, KEDZIE, A. LASEE, RISSER, OLSEN and HANSEN. Referred to Committee on Corrections and Courts.

1 **AN ACT** *to create* 138.25, 806.19 (5) and 806.19 (6) of the statutes; **relating to:**
2 satisfaction of a court judgment or debt and notification to a consumer reporting
3 agency.

Analysis by the Legislative Reference Bureau

Under current law, if a judgment debt is paid in full, the owner of the judgment, the judgment creditor, may notify the circuit court where the judgment is docketed that the judgment is satisfied. When the clerk of circuit court receives the notice of satisfaction, the clerk enters that satisfaction in the court case and enters the amount paid on the judgment and lien docket.

Under this bill, the clerk of circuit court is also required to enter a satisfaction of the judgment in the court case and enter the amount paid on the judgment and lien docket if the judgment debtor provides the clerk with a canceled check or money order for the full amount of the debt, endorsed by the judgment creditor or assignee, or a document that is proof of full payment by an electronic means to the judgment creditor or assignee.

The bill also requires a judgment creditor or assignee whose debt is paid in full, within 30 days after the amount is paid in full, to file with the clerk of circuit court a satisfaction of the judgment and to notify consumer reporting agencies of the payment in full. If the debt is not based on a court judgment, the bill requires a creditor to notify any consumer reporting agency that was notified of an existing debt, within 30 days after the debt's satisfaction, that the debt has been satisfied. Under the bill, the debtor or judgment debtor may recover his or her damages, court

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costs, attorney fees, and \$500 from a creditor, judgment creditor, or assignee who fails, without good cause, to comply with these requirements.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 138.25 of the statutes is created to read:

2 **138.25 Notification of debt satisfaction. (1)** In this section:

3 (a) “Creditor” means a person who has a claim against an individual, and
4 includes the creditor’s assignee.

5 (b) “Debtor” means an individual who owes a debt to a creditor.

6 (c) “Satisfied” means to pay a debt in full or the determination by the creditor
7 that no further payment is required on a debt.

8 **(2)** If a creditor notifies a consumer reporting agency, as defined in 15 USC
9 1681a (f), that a debtor owes a debt to that creditor, the debtor may bring an action
10 against the creditor if the creditor fails, within 30 days after the debt is satisfied, to
11 notify the consumer reporting agency that the debt is satisfied.

12 **(3)** If a court determines that a creditor failed, without good cause, to timely
13 notify the consumer reporting agency that a debt is satisfied, as required under sub.
14 (2), the court shall order the creditor to pay the debtor \$500, plus the debtor’s
15 damages, court costs and, notwithstanding s. 814.04 (1), reasonable attorney fees.

16 **SECTION 2.** 806.19 (5) of the statutes is created to read:

17 **806.19 (5)** The clerk of circuit court shall enter a satisfaction of judgment in the
18 court case and enter the amount paid in the judgement and lien docket at the request
19 of the judgment debtor if the judgment debtor provides the clerk of circuit court with
20 one of the following:

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1 (a) A canceled check, draft, or money order for the full amount of the judgment
2 written by the judgment debtor after the judgement was entered, payable to the
3 judgment creditor, or his or her assignee, and endorsed by the judgement creditor,
4 or his or her assignee.

5 (b) A document that is proof of payment by means of an electronic fund transfer
6 or credit card to the judgment creditor, or his or her assignee, issued after the
7 judgment was entered and for the full amount of the judgment.

8 (c) A cash receipt for the full amount of the judgment, completed after the
9 judgment was entered and signed by the judgment creditor, or his or her assignee.

10 **SECTION 3.** 806.19 (6) of the statutes is created to read:

11 806.19 (6) (a) In this subsection, "satisfied" means to pay a judgment debt in
12 full or the determination by the creditor that no further payment is required on a
13 judgment debt.

14 (b) Within 30 days after the amount of the judgment is satisfied, the judgement
15 creditor, or his or her assignee, shall do all of the following:

16 1. File with the clerk of circuit court an acknowledgement of satisfaction.

17 2. Notify the consumer reporting agencies, as defined in 15 USC 1681a (f), that
18 the amount of the judgment has been satisfied.

19 (c) Any judgement creditor, or his or her assignee, who, without good cause,
20 fails to comply with the requirements of par. (b) within the 30-day period is liable
21 to the judgment debtor for all damages resulting from that failure, plus \$500. In
22 addition, the court shall order the judgement creditor, or his or her assignee, to pay
23 the judgment debtor's court costs and, notwithstanding s. 814.04 (1), reasonable
24 attorney fees.

25 **SECTION 4. Initial applicability.**

