



## 2017 ASSEMBLY BILL 759

December 19, 2017 - Introduced by Representatives PETRYK, PRONSCHINSKE, KRUG, KULP, ROHRKASTE, KNODL, SPIROS, KOYENGA, BERNIER, BORN and TUSLER, cosponsored by Senator MOULTON. Referred to Committee on Jobs and the Economy.

- 1     **AN ACT** *to create* 409.109 (4) (n), chapter 420 and 421.202 (11) of the statutes;  
2             **relating to:** regulation of rental-purchase agreements and granting  
3             rule-making authority.

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### *Analysis by the Legislative Reference Bureau*

This bill creates requirements that specifically apply to rental-purchase agreements, imposes requirements on rental-purchase companies, and exempts rental-purchase companies and rental-purchase agreements from the Wisconsin Consumer Act (consumer act).

Under current law, a consumer credit transaction that is entered into for personal, family, or household purposes is generally subject to the consumer act. The consumer act grants consumers certain rights and remedies and contains notice and disclosure requirements and prohibitions relating to consumer credit transactions, including credit sales and consumer leases that have a term of more than four months. In addition, the consumer act applies to any other consumer lease, if the lessee pays or agrees to pay at least an amount that is substantially equal to the value of the leased property and if the lessee will become, or for not more than a nominal additional payment has the option to become, the owner of the leased property.

This bill defines a “rental-purchase agreement” as an agreement between a rental-purchase company and a lessee for the use of rental property if all of the following apply: 1) the rental property is to be used primarily for personal, family, or household purposes; 2) the agreement has an initial term of four months or less and is renewable with each payment after the initial term; 3) the agreement does not

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obligate or require the lessee to renew the agreement beyond the initial term; and 4) the agreement permits, but does not obligate, the lessee to acquire ownership of the rental property. For purposes of a rental-purchase agreement, "rental property" does not include motor vehicles or musical instruments used in schools. A "rental-purchase company" is defined as a person engaged in the business of entering into rental-purchase agreements in this state or acquiring rental-purchase agreements that are entered into in this state.

Under the bill, every rental-purchase agreement must contain certain provisions, including the following, to the extent applicable:

1. A description of the rental property.
2. The cash price of the rental property.
3. The total amount of the rental payments necessary to acquire ownership of the property.
4. The difference between the amount described under item 3., above, and the cash price of the rental property.
5. The total amount of the initial payment due when the rental-purchase agreement is executed or the rental property is delivered.
6. The rental payment necessary to renew the rental-purchase agreement.
7. An itemized description of any other charges or fees the rental-purchase company may charge upon the occurrence of a contingency specified in the rental-purchase agreement, such as late fees.
8. A statement of, and information related to, the lessee's early-purchase option.
9. A statement of the lessee's responsibility in the event of theft of or damage to the rental property.
10. A statement that, with certain exceptions, the rental-purchase company is required to service the rental property and maintain it in good working condition.
11. A statement that the lessee may terminate the rental-purchase agreement at any time, without penalty, by surrendering the rental property in good repair.
12. An explanation of the lessee's right to reinstate the rental-purchase agreement.
13. A statement that the lessee will not own the rental property until the lessee exercises an early-purchase option or makes all payments necessary to acquire ownership.

All required provisions of a rental-purchase agreement must be clearly and conspicuously disclosed to the lessee in the rental-purchase agreement in at least eight-point standard type, except for certain provisions that must be disclosed in at least ten-point boldface type. The bill also requires the rental-purchase company to provide the lessee, or one lessee if there are multiple lessees under the same agreement, with a copy of the executed rental-purchase agreement. The bill also includes certain disclosure requirements for property subject to a rental-purchase agreement if the property is not displayed or offered at a physical location that derives 50 percent or more of its revenues from rental-purchase agreements.

The bill also prohibits the inclusion of certain provisions in a rental-purchase agreement. The prohibited provisions include the following: 1) a confession of

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judgment; 2) a provision granting the rental-purchase company permission to enter the lessee's residence or commit a breach of the peace in repossessing the rental property; 3) a waiver of any defense or counterclaim or any provision of the bill's requirements; 4) a provision requiring rental payments totaling more than the total dollar amount of all rental payments necessary to acquire ownership; and 5) a provision requiring the lessee to purchase insurance from the rental-purchase company to insure the rental property.

The bill allows a rental-purchase company and lessee to contract for, and allows the rental-purchase company to charge a fee for, a liability damage waiver, but the fee may not exceed 10 percent of the periodic rental payment. The bill imposes various requirements with respect to such a liability damage waiver and specifies that the waiver is not insurance.

Under the bill, a lessee may reinstate a rental-purchase agreement that has ended without losing any rights or options previously acquired if all of the following apply: 1) the lessee voluntarily returned or surrendered the rental property within seven days after the expiration of the rental-purchase agreement; and 2) not more than 120 days have passed after the date on which the rental-purchase agreement ended. As a condition of reinstatement, the rental-purchase company may require the payment of all past-due rental charges, any applicable late fees, the rental payment for the next term, and a reinstatement fee not to exceed \$5 or \$8, depending on the circumstances. Upon reinstatement, the rental-purchase company must provide the lessee with the same rental property or with substitute property of comparable quality and condition.

Under the bill, a rental-purchase company must provide the lessee with a receipt for any payment made by the lessee in cash, or upon request, for any other type of payment. With certain exceptions, upon the request of a lessee, a rental-purchase company must also provide the lessee or a person the lessee designates with a copy of the lessee's payment history. The rental-purchase company may charge a fee if a lessee or designated person requests more than one copy in any 12-month period.

The bill creates requirements for advertising rental-purchase transactions. With certain exceptions, the bill requires a rental-purchase company to display a card or tag on or next to any property offered for rent, indicating whether the property is new or used and indicating the cash price of the property, the amount and timing of the rental payments, and the total number and total amount of all rental payments necessary to acquire ownership of the property. In addition, a rental-purchase company must ensure that an advertisement for a rental-purchase agreement that refers to the amount of a payment for a specific item of property also states that the advertisement is for a rental-purchase agreement and that the lessee does not acquire ownership of the property if the lessee fails to make all payments necessary to acquire ownership. The advertisement must also include the total number and total dollar amount of all rental payments necessary to acquire ownership of the property.

Under the bill, a rental-purchase company that violates any of the provisions of the bill, or any applicable rule or order of the Department of Financial Institutions,



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1 the rental property in full on the date on which the rental-purchase agreement is  
2 executed.

3 (2) "Department" means the department of financial institutions.

4 (3) "Displayed or offered primarily for rental-purchase," with respect to rental  
5 property, means rental property displayed or offered at a physical location that  
6 derives 50 percent or more of its revenues from rental-purchase agreements.

7 (4) "Rental property" means property rented under a rental-purchase  
8 agreement but does not include any motor vehicle, as defined in s. 340.01 (35), or any  
9 musical instrument that is intended to be used in whole or in part in an elementary  
10 school or high school.

11 (5) "Rental-purchase agreement" means an agreement between a  
12 rental-purchase company and a lessee for the use of rental property if all of the  
13 following apply:

14 (a) The rental property is to be used primarily for personal, family, or household  
15 purposes.

16 (b) The agreement has an initial term of 4 months or less and is renewable with  
17 each payment after the initial term.

18 (c) The agreement does not obligate or require the lessee to renew the  
19 agreement beyond the initial term.

20 (d) The agreement permits, but does not obligate, the lessee to acquire  
21 ownership of the rental property.

22 (6) "Rental-purchase company" means a person engaged in the business of  
23 entering into rental-purchase agreements in this state or acquiring rental-purchase  
24 agreements that are entered into in this state.

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1           **420.02 General requirements of disclosure. (1)** FORM, LOCATION, SIZE, AND  
2 TIME OF DISCLOSURE. The information that is required to be disclosed under s. 420.03  
3 shall satisfy all of the following:

4           (a) The information shall be clearly and conspicuously disclosed.

5           (b) The information shall be disclosed in writing.

6           (c) Except as provided in par. (f), the information shall be disclosed in the  
7 rental-purchase agreement above the line for the lessee's signature. Multiple pages  
8 or backs of pages may be used as long as the final page of the rental-purchase  
9 agreement is signed by the lessee and other pages are signed or initialed by the  
10 lessee.

11           (d) Except as provided in par. (f), the information shall be disclosed in not less  
12 than 8-point standard type.

13           (e) The information shall be disclosed before the time that the lessee becomes  
14 legally obligated under the rental-purchase agreement.

15           (f) The disclosures required by s. 420.03 (2), (3), (4), and (5) shall be printed in  
16 at least 10-point boldface type on the face of the rental-purchase agreement, and  
17 shall be grouped together in a box, in the form and order prescribed by the  
18 department.

19           **(2) ACCURACY OF DISCLOSURE.** The information required under s. 420.03 must  
20 be accurate as of the time that it is disclosed to the lessee. If any information  
21 subsequently becomes inaccurate as a result of any act, occurrence, or agreement by  
22 the lessee, the resulting inaccuracy is not a violation of any provision of this chapter  
23 relating to rental-purchase agreements.

24           **(3) COPY OF RENTAL-PURCHASE AGREEMENT.** The rental-purchase company shall  
25 provide the lessee with a copy of the completed rental-purchase agreement signed

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1 by the lessee. If more than one lessee is legally obligated under the same  
2 rental-purchase agreement, delivery of a copy of the completed rental-purchase  
3 agreement to one of the lessees shall satisfy this subsection.

4 **420.03 Required provisions of rental-purchase agreement.** A  
5 rental-purchase company shall include all of the following information, to the extent  
6 applicable, in every rental-purchase agreement:

7 (1) DESCRIPTION. A brief description of the rental property, sufficient to identify  
8 the rental property to the lessee and the rental-purchase company, including any  
9 identification number, and a statement indicating whether the rental property is  
10 new or used. A statement that new rental property is used shall not be a violation  
11 of this chapter.

12 (2) CASH PRICE. The cash price of the rental property.

13 (3) RENTAL PAYMENTS TO ACQUIRE OWNERSHIP. The total number, total dollar  
14 amount, and timing of all rental payments necessary to acquire ownership of the  
15 rental property, excluding any applicable taxes, application or processing charge,  
16 delivery fee, liability damage waiver fee, and fees for optional services.

17 (4) COST OF RENTAL SERVICES. The difference between the total dollar amount  
18 of payments necessary to acquire ownership of the rental property disclosed under  
19 sub. (3) and the cash price of the property disclosed under sub. (2). The  
20 rental-purchase company shall also include a statement substantially similar to the  
21 following: "The cost of rental services is the amount you will pay in addition to the  
22 cash price if you acquire ownership of the rented goods by making all payments  
23 necessary to acquire ownership."

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1           **(5) PERIODIC RENEWAL PAYMENT.** The rental payment necessary to renew the  
2 rental-purchase agreement, not including any applicable taxes and fees for optional  
3 services to which the lessee agrees.

4           **(6) INITIAL PAYMENT.** The total amount of the initial payment to be made by the  
5 lessee at the time that the rental-purchase agreement is executed or the rental  
6 property is delivered, including the initial rental payment, any application or  
7 processing charge, any delivery fee, and fees for other optional services to which the  
8 lessee agrees.

9           **(7) OTHER CHARGES.** An itemized description of any other charges or fees that  
10 the rental-purchase company may charge upon the occurrence of a contingency  
11 specified in the rental-purchase agreement, such as late fees.

12           **(8) SUMMARY OF EARLY-PURCHASE OPTION.** A statement that the lessee has an  
13 early purchase option to purchase the property at any time during the period that  
14 the rental-purchase agreement is in effect. The statement must specify the price or  
15 the formula or other method for determining the price at which the property may be  
16 purchased.

17           **(9) RESPONSIBILITY FOR THEFT OR DAMAGE.** A statement that, unless otherwise  
18 agreed, in the event the rental property is stolen, damaged, or destroyed while in the  
19 possession of, or subject to the control of, the lessee, the lessee is responsible for an  
20 amount equal to the lesser of the amount required to exercise the early-purchase  
21 option as provided in sub. (8) or 55 percent of the scheduled remaining periodic  
22 payments, but in no event in an amount greater than the cash price.

23           **(10) SERVICE AND WARRANTY.** A statement that, during the term of the rental-  
24 purchase agreement, the rental-purchase company is required to service the rental  
25 property and maintain it in good working condition, as long as no other person has

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1 serviced the rental property. In lieu of servicing the rental property, the  
2 rental-purchase company may, at its option, replace the rental property with  
3 substitute property of comparable quality and condition. The rental-purchase  
4 company's obligation to provide service is limited to defects in the property not  
5 caused by improper use or neglect by the lessee or harmful conditions outside the  
6 control of the rental-purchase company or manufacturer.

7 **(11) TERMINATION AT OPTION OF LESSEE.** A statement that the lessee may  
8 terminate the agreement at any time without penalty by voluntarily surrendering  
9 or returning the rental property in good repair.

10 **(12) RIGHT TO REINSTATE.** A brief explanation of the lessee's right to reinstate  
11 a rental-purchase agreement under s. 420.06.

12 **(13) RENTAL, NOT PURCHASE.** A statement reading substantially as follows: "You  
13 are renting this property. You will not own the property until you make all payments  
14 necessary to acquire ownership or until you exercise your early-purchase option. If  
15 you do not make your payments as scheduled or exercise your early-purchase option,  
16 the rental-purchase company is entitled to immediate possession of the property."

17 **(14) INFORMATION ABOUT RENTAL-PURCHASE COMPANY AND LESSEE.** The names of  
18 the rental-purchase company and the lessee, the rental-purchase company's  
19 business address and telephone number, the lessee's address, and the date on which  
20 the rental-purchase agreement is executed.

21 **(15) OPTIONAL SERVICES.** Space for a specific, separately signed or initialed,  
22 affirmative, written indication of the lessee's desire for any optional service for which  
23 a charge is assessed. The lessee's request must be obtained after a written disclosure  
24 of the cost of the optional service is made, and the disclosure of the cost and purpose  
25 of such service must be listed at or near the affirmation space. This requirement is

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1 satisfied by a separate written agreement for an optional service that meets the  
2 requirements of this subsection.

3 **420.04 Prohibited provisions of rental-purchase agreements.** A  
4 rental-purchase agreement may not contain any of the following:

5 (1) CONFESSIOIN. A confession of judgment.

6 (2) REPOSSESSION. A provision authorizing a rental-purchase company, or an  
7 agent of the rental-purchase company, to enter the lessee's residence without the  
8 lessee's permission, or to commit a breach of the peace in the repossession of rental  
9 property provided by the rental-purchase company under the rental-purchase  
10 agreement.

11 (3) WAIVER. A waiver of a defense or counterclaim, a waiver of any right to  
12 assert any claim that the lessee may have against the rental-purchase company or  
13 an agent of the rental-purchase company, or a waiver of any provision of this chapter  
14 relating to rental-purchase agreements.

15 (4) OVERPAYMENT. A provision requiring rental payments totaling more than  
16 the total dollar amount of all rental payments necessary to acquire ownership, as  
17 disclosed in the rental-purchase agreement.

18 (5) INSURANCE. A provision requiring the lessee to purchase insurance from the  
19 rental-purchase company to insure the rental property.

20 **420.05 Disclosures for certain rental-purchase agreements. (1)**  
21 DISCLOSURE FOR PROPERTY NOT DISPLAYED OR OFFERED PRIMARILY FOR RENTAL-PURCHASE.  
22 When property that is not displayed or offered primarily for rental-purchase is  
23 offered for rental-purchase, all of the following shall be separately disclosed prior to  
24 displaying or presenting a rental-purchase agreement to a lessee for execution:

25 (a) The cash price of the property.

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1 (b) The amount of the periodic renewal payment.

2 (c) The total dollar amount of all periodic rental payments necessary to acquire  
3 ownership if the lessee makes all scheduled payments.

4 **(2) ADDITIONAL DISCLOSURES FOR PROPERTY NOT DISPLAYED OR OFFERED PRIMARILY**  
5 **FOR RENTAL-PURCHASE.** In addition to the disclosures required by s. 420.03, if the  
6 property that is the subject of a rental-purchase agreement was not displayed or  
7 offered primarily for rental-purchase prior to the rental-purchase transaction, all  
8 of the following additional disclosures shall be made on a separate page titled  
9 “Acknowledgment of Rental-Purchase Transaction” and signed by the lessee:

10 (a) The agreement is a rental-purchase agreement and the lessee does not own  
11 the property, but can obtain ownership by using ownership options provided in the  
12 agreement.

13 (b) The agreement is not a credit transaction.

14 (c) The lessee has the right to return the property to the lessor without  
15 additional charge or penalty at any time and will owe nothing further except unpaid  
16 rental charges and fees.

17 (d) If the lessee returns the property, the agreement offers reinstatement rights  
18 that allow the lessee to get the property back if the lessee has complied with the  
19 agreement and the law.

20 (e) The lessee has reviewed and understands the agreement, including the  
21 purchase option rights and the total cost if all scheduled payments are made.

22 **420.06 Reinstatement of a rental-purchase agreement. (1)**

23 REINSTATEMENT GENERALLY. Subject to sub. (2), a lessee may reinstate a  
24 rental-purchase agreement that has ended without losing any rights or options  
25 previously acquired if all of the following apply:

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1 (a) The lessee voluntarily returned or surrendered the rental property within  
2 7 days after the expiration of the rental-purchase agreement.

3 (b) Not more than 120 days have passed after the date on which the  
4 rental-purchase agreement ended.

5 **(2) AUTHORIZED CONDITIONS ON REINSTATEMENT.** As a condition of reinstatement  
6 under sub. (1), the rental-purchase company may require the payment of all  
7 past-due rental charges, any applicable late fees, the rental payment for the next  
8 term and a reinstatement fee not to exceed \$8 for agreements renewed on a monthly  
9 basis or \$5 for agreements renewed more frequently than monthly.

10 **(3) EFFECT OF REPOSSESSION ON REINSTATEMENT.** Subject to s. 420.04 (2), nothing  
11 in this section prohibits a rental-purchase company from repossessing or attempting  
12 to repossess rental property when a rental-purchase agreement is not renewed, but  
13 such efforts do not affect the lessee's right to reinstate as long as the rental property  
14 is voluntarily returned or surrendered within 7 days after the rental-purchase  
15 agreement expires.

16 **(4) PROPERTY AVAILABLE UPON REINSTATEMENT.** Upon reinstatement, the  
17 rental-purchase company shall provide the lessee with the same rental property, if  
18 the property is available and is in the same condition as when it was returned to the  
19 rental-purchase company, or with substitute property of comparable quality and  
20 condition.

21 **420.07 Receipts and statements. (1) RECEIPTS.** A rental-purchase company  
22 shall provide a written receipt to the lessee for any payment made by the lessee in  
23 cash or, upon the request of the lessee, for any other type of payment.

24 **(2) STATEMENT DUE TO LESSEE.** Subject to sub. (4), upon the request of a lessee,  
25 a rental-purchase company shall provide a written statement to the lessee showing

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1 the lessee's payment history on each rental-purchase agreement between the lessee  
2 and the rental-purchase company. A rental-purchase company is not required to  
3 provide a statement covering any rental-purchase agreement that ended more than  
4 one year prior to the date of the lessee's request. A rental-purchase company may  
5 provide a single statement covering all rental-purchase agreements or separate  
6 statements for each rental-purchase agreement, at the rental-purchase company's  
7 option.

8 (3) STATEMENT DUE TO OTHER PARTIES. Subject to sub. (4), upon the written  
9 request of a lessee, made during the term of or no later than one year after the  
10 rental-purchase agreement ended, a rental-purchase company shall provide a  
11 written statement to any person the lessee designates, showing the lessee's payment  
12 history under the rental-purchase agreement.

13 (4) FEE FOR STATEMENT. A lessee or, if appropriate, a lessee's designee, is entitled  
14 to receive one statement under subs. (2) and (3) without charge once every 12  
15 months. A rental-purchase company shall provide an additional statement if the  
16 lessee pays the rental-purchase company's reasonable costs of preparing and  
17 furnishing the statement.

18 **420.08 Liability damage waiver. (1) WAIVER PERMISSIBLE.** A  
19 rental-purchase company and a lessee may contract for a liability damage waiver.  
20 A rental-purchase company may charge a periodic fee for a liability damage waiver  
21 in an amount not to exceed 10 percent of the periodic rental payment.

22 (2) REQUIREMENTS FOR WAIVER. A rental-purchase company may not sell a  
23 liability damage waiver unless all of the following apply:

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1 (a) The contract containing the waiver is provided to the lessee in writing,  
2 either by incorporating it into the rental-purchase agreement or by providing it as  
3 a separate document.

4 (b) The face of the writing under par. (a) clearly discloses that the lessee is not  
5 required to purchase the waiver.

6 (c) The contract clearly discloses the dollar amount of the fee to be paid with  
7 each rental payment.

8 (d) The lessee expressly agrees to the waiver in writing.

9 **(3) SCOPE OF WAIVER.** The liability damage waiver may exclude only loss or  
10 damage to the property that is the subject of the rental-purchase agreement caused  
11 by moisture, scratches, mysterious disappearance, vandalism, abandonment of the  
12 property, or any other damage intentionally caused by the lessee or that results from  
13 the lessee's willful or wanton misconduct.

14 **(4) WAIVER CANCELLATION.** The lessee is entitled to cancel the waiver at the end  
15 of any rental term.

16 **(5) WAIVER IS NOT INSURANCE.** A liability damage waiver is not insurance.

17 **420.09 Advertising disclosure required.** If an advertisement for a  
18 rental-purchase agreement states the amount of a payment for a specific item of  
19 property, the advertisement shall also clearly and conspicuously state all of the  
20 following:

21 **(1)** That the transaction advertised is a rental-purchase agreement.

22 **(2)** The total number and total dollar amount of all rental payments necessary  
23 to acquire ownership of the property.

24 **(3)** That the lessee does not acquire ownership of the property if the lessee fails  
25 to make all payments necessary to acquire ownership of the property.

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1           **420.10 Price cards displayed. (1) PRICE CARDS GENERALLY.** Except as  
2 provided in sub. (2), a card or tag that clearly and conspicuously states all of the  
3 following shall be displayed on or next to any property displayed or offered by a  
4 rental-purchase company for rent under a rental-purchase agreement:

5           (a) The cash price that a lessee would pay to purchase the property.

6           (b) The amount and timing of the rental payments.

7           (c) The total number and total amount of all rental payments necessary to  
8 acquire ownership of the property under a rental-purchase agreement.

9           (d) Whether the property is new or used.

10           **(2) EXCEPTIONS.** If property is offered for rent under a rental-purchase  
11 agreement through a catalog, whether print or electronic, or if the size of the property  
12 is such that displaying a card or tag on or next to the property would be impractical,  
13 a rental-purchase company may make the disclosures required under sub. (1) in a  
14 catalog, list, or disclosure sheet if the catalog, list, or disclosure sheet is readily  
15 available to prospective lessees and provided upon request.

16           **420.11 Rule making.** The department may promulgate rules to administer  
17 and enforce the requirements of this chapter.

18           **420.12 Penalties. (1) AWARD OF DAMAGES.** Subject to sub. (3), a  
19 rental-purchase company that violates any provision of this chapter, rule  
20 promulgated under this chapter, or order issued under this chapter pertaining to a  
21 lessee is liable to the lessee in an amount equal to the greater of the following:

22           (a) The actual damages sustained by the lessee as a result of the violation.

23           (b) If the action is not brought as a class action, 25 percent of the total payments  
24 necessary for the lessee to acquire ownership of the rental property, but not less than  
25 \$100 nor more than \$1,000.

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1 (c) If the action is brought as a class action, the amount the court determines  
2 to be appropriate, subject to sub. (2).

3 (2) DAMAGE LIMITATIONS IN CLASS ACTIONS. The total recovery by all lessees in  
4 any class action or series of class actions arising out of the same violation may not  
5 be more than the lesser of \$500,000 or 1 percent of the net worth of the  
6 rental-purchase company. In determining the amount of any award in a class action,  
7 the court shall consider, among other relevant factors, the amount of actual damages  
8 awarded, the frequency and persistence of the violation, the rental-purchase  
9 company's resources, and the extent to which the rental-purchase company's  
10 violation was intentional.

11 (3) UNINTENTIONAL VIOLATIONS. A rental-purchase company is not liable for any  
12 violation of this chapter if the rental-purchase company shows by a preponderance  
13 of the evidence that the violation was not intentional and resulted from a bona fide  
14 error, and the rental-purchase company maintained procedures reasonably adapted  
15 to avoid such an error.

16 (4) COSTS AND ATTORNEY FEES. If a court awards any monetary amount under  
17 sub. (1) to a lessee, the rental-purchase company shall also be liable to the lessee for  
18 the costs of the action and, notwithstanding s. 814.04 (1), for reasonable attorney fees  
19 as determined by the court.

20 **420.13 Inapplicability of Consumer Act and ch. 409.** A rental-purchase  
21 agreement that complies with this chapter is not subject to the Wisconsin Consumer  
22 Act, chs. 421 to 427, or any related rule or order adopted under chs. 421 to 427, or to  
23 any provision of ch. 409, and any such rental-purchase agreement shall not be  
24 construed or regulated as a security interest, credit sale, retail installment sale,

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1 conditional sale, or any other form of consumer credit, nor considered to be the  
2 creation of a debt or extension of credit.

3 **SECTION 3.** 421.202 (11) of the statutes is created to read:

4 421.202 (11) Rental-purchase agreements entered into by a rental-purchase  
5 company in compliance with ch. 420.

6 **SECTION 4. Initial applicability.**

7 (1) This act first applies to rental-purchase agreements, and conduct pursuant  
8 to those agreements, that are entered into on the effective date of this subsection.

9 **SECTION 5. Effective date.**

10 (1) This act takes effect on the 90th day after publication.

11 (END)