CHAPTER 429

MOTOR VEHICLE CONSUMER LEASES

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SUBCHAPTER I

GENERAL PROVISIONS

429.101 Title. This chapter may be cited as the Wisconsin motor vehicle consumer lease act.

History: 1995 a. 329.

429.102 Applicable law. (1) To the extent that ss. 218.0101 to 218.0163 and chs. 411 and 421 to 427 are inconsistent with this chapter, the provisions of this chapter shall apply.

(2) Unless superseded by the particular provisions of this chapter, parties to a motor vehicle consumer lease have all of the obligations, duties, rights and remedies provided in ss. 218.0101 to 218.0163 and chs. 411 and 421 to 427 that apply to the transaction.

History: 1995 a. 329; 1999 a. 31.

429.103 Construction against implied repeal. This chapter being a general act intended as a unified coverage of its subject matter, no part of this chapter shall be construed to be impliedly repealed by subsequent legislation if such construction can reasonably be avoided.

History: 1995 a. 329.

429.104 Definitions. In this chapter:

(1) "Adjusted capitalized cost" means the amount computed by subtracting from capitalized cost any capitalized cost reduction, for the purpose of determining the base periodic payment.

(2) "Average periodic depreciation" means the adjusted capitalized cost, after first subtracting the residual value, divided by the number of payment periods under the consumer lease or, for a single−payment lease, the number of months in the term of the lease.

(3) "Average periodic rent charge" means the rent charge for the scheduled term of the consumer lease divided by the number of payment periods under the consumer lease or, for a single−payment lease, the number of months in the term of the lease.

(3m) "Balance subject to a rent charge" means:

(a) In the case of a lease other than a single−payment lease, the amount calculated by subtracting from the adjusted capitalized cost the sum of the first base periodic payment and all depreciation amounts accrued during any preceding payment periods.

(b) In the case of a single−payment lease, the amount calculated by subtracting the total rent charge from the sum of the residual value and all rent charges accrued during any preceding computational periods.

(4) "Base periodic payment" means an amount determined as follows:

(a) With respect to a single−payment lease, the product of the number of months in the scheduled term of the lease multiplied by the sum of the average periodic rent charge and the average periodic depreciation.

(b) With respect to a lease other than a single−payment lease, the sum of the average periodic rent charge and the average periodic depreciation.

(6) "Capitalized cost reduction" means the sum, at the time of inception of the consumer lease, of any payments made by cash, check, rebates or the like that constitute a downpayment made by the lessee and the net amount credited by the lessor for any trade−in. The term does not include any base periodic payments due at the inception of the consumer lease.

(7) "Conspicuous" means that the term or clause is so written as to be distinguished from other terms or clauses by type size or in some other manner. The term includes any writing in at least 10−point boldface type.

(9) "Consumer lease" or "lease" means a lease entered into in this state that transfers the right of possession and use by a natural person of a motor vehicle primarily for a personal, family, household or agricultural purpose, for a period of time exceeding 4 months, if the total lease obligation, excluding any option to purchase or otherwise become owner of the motor vehicle at the expiration of the consumer lease, does not exceed $25,000. The term does not include a credit sale, as defined under 12 CFR 226.2 (a)(16).

(10) "Early termination" means termination of a consumer lease before the termination date set forth in the consumer lease.

(11) "Federal consumer leasing act" means the federal consumer leasing act, as amended, 15 USC 1667−1667e, and regulations issued under that act.

(12) "Gap amount" means the difference between the amount to be paid by the lessee under the consumer lease in the event of total loss or destruction of the leased vehicle prior to expiration of the lease term by theft, physical damage, or other occurrence specified in the lease, and the actual cash value or portion thereof received by the lessor from insurance proceeds or from any other person on account of the total loss or destruction of the motor vehicle. The term does not include any deductible amount under any applicable insurance policy maintained by the lessee, any past−due payments owed by the lessee at the time of receipt by the lessor of the actual cash value or portion thereof from insurance proceeds or from any other person, or any other amount due under the lease resulting from default by the lessee.

(13) "Gap protection" means any of the following:

(a) A provision in a consumer lease under which the lessor agrees, for a charge, to waive the gap amount.

(b) Insurance coverage that provides that another person is liable for the gap amount.

(13m) "Gross capitalized cost" means the sum of all amounts capitalized in the consumer lease that, after subtracting the capitalized cost reduction, amortizes to the residual value by the

depreciation portion of the periodic lease payments over the scheduled term of the lease or, for a single−payment lease, the single payment. These amounts may include taxes; fees for registration, license, acquisition, administration and assignment; other fees; charges for insurance, service contracts and extended warranties; and charges for a waiver of the contractual obligation to pay the gap amount, for accessories and their installation, for other services and benefits incidental to the consumer lease, and for delivering, servicing, repairing or improving the vehicle. With respect to a vehicle or other property traded in connection with a consumer lease, the term may include the outstanding unpaid balance of the amount financed under a consumer loan, as defined in s. 421.301 (12), or a retail installment contract, as defined in s. 218.0101 (32), or the unpaid balance of any early termination costs under a lease or other obligation of the lessee. The term does not include any rent charge.

(14) "Group credit insurance" means group credit life insurance, group credit accident insurance, group credit accident and health insurance, group disability insurance or group credit unemployment insurance.

(15) "Holder" means, with respect to a consumer lease, the lessor and, upon assignment of the lease, the assignee for the period of assignment. The term does not include a pledgee of a consumer lease or the owner or beneficiary of an interest in a trust that owns consumer leases.

(17) "Lessee" means a natural person who leases a motor vehicle from a lessor under a consumer lease.

(18) "Lessor" means a person regularly engaged in the business of leasing or selling vehicles who leases a motor vehicle to a lessee under a consumer lease.

(19) "Motor vehicle" has the meaning given in s. 218.0101 (22).

(20) "Periodic" means weekly, monthly, quarterly or any other period of time specified in a consumer lease.

(21) "Prospective lessee" means a natural person who enters into a prelease agreement under s. 218.0144 with a prospective lessor, or who otherwise intends to become a lessee.

(21m) "Prospective lessor" means a person regularly engaged in the business of leasing or selling vehicles who enters into a prelease agreement under s. 218.0144 with a prospective lessee, or who otherwise intends to become a lessor.

(22) "Realized value" means, with respect to any motor vehicle leased under a consumer lease that is terminated before the expiration date, the value determined under s. 429.206.

(23) "Renegotiation" means the satisfaction and replacement of an existing consumer lease by a new consumer lease between the same parties, including an assignee of the lessor. The term does not include a deferral or extension of any periodic lease payments or portions thereof not exceeding 6 months in the aggregate, a satisfaction and replacement of a consumer lease involving a court proceeding or the settlement of a dispute, or any other action that does not constitute a renegotiation under the federal consumer leasing act.

(23m) "Rent charge" means the sum of all charges payable by the lessee for the privilege of making the scheduled lease payments under a consumer lease. The term does not include gross capitalized cost.

(24) "Residual value" means the estimated value of the leased vehicle at the expiration of the lease term that is used in the consumer lease to determine the depreciation portion of the base periodic payment.

(25) "Single−payment lease" means a consumer lease that requires only one payment, to be paid at the time of consummation of the lease.

(26) "Total lease obligation" means the sum of all of the following:

(a) All scheduled periodic payments under the lease.

(b) Capitalized cost reduction.

History: 1995 a. 329; 1997 a. 48; 1999 a. 31.

SUBCHAPTER II

DISCLOSURES; LIMITATIONS ON AGREEMENTS AND PRACTICES

429.201 Prelease availability of consumer lease form. A lessor shall, upon request of a prospective lessee, make readily available a blank sample of its current consumer lease form for examination by the prospective lessee before execution of the consumer lease.

History: 1995 a. 329.

429.202 Advance payment or trade−in; refund or return. (1) If a prospective lessee has made an advance payment or surrendered possession of a vehicle to a prospective lessor as a trade−in pending the execution of a consumer lease, the prospective lessee shall have the right, if the application for the consumer lease is not approved, to receive a prompt refund of the advance payment and, if applicable, to have the trade−in vehicle promptly returned. If a prospective lessor takes possession of a trade−in vehicle under this subsection, the prospective lessor may not sell, offer for sale, lease, transfer or otherwise dispose of the vehicle in any manner until execution of the consumer lease or, except for return of the vehicle to the prospective lessee, disapproval of the consumer lease application.

(2) This section does not apply to the sale of a vehicle by a prospective lessee to a prospective lessor under a separate contract of sale if the contract of sale is executed prior to execution of the consumer lease between the parties, gives the date of sale and is signed by both parties. Any contract of sale under this subsection shall provide for all of the following:

(a) That the contract price establishes the value of the vehicle to be credited against the amount due from the lessee at the consummation of the lease or, if the parties fail to execute a consumer lease, the amount due the prospective lessee for the vehicle.

(b) That the prospective lessee agrees to leave the contract price on deposit with the prospective lessor pending the execution of a consumer lease between the parties with respect to a motor vehicle to be ordered from a manufacturer, including a motor vehicle not yet in production as of the date of sale.

(c) That the prospective lessee shall be entitled to payment of the contract price from the prospective lessor no later than 75 days after the date of sale, unless the parties have executed a consumer lease or the prospective lessee has already received such payment.

History: 1995 a. 329.

429.203 Requirements of a consumer lease. (1) A consumer lease shall be in writing and signed by the lessor and the lessee.

(2) Except as otherwise provided in this subsection, the printed portion of a consumer lease, other than instructions for its completion, shall be in at least 8−point type. The consumer lease shall contain all of the following printed in a conspicuous manner:

(a) At the top of the consumer lease, the words "MOTOR VEHICLE LEASE AGREEMENT" in at least 10−point type.

(b) 1. Except as provided in subd. 2., if no liability insurance for bodily injury or property damage is provided for under the consumer lease, a notice in substantially the following language in bold−faced capital letters of not less than 10−point type: "NO LIABILITY INSURANCE FOR BODILY INJURY OR PROPERTY DAMAGE IS INCLUDED IN THIS LEASE."

2. The notice required under subd. 1. may be provided on a separate document delivered to the prospective lessee not later than the time of execution of the consumer lease.

(2m) Every writing evidencing the customer's obligation to pay under a motor vehicle consumer lease shall contain immedi-

ately above or adjacent to the place for the signature of the customer, a conspicuous, printed or typewritten notice in substantially the following language:

NOTICE TO LESSEE

(a) THIS IS A MOTOR VEHICLE LEASE AGREEMENT. YOU HAVE NO OWNERSHIP RIGHTS IN THE MOTOR VEHICLE UNLESS THIS LEASE CONTAINS A PURCHASE OPTION AND YOU EXERCISE YOUR OPTION TO PURCHASE THE MOTOR VEHICLE.

(b) DO NOT SIGN THIS LEASE BEFORE YOU READ IT, INCLUDING ANY WRITING ON THE REVERSE SIDE.

(c) DO NOT SIGN THIS IF IT CONTAINS ANY BLANK SPACES.

(d) YOU ARE ENTITLED TO A COMPLETED COPY OF THIS LEASE WHEN YOU SIGN IT.

(3) The consumer lease shall contain all disclosures required by the federal consumer leasing act and any of the following disclosures that are not disclosed in the same or substantially similar disclosures under the federal consumer leasing act:

(a) The gross capitalized cost, using the term "gross capitalized cost", and an explanation of the term in substantially the following language: "The gross capitalized cost is the agreed−upon value of the vehicle ($.... [insert the agreed−upon value of the vehicle]) and any items that you pay over the lease term (such as service contracts, insurance and any outstanding prior credit or lease balance)."

(b) Any capitalized cost reduction, using the term "capitalized cost reduction", and an explanation of the term in substantially the following language: "The capitalized cost reduction is the amount of any net trade−in allowance, rebate, noncash credit or cash that you pay that reduces the gross capitalized cost."

(c) The adjusted capitalized cost, using the term "adjusted capitalized cost", and an explanation of the term, as applicable, in substantially the following language: "The adjusted capitalized cost is the amount that is used in calculating your base periodic payment."

(d) The residual value of the leased vehicle, using the term "residual value", and an explanation of the term in substantially the following language: "The residual value is the value of the vehicle at the end of the lease used in calculating your base periodic payment."

(e) A statement determined as follows:

1. With respect to a single−payment lease, a statement of the rent charge included in the single payment and a separate statement of the depreciation portion of the single payment.

2. With respect to a lease other than a single−payment lease, a statement of the rent charge included in the total of the periodic payments and a separate statement of the depreciation portion of the total of the periodic payments.

(fm) A statement on early termination of the consumer lease in substantially the following language: "Early termination. You may have to pay a substantial charge if you end this consumer lease early. The charge may be up to several thousand dollars. The actual charge will depend on when the lease is terminated. The earlier you end the lease, the greater the charge is likely to be."

(g) The standards to be applied by the holder in determining the excess wear and damage to the leased vehicle for which the lessee shall be held liable. These standards shall comply with the federal consumer leasing act.

(h) Any disclosure required under sub. (2m).

(4) The consumer lease shall contain the names of the lessor and the lessee; the place of business of the lessor; the place of business or residence of the lessee, as specified by the lessee; and the year, make, model and, if known, serial or identification number of the motor vehicle.

(5) The lessor shall deliver to the lessee a completed copy of the consumer lease signed by both parties. Any acknowledgement of delivery of a copy of the consumer lease by the lessee shall be conspicuous and appear above the space reserved for the signature of the lessee.

(6) (a) Any motor vehicle insurance policy covering the leased vehicle for which a charge is included in the consumer lease shall be issued by an insurer authorized to transact business in this state.

(b) 1. The lessor shall advise the lessee in writing at the time the lease is entered into that the lessee has the right to do any of the following:

a. Purchase a motor vehicle insurance policy covering the loss of or damage to the leased vehicle and liability arising out of the ownership, maintenance or use of the leased vehicle from any insurer authorized to issue motor vehicle insurance policies in this state and through any agent currently licensed under ch. 628.

b. Substitute for an existing motor vehicle insurance policy any other policy with similar coverage issued by any other insurer or sold by any other agent meeting the qualifications specified in subd. 1. a. at any time during the lease term.

2. If the lessee purchases a motor vehicle insurance policy under subd. 1., the lessor may agree to pay the premiums and to amortize the cost of the premiums over the lease term, or over such portion of the lease term as the parties may agree.

3. If the lessee provides to the lessor satisfactory proof that the lessee has purchased a motor vehicle insurance policy that includes the coverages and limits required by the lease, the lessor may not charge the lessee for insurance covering the leased vehicle except as the parties have agreed under subd. 2.

4. The lessor may require the lessee to have the lessor included on the policy as an additional insured and loss payee and to provide the lessor with a copy of the policy.

(c) If the lessee does not purchase, maintain in force and provide satisfactory proof of insurance against loss of or damage to the leased vehicle and against liability arising out of the ownership, maintenance or use of the leased vehicle, the lessor may purchase motor vehicle insurance to protect the lessor's interest in the leased vehicle and against the lessor's liability arising out of the ownership, maintenance or use of the leased vehicle. The lessor may include the cost of such insurance in the rent charge.

(7) A holder may purchase or sell, or otherwise acquire or transfer, an interest in a consumer lease or a motor vehicle subject to a consumer lease, on such terms and conditions as may be mutually agreed upon by the parties to the sale, transfer or acquisition. No filing of the sale, transfer or acquisition, or any requirement that the holder be deprived of any payments due with respect to the consumer lease or, if subject to replevin or otherwise returned to the holder, the motor vehicle, shall be necessary to the validity of any written bill of sale or other instrument of transfer of the interest in a consumer lease as against creditors, subsequent purchasers, pledges, encumbrancers, mortgagees, successors or assigns.

(8) (a) Upon written request from a lessee, the holder shall give or forward to the lessee a written statement that specifies, without regard to realized value, the projected obligation that the lessee will incur in the event of early termination of the consumer lease.

(b) No charge may be imposed for the preparation of one statement under par. (a) in a 12−month period. A holder may impose a reasonable charge, not exceeding $20 per statement, for the preparation of a 2nd or subsequent statement under par. (a) in a 12−month period, if the charge has been disclosed to the lessee either orally or in writing prior to preparation of a statement under this paragraph.

(9) A holder is not required to pay interest on any security deposit under the consumer lease.

(10) Any provision of a consumer lease in violation of this chapter is void and unenforceable, but shall not affect the validity of any other provision of the consumer lease.

History: 1995 a. 329; 1997 a. 48.

429.204 Gap amount; notice; waiver. (1) If a consumer lease provides that the lessee is responsible for any or all of the gap amount, the consumer lease shall conspicuously disclose this fact, using the term "gap amount". The acceptance of a consumer lease may not be conditioned upon the lessee's agreement to gap protection.

(2) A lessor may waive any right under the consumer lease to hold a lessee liable for any or all of the gap amount. The consumer lease may contain a separate charge for the waiver under this subsection if the charge is conspicuously disclosed to the lessee, and the consumer lease also contains a conspicuous notice stating that, for such separate charge, the lessor agrees to waive such contractual right and that, in lieu of such separate charge, the lessee may purchase insurance from an insurer authorized to transact business in this state insuring the lessee for any or all of the gap amount. A waiver under this subsection without a separate charge may not be considered insurance on property.

(3) A lessor's waiver under sub. (2) may be conditioned upon payment of any of the following:

(a) The separate charge, if any, for the waiver.

(b) All amounts due under the consumer lease as of the date of total loss or destruction of the leased vehicle or, if specified in the consumer lease, as of the date of receipt by the lessor of insurance proceeds.

(c) An amount from the lessee equal to any deductible amount under an applicable insurance policy and any other subtractions made by the insurance company under the insurance policy.

(d) Insurance proceeds from the applicable insurance policy required under the consumer lease or the equivalent amount with respect to the value of the motor vehicle.

History: 1995 a. 329.

429.205 Security interest. (1) No consumer lease, or any other document executed by a lessee in connection with a consumer lease, shall create a security interest in any real or personal property of the lessee to secure payment of any obligations assumed by the lessee under the consumer lease. This subsection does not apply to any of the following:

(a) The taking of a security deposit, advance lease payment or other prepayment by cash, check, credit card or other device.

(b) Any right of setoff.

(c) Any security interest in the leased vehicle or in any proceeds, refunds for cancellation or any other rights of the lessee with respect to the consumer lease or the leased vehicle, including any insurance contracts, gap protection contracts, repair contracts and extended warranty or maintenance service contracts.

(2) Any security interest taken in violation of this section is void and unenforceable, but shall not otherwise affect the validity of the consumer lease.

History: 1995 a. 329.

429.206 Determination of realized value upon early termination. If a consumer lease is terminated before the expiration date set forth in the lease, the realized value of the motor vehicle leased under the consumer lease shall be determined as follows:

(1) If the lessee and the lessor mutually agree upon the motor vehicle's realized value, the realized value is the mutually agreed−upon amount.

(2) If there is a total loss or destruction of the vehicle occasioned by its theft, physical damage or other occurrence specified in the consumer lease and no amount is agreed upon under sub. (1), the realized value equals the sum of any insurance proceeds received by the holder under an applicable insurance policy required under the consumer lease and any amounts received by the holder from any other party in payment for the loss or destruction of the leased vehicle.

(3) If the realized value has not been determined under sub. (1) or (2) and an appraisal is obtained under this subsection, the realized value is the amount established by the appraisal. An appraisal may be obtained under this subsection if, within 7 business days of the early termination of the consumer lease, a lessee who is not in default obtains at his or her own expense a professional appraisal of the current wholesale value of the vehicle by an appraiser agreed to by the holder, with such agreement not to be unreasonably withheld by the holder. An appraisal under this subsection is final and binding and establishes the realized value for purposes of determining the liability of the lessee under the consumer lease.

(4) If the realized value has not been determined under sub. (1), (2) or (3), the realized value equals the greater of the following:

(a) The price obtained by the holder for the commercially reasonable disposition of the motor vehicle, after subtracting all actual and reasonable expenses incurred by the lessor in connection with the disposition of the vehicle.

(b) The highest bona fide offer received by the holder for the commercially reasonable disposition of the motor vehicle.

History: 1995 a. 329.

429.207 Restrictions on early termination obligation. (1) The lessee has the right to terminate the consumer lease at any time.

(2) If a consumer lease is terminated before the expiration date set forth in the consumer lease and no applicable option to purchase is exercised by the lessee, the early termination obligation of the lessee may not exceed an amount equal to the sum of the following amounts:

(a) Any unpaid lease payments that have accrued as of the date of termination of the consumer lease.

(b) Any other amounts unpaid by the lessee, other than excess mileage charges, arising under the terms of the consumer lease or not prohibited by this chapter or chs. 421 to 427.

(c) Any official fees and taxes imposed in connection with termination of the consumer lease.

(d) The amount set forth in the consumer lease as a disposition or other early termination fee, not to exceed the average payment allocable to a monthly period under the consumer lease.

(e) The reasonable costs of retaking, storing, preparing for sale and selling the motor vehicle, except that a cost may not be imposed under this paragraph if, in the event of a default, the cost could not be charged under s. 422.413.

(f) Any positive amount determined by subtracting the realized value from any of the following:

1. The sum of the balance subject to a rent charge and the rent charge earned in advance for the computational period in which the early termination occurs, calculated in accordance with the constant yield method or any other generally accepted accounting principle.

2. An amount determined in accordance with generally accepted actuarial principles under which the rent charge is calculated on the adjusted capitalized cost for the time outstanding.

(3) A holder may credit against the balance of the lessee's early termination obligation any refundable security deposit or advance lease payments held by the holder. The excess of any refundable security deposit or advance lease payment over the amount of the lessee's early termination obligation shall be promptly returned to the lessee.

(4) This section does not limit or restrict the manner of calculating the lessee's early termination obligation, if such obligation does not exceed the amount calculated under sub. (2). Such manner may include calculation of the unamortized capitalized cost, or the discounted present value of remaining lease payments, multiples of monthly lease payments or payments on another periodic basis.

History: 1995 a. 329; 1997 a. 48.

429.208 Assessment of excess wear and damage. (1) (a) Except as provided in par. (b), a holder shall, upon return of a leased vehicle, conduct an inspection to determine excess wear and damage to the leased vehicle for which the lessee may be held liable. A holder may not prohibit the lessee from being present at such inspection.

(b) If a lessee exercises an option to purchase in the consumer lease, the holder may not demand, collect or receive a charge for excess wear and damage to the leased vehicle and is not required to conduct the inspection under par. (a).

(2) For any inspection at or after the return of a leased vehicle, a holder shall do all of the following not later than 50 days after return of the vehicle:

(b) Provide to the lessee an itemized bill meeting the requirements under sub. (3).

(c) Provide to the lessee a statement in substantially the following language: "You are being asked to pay this amount for excess wear and damage to the leased vehicle. If you do not agree with this amount and wish to preserve valuable rights, you must obtain and deliver to us, within 7 days after hand delivery or 9 days after mailing of this bill, an itemized inspection report and estimate of the cost of repairing such excess wear and damage from an appraiser agreed to by us and, if your lease has ended, payment of any charges due under the inspection you obtained. If you properly obtain and deliver such appraisal and tender any amounts due, such appraisal shall be binding on the holder. If you fail to do so, the holder's inspection shall be conclusive."

(d) For the purpose of obtaining a counter−inspection under sub. (5), allow the lessee access to the motor vehicle, at a reasonable time and place designated by the holder, for the applicable time period specified in the statement under par. (c). A holder is not required to deliver the motor vehicle to, or produce the motor vehicle at, a place designated by the lessee for the purpose of the counter−inspection.

(3) (a) The itemized bill specified in sub. (2) (b) shall be based on the inspection for excess wear and damage to the leased vehicle, and shall consist of a listing of items of excess wear and damage, together with a charge for each item. The itemized bill may be comprised of separate documents delivered or mailed separately, and may include identified charges for other amounts due under the consumer lease, such as excess mileage charges. Acknowledgement of receipt of an itemized bill by a lessee is not an admission by the lessee of the existence, nature, obligation to pay or amount of any item of excess wear and damage specified in an itemized bill.

(b) A holder is not required to provide to the lessee an itemized bill under sub. (2) with respect to a counter−inspection under sub. (5).

(4) (a) If a lessee is required under the consumer lease, or given the option by the lessor, to have a pretermination inspection by the holder of the leased vehicle for excess wear and damage, the holder shall provide at least 15 days' notice of such inspection to the lessee. A pretermination inspection under this paragraph may not be earlier than 15 days before the termination date set forth in the consumer lease. The notice under this paragraph shall specify that the holder's inspection after the termination of the lease shall be conclusive unless the lessee obtains a counter−inspection under sub. (5).

(b) A pretermination inspection under par. (a) shall be reasonable as to time and place. In addition to the statement under sub. (2) (c), any itemized bill of excess wear and damage prepared under par. (a) shall include a statement in substantially the following language: "If this inspection report was prepared prior to the termination date of the consumer lease, you may avoid any excess wear and damage charges by having such items satisfactorily repaired prior to the return of the vehicle. The holder may inspect the vehicle at or after its return and may seek additional charges for excess wear and damage only by written notice to you, and only for excess wear and damage incurred after the date of that inspection. Any charges for excess wear and damage under this inspection or your own inspection shall be due when the lease terminates."

(5) (a) A lessee may, at his or her own expense, obtain a counter−inspection for excess wear and damage to the leased vehicle, within the applicable time period specified in the statement under sub. (2) (c). A counter−inspection is not valid under this section unless it satisfies all of the following requirements:

1. Is conducted by an inspector agreed to by the holder, with such agreement not to be unreasonably withheld by the holder.

2. Is in writing in a form provided by, or acceptable to, the holder, listing any items of excess wear and damage to the leased vehicle and, according to standards set forth in the consumer lease, the estimated cost of repair of such items.

3. Is delivered to the holder within the applicable time period.

4. If conducted after the leased vehicle is returned to the lessee, is accompanied by payment of the amount of such excess wear and damage charges listed on the counter−inspection.

(b) Absent a mathematical mistake or other obvious error, a holder shall accept the counter−inspection as conclusive of the lessee's excess wear and damage obligations under the consumer lease.

(c) The total amount of the excess wear and damage charges specified in a counter−inspection under par. (a) may not be increased at or after the termination of the lease, except to increase the lessee's excess wear and damage obligation to the extent that any excess wear and damage was obscured or concealed or is reasonably believed by the holder to have occurred after such inspection. Any increase under this paragraph is not valid unless the holder gives the lessee another itemized bill and statement meeting the requirements of subs. (2) and (3).

(6) A lessee shall not be in default on the consumer lease for failing to obtain a pretermination inspection or counter−inspection under this section, notwithstanding any contrary provision of the consumer lease. If a lessee does not obtain a pretermination inspection or counter−inspection, the itemized bill with respect to the inspection under sub. (1) shall be conclusive.

(7) (a) A holder may not demand, receive or collect a charge for excess wear and damage to the leased vehicle unless the holder substantially complies with this section. The exclusive penalty for failure to substantially comply with this section is a waiver of the right to collect all contested excess wear and damage charges from the lessee.

(b) A holder is not required to send any notice under this section if the holder does not wish to demand, receive or collect any excess wear and damage charges.

(c) Nothing in this section shall limit a lessee's obligation for excess mileage charges or prohibit any agreement between the lessee and the holder relating to excess wear and damage, if the agreement does not conflict with any of the lessee's rights under this section, or limit a lessee's liability to the holder for odometer tampering or for obscured or concealed structural or safety−related damage discovered by the holder after the return of the motor vehicle or the receipt of an itemized bill by the lessee.

(8) Except for sub. (1) (b), this section applies only to leased vehicles that are returned to an authorized representative, who is located in this state, of the holder.

History: 1995 a. 329.

429.209 Renegotiations and extensions. (1) All of the disclosure requirements specified in s. 429.203 apply to the renegotiation of a consumer lease. A renegotiation of a consumer lease does not create a warranty or subject the transaction to any laws of this state relating to the sale of used motor vehicles.

(2) The disclosure requirements specified in s. 429.203 do not apply to any extension of a consumer lease not exceeding 6 months in the aggregate.

History: 1995 a. 329.

SUBCHAPTER III

PENALTIES AND REMEDIES

429.301 Penalties and remedies. (1) Except as provided in s. 429.208 (7) (a), a person who commits a violation of this chapter is liable to the lessee in an amount equal to the sum of the following amounts:

(a) One hundred dollars.

(b) The actual damages, including any incidental and consequential damages, sustained by the lessee by reason of the violation.

(c) Reasonable costs, expenses and attorney fees, as determined under s. 425.308.

(2) If a party to a consumer lease recovers damages or penalties under this chapter for an act or omission, the party may not recover any damages or penalties for the same act or omission under ss. 218.0101 to 218.0163 or chs. 411 and 421 to 427.

History: 1995 a. 329; 1999 a. 31.