



## 1995 SENATE BILL 519

February 1, 1996 - Introduced by Senators RUDE and CLAUSING, cosponsored by Representatives BRANDEMUEHL, JOHNSRUD, FREESE, ALBERS, DOBYNS, MUSSER, BALDUS, LEHMAN, OTT, BOCK, GOETSCH, LADWIG, PLACHE, HASENOHRL and GRONEMUS. Referred to Committee on Business, Economic Development and Urban Affairs.

1 **AN ACT to create** 134.85 (4m) of the statutes; **relating to:** security deposits made  
2 by motor fuel dealers.

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### *Analysis by the Legislative Reference Bureau*

This bill prohibits a corporation that grants dealerships for the sale or distribution of motor fuel from requiring its motor fuel dealers to make security deposits for purposes other than securing against loss of or damage to real or personal tangible property. Also, under the bill, if a motor fuel dealer must make a security deposit, the corporation may not prohibit the motor fuel dealer from placing the deposit in escrow in any financial institution within or outside this state. The bill requires that the interest on such an escrow account accrue to the motor fuel dealer.

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

3 **SECTION 1.** 134.85 (4m) of the statutes is created to read:  
4 134.85 (4m) SECURITY DEPOSITS. (a) No motor fuel grantor may require that a  
5 motor fuel dealer make a security deposit unless the security deposit is made for the  
6 purpose of securing against physical loss of or physical damage to real property or  
7 personal tangible property.  
8 (b) If a motor fuel dealer is required to make a security deposit, the motor fuel  
9 grantor may not prohibit the motor fuel dealer from placing the amount of the secu-

1 rity deposit in an escrow account with any financial institution within or outside this  
2 state. The interest on such an escrow account shall accrue to the motor fuel dealer.

3 **SECTION 2. Initial applicability.**

4 (1) This act first applies to motor fuel dealership agreements that are entered  
5 into, renewed or extended on the effective date of this subsection.

6 (END)