



1995 ASSEMBLY BILL 715

November 29, 1995 - Introduced by Representatives GREEN, COGGS, PROSSER, CULLEN, JENSEN, OLSEN, WASSERMAN, GOETSCH, GROBSCHMIDT, AINSWORTH, LA FAVE, WALKER, PLACHE, FREESE, L. YOUNG, LEHMAN, KRUG, KREIBICH, BELL, ALBERS, WIRCH, MUSSER, MURAT, LAZICH and BOCK, cosponsored by Senators DARLING, BURKE, ROSENZWEIG, GEORGE, PETAK, BRESKE, BUETTNER and HUELSMAN. Referred to Committee on Judiciary.

1 **AN ACT to amend** 421.202 (7), 421.301 (9), 421.301 (10), 421.301 (11), 423.201
2 and 814.04 (intro.); and **to create** 409.104 (12m), 421.202 (7m) and chapter 430
3 of the statutes; **relating to:** lease-purchase agreements.

Analysis by the Legislative Reference Bureau

This bill regulates lease-purchase, or rent-to-own, agreements. The bill defines a lease-purchase agreement as an agreement for the use of personal property (other than an automobile) by a consumer for personal or household purposes. A lease-purchase agreement has an initial term of 4 months or less, is automatically renewable with additional periodic payments and permits, but does not require, the consumer to become the owner of the personal property at the end of the agreement.

Licensing requirements

Under the bill, a person may not engage in business as a lease-purchase company without first obtaining a license from the division of banking (division). Each license shall state the address of the office from which business is to be conducted and the name of the lease-purchase company. A separate license is required for each office from or at which lease-purchase agreements are consummated. The division may issue more than one license to a lease-purchase company upon compliance with the licensing requirements as to each license. The license expires on December 31 annually, without regard to when it was issued. The bill requires a lease-purchase company to pay a fee of \$300 with the initial application and a fee of \$300 annually thereafter. The license must be posted in the office or store of the lease-purchase company and may be assigned or transferred after filing an amended application and bond with the division and after payment of a \$25 license transfer fee.

The bill requires a lease-purchase company to provide and maintain in force a continuing bond of not less than \$5,000. The bond must be executed in the name of the state for the benefit of the state and any person who sustains a loss because

of a violation of the provisions of this bill by a lease-purchase company. If, as a result of an examination of the books and records of the company, the division determines the bond is insufficient, the division may request any additional bond amount sufficient to protect the public's interests.

The division may, after notice and reasonable opportunity for a hearing, suspend or revoke a lease-purchase company license if the company has violated requirements under the bill and the division determines that the violation justifies the suspension or revocation of the license, if the division becomes aware that any fact or condition exists which, if it had existed at the time of the original license application, would have warranted a refusal to issue the license, or if the lease-purchase company has failed to pay the annual license fee or maintain the required bond. The bill provides for an appeal to the consumer credit review board of an order suspending or revoking a license.

The bill requires a lease-purchase company to keep such books and records in the place of business as in the opinion of the division will enable the division to determine compliance with the provisions of the bill. The records relating to a lease-purchase agreement must be kept for at least 2 years after the lease-purchase agreement is terminated. The bill permits the division to examine the books and records of any lease-purchase company, and the costs of the examination must be paid by the lease-purchase company within 30 days after receiving a bill for the examination fees from the division.

Disclosure and contract requirements

Under the bill, a lease-purchase company is required to make various written disclosures to the consumer before entering into a lease-purchase agreement. The disclosures include:

1. The total number of periodic payments and the total dollar amount of those payments necessary to acquire ownership of the personal property subject to the agreement.
2. The consumer's right to purchase the property, including the price if the consumer buys the property under an early-purchase option.
3. The consumer's right to terminate the lease-purchase agreement and right to reinstate the agreement if the consumer voluntarily ends the agreement or fails to make a payment.
4. All fees or charges applicable to the lease-purchase agreement.

Under the bill, a lease-purchase company is required to disseminate to consumers copies of a consumer education pamphlet prepared and provided by the division. The pamphlet is required to include information on the consumer's right to reinstatement created under this bill, information assisting the consumer in interpreting the disclosures required under this bill, information on filing with the division complaints regarding possible violations of the bill and information on the civil liability of lease-purchase companies to consumers for violations of the provisions of this bill.

A lease-purchase agreement may not include:

1. A confession of judgment, or a written authority by the consumer that the lease-purchase company may have a judgment entered against the consumer if the consumer fails to make a payment required under the agreement.

2. A wage assignment.

3. A waiver of any claim or defense.

4. A security interest in any property other than the personal property that is the subject of the agreement.

5. A provision authorizing "self-help" repossession of the property that is the subject of the agreement.

Under the bill, if a consumer fails to make a timely periodic payment the consumer may reinstate the lease-purchase agreement without losing any rights under the agreement by paying the periodic payment and any late fee or other applicable charges. This payment must be made within 5 days after the date on which the payment was due if the consumer pays on a monthly basis, or within 2 days if the consumer pays on a more frequent instalment basis. In addition, if the consumer voluntarily surrenders the personal property, the consumer has the right to reinstate the lease-purchase agreement within 21 days or 45 days, depending on the total dollar amount of payments that the consumer made under the agreement before surrendering the property.

Other provisions

The bill also requires an advertisement for a lease-purchase agreement to include the number of payments needed to acquire ownership and to describe the advertised transaction as a lease-purchase agreement if the advertisement refers to the dollar amount of a periodic payment and refers to the consumer's right to acquire ownership of the advertised item.

Under the bill, a lease-purchase company that violates this chapter is liable to a consumer damaged as a result of that violation. In the case of a class action, the amount of the liability is determined by the court, with no minimum recovery as to each member of the class, plus the costs of the action and reasonable attorney fees. The bill limits the total recovery in any class action or series of class actions arising out of the same violation to \$500,000 or 1% of the net worth of the lease-purchase company, whichever is less, plus the costs of the action and reasonable attorney fees. For other actions, liability is equal to the costs of the action and reasonable attorney fees plus the greater of: 1) the actual damages sustained by the consumer as a result of the violation; or 2) 25% of the total payments necessary to acquire ownership of the personal property leased under the lease-purchase agreement, but not less than \$100 nor more than \$1,000. Multiple violations in connection with a single lease-purchase agreement are treated as a single violation. The bill also contains provisions addressing liability when more than one lease-purchase company or more than one consumer is a party to a lease-purchase agreement.

The bill explicitly exempts a lease-purchase agreement from coverage under the uniform commercial code leases and secured transactions chapters and the Wisconsin consumer act. Presently, the Wisconsin consumer act applies to lease-purchase agreements under the holding in *Palacios v. ABC TV and Stereo Rental*, 123 Wis. 2d 79 (Ct. App. 1985).

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 409.104 (12m) of the statutes is created to read:

2 409.104 (**12m**) To a transfer of an interest under a lease-purchase agreement
3 under ch. 430; or

4 **SECTION 2.** 421.202 (7) of the statutes is amended to read:

5 421.202 (**7**) Transactions subject to ch. 428; ~~or~~

6 **SECTION 3.** 421.202 (7m) of the statutes is created to read:

7 421.202 (**7m**) A lease-purchase agreement under ch. 430; or

8 **SECTION 4.** 421.301 (9) of the statutes is amended to read:

9 421.301 (**9**) “Consumer credit sale” means a sale of goods, services or an
10 interest in land to a customer on credit where the debt is payable in instalments or
11 a finance charge is imposed and includes any agreement in the form of a bailment
12 of goods or lease of goods or real property if the bailee or lessee pays or agrees to pay
13 as compensation for use a sum substantially equivalent to or in excess of the
14 aggregate value of the goods or real property involved and it is agreed that the bailee
15 or lessee will become, or for no other or a nominal consideration has the option to
16 become, the owner of the goods or real property upon full compliance with the terms
17 of the agreement. “Consumer credit sale” does not include a lease-purchase
18 agreement under ch. 430.

19 **SECTION 5.** 421.301 (10) of the statutes is amended to read:

20 421.301 (**10**) “Consumer credit transaction” means a consumer transaction
21 between a merchant and a customer in which real or personal property, services or

1 money is acquired on credit and the customer's obligation is payable in instalments
2 or for which credit a finance charge is or may be imposed, whether such transaction
3 is pursuant to an open-end credit plan or is a transaction involving other than
4 open-end credit. The term includes consumer credit sales, consumer loans,
5 consumer leases and transactions pursuant to open-end credit plans. "Consumer
6 credit transaction" does not include a lease-purchase agreement under ch. 430.

7 **SECTION 6.** 421.301 (11) of the statutes is amended to read:

8 421.301 (11) "Consumer lease" means a lease of goods which a merchant makes
9 to a customer for a term exceeding 4 months. "Consumer lease" does not include a
10 lease-purchase agreement under ch. 430.

11 **SECTION 7.** 423.201 of the statutes is amended to read:

12 **423.201 Definition.** "Consumer approval transaction" means a consumer
13 transaction other than a sale or lease or listing for sale of real property, a sale of goods
14 at auction, the sale or lease of goods for an agricultural purpose or a loan made to
15 finance the sale of goods at auction for an agricultural purpose 1) which is initiated
16 by face-to-face solicitation away from a regular place of business of the merchant
17 or by mail or telephone solicitation directed to the particular customer and 2) which
18 is consummated or in which the customer's offer to contract or other writing
19 evidencing the transaction is received by the merchant away from a regular place of
20 business of the merchant and involves the extension of credit or is a cash transaction
21 in which the amount the customer pays exceeds \$25. "Consumer approval
22 transaction" shall in no event include a catalog sale which is not accompanied by any
23 other solicitation or a consumer loan conducted and consummated entirely by mail.
24 "Consumer approval transaction" does not include a lease-purchase agreement
25 under ch. 430.

1 that is made with a governmental body, as defined in s. 895.52 (1) (a), or with an
2 organization.

3 (b) A lease of a safe deposit box.

4 (c) A lease or bailment of personal property which is incidental to the lease of
5 real property, and which provides that the consumer has no option to purchase the
6 leased property.

7 (d) A lease of an automobile.

8 (e) A lease, bailment or agreement that is a credit sale, as defined in 15 USC
9 1602 (g).

10 (f) A lease or bailment that is a consumer lease, as defined in 15 USC 1667 (1).

11 **430.103 Lease-purchase conditions.** Except as provided in s. 430.102 (2),
12 an agreement for the use of personal property by a natural person is a
13 lease-purchase agreement if all of the following conditions are met:

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

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

18 (3) The agreement does not obligate or require the consumer to continue
19 leasing or using the property beyond the initial term.

20 (4) The agreement permits the consumer to become the owner of the personal
21 property.

22 **430.201 Licensing of lease-purchase companies.** (1) LICENSE
23 REQUIREMENTS. No person may engage in business as a lease-purchase company
24 without first obtaining a license from the division. Each license shall state the
25 address of the office from which business is to be conducted and the name of the

1 lease-purchase company. A separate license is required for each office from or at
2 which lease-purchase agreements are consummated. The division may issue more
3 than one license to a lease-purchase company upon compliance with this section as
4 to each license. The license shall expire December 31 annually, without regard to
5 when it was issued.

6 **(2) APPLICATIONS.** Application for a license under sub. (1) shall be made to the
7 division in writing, under oath, on a form prescribed by the division. The application
8 shall contain all of the following information:

9 (a) The name of the lease-purchase company and, if the lease-purchase
10 company is doing business under an assumed name, the name in which business is
11 transacted.

12 (b) The address and telephone number of the office or store at which
13 lease-purchase agreements are made.

14 (c) The address and telephone number of the lease-purchase company's
15 principal office, if different than indicated under par. (b).

16 (d) The name, personal address and telephone number of the following:

17 1. If the lease-purchase company is a sole proprietorship, the owner.

18 2. If the lease-purchase company is a partnership, each partner.

19 3. If the lease-purchase company is a corporation or association, each officer.

20 4. If the lease-purchase company is a limited liability company, each manager
21 and each member.

22 (e) The name and address of the registered agent upon whom service of process
23 may be made in this state.

24 **(3) FEES.** (a) A lease-purchase company licensed sub. (1) shall pay to the
25 division all of the following license fees:

1 1. With the initial license application, \$300.

2 2. On or before December 1 annually after the year in which the initial license
3 application fee was paid, \$300.

4 (b) At the same time a lease-purchase company pays a fee under par. (a), the
5 lease-purchase company shall file with the division the bond required under sub. (4)
6 and such other relevant information as the division may require.

7 **(4) BOND REQUIREMENTS.** A licensee or an applicant for a license under this
8 section shall provide and maintain in force a continuing bond of not less than \$5,000.
9 The bond shall be executed in the name of the state for the benefit of the state and
10 any person who sustains a loss because of a violation of this chapter by a
11 lease-purchase company. If, as a result of an examination under s. 430.202, the
12 division determines that the bond is insufficient, the division may request any
13 additional bond amount considered sufficient to protect the public's interests. The
14 additional bond amount shall be provided within 10 days after the request by the
15 division.

16 **(5) POSTING OF LICENSE.** The license shall be kept conspicuously posted in the
17 office or store of the licensee.

18 **(6) ASSIGNMENT OR TRANSFER OF LICENSE.** The license may be transferred or
19 assigned after filing an amended application and bond with the division and after
20 payment of a \$25 license transfer fee.

21 **430.202 Books and records; examination. (1) BOOKS AND RECORDS.** A
22 lease-purchase company shall keep such books and records in the place of business
23 as in the opinion of the division will enable the division to determine whether the
24 lease-purchase company is in compliance with this chapter. The lease-purchase

1 company shall preserve such records for at least 2 years after the date on which the
2 lease-purchase agreement is terminated.

3 (2) EXAMINATION AUTHORITY. The division may examine the books and records
4 of any lease-purchase company. The place of business, books of account, papers,
5 records, safes and vaults of the lease-purchase company shall be open to inspection
6 and examination by the division or the division's representative for the purpose of
7 the examination.

8 (3) EXAMINATION FEES. If the division examines the books and records of the
9 lease-purchase company, the lease-purchase company shall pay to the division the
10 actual cost of the examination, as determined by the division. The lease-purchase
11 company shall pay to the division the actual costs of the examination within 30 days
12 after receiving a bill for the fees from the division.

13 **430.203 License suspension or revocation.** (1) GROUNDS FOR SUSPENSION
14 OR REVOCATION. The division may, upon notice to a lease-purchase company licensed
15 under s. 430.201 and after a reasonable opportunity to be heard, suspend or revoke
16 a license if any of the following conditions is met:

17 (a) The lease-purchase company has violated any provision of this chapter and
18 the division determines that the violation justifies the suspension or revocation of
19 the license.

20 (b) The division becomes aware that any fact or condition exists which, if it had
21 existed at the time of the original license application, would have warranted the
22 division's refusal of the license.

23 (c) The lease-purchase company has failed to pay the annual license fee under
24 s. 430.201 (3) (a) 2. or to maintain in effect the bond required under s. 430.201 (4).

1 **(2) APPEAL.** Any lease-purchase company and any other person aggrieved by
2 an order of the division may appeal to the consumer credit review board, if a written
3 notice of appeal is served upon the division and upon the chairperson or secretary of
4 the consumer credit review board under s. 220.037 within 10 days from the date of
5 the division's order. The review board shall hold a hearing within a reasonable time
6 after being served with the written notice of appeal under this subsection. The
7 review board shall give the parties a written notice of the time and place of the
8 hearing. The cost of any hearing, including witness fees or any other expenses,
9 conducted by the review board shall be paid by the appellant within 30 days after
10 receiving a bill from the review board, except that no cost may be charged to an
11 appellant by the review board unless the review board sustains the division's order.

12 **430.301 General requirements of disclosure.** **(1)** The lease-purchase
13 company shall disclose to the consumer the information required under s. 430.302.

14 **(2)** The lease-purchase company shall make the disclosures at or before the
15 consummation.

16 **(3)** The lease-purchase company shall make the disclosures clearly and
17 conspicuously in writing and shall furnish the consumer with a copy of the
18 lease-purchase agreement. The disclosures required under s. 430.302 (1) shall be
19 made on the face of the lease-purchase agreement above the line for the consumer's
20 signature.

21 **(4)** If a disclosure becomes inaccurate as the result of any act, occurrence or
22 agreement by the consumer after delivery of the required disclosures, the resulting
23 inaccuracy is not a violation of this chapter.

24 **430.302 Disclosures.** **(1)** The lease-purchase company shall disclose in a
25 lease-purchase agreement all of the following items, to the extent applicable:

1 (a) The total number, total amount and timing of all payments necessary to
2 acquire ownership of the property.

3 (b) A statement that the consumer will not own the property until the consumer
4 has made the total payment necessary to acquire ownership.

5 (c) A statement that the consumer is responsible for the fair market value of
6 the property if, and as of the time, the property is lost, stolen or destroyed and, if the
7 property is damaged beyond normal wear and tear, that the consumer is responsible
8 for the reasonable cost of repair.

9 (d) A brief description of the leased property, sufficient to identify the property
10 to the consumer and the lease-purchase company, including an identification
11 number, if applicable, and a statement indicating whether the property is new or
12 used, but a statement that indicates new property is used is not a violation of this
13 paragraph.

14 (e) A brief description of any damages to property that is subject to the
15 lease-purchase.

16 (f) Subject to sub. (2), a statement of the price at which the lease
17 purchase-company would have sold the property to the consumer for cash on the
18 date of the lease-purchase agreement.

19 (g) The total of initial payments paid or required at or before consummation of
20 the lease-purchase agreement or delivery of the property, whichever is later.

21 (h) A statement disclosing other fees or charges that may be applicable to the
22 lease-purchase agreement, including late payment charges, default charges, pickup
23 fees and reinstatement fees.

24 (i) A statement that the total of payments does not include fees or charges
25 disclosed in par. (h).

1 (j) A statement clearly summarizing the terms of the consumer's option to
2 purchase, including a statement that the consumer has the right to exercise an early
3 purchase option and the price, formula or method for determining the price at which
4 the property may be so purchased.

5 (k) A statement identifying the party who is responsible for maintaining or
6 servicing the property while it is subject to the lease-purchase agreement, together
7 with a description of that responsibility.

8 (m) A statement that if any part of a manufacturer's express warranty covers
9 the property that is subject to the lease-purchase agreement when the consumer
10 acquires ownership of the property, the lease-purchase company shall transfer the
11 warranty to the consumer, if allowed by the terms of the warranty.

12 (n) The date of the lease-purchase agreement and the identities of the
13 lease-purchase company and consumer.

14 (p) A statement that the consumer may terminate the lease-purchase
15 agreement without penalty by voluntarily surrendering or returning the property in
16 good repair upon expiration of a lease-purchase agreement term and by paying all
17 outstanding past-due rental payments, fees and charges.

18 (q) Notice of the right to reinstate a lease-purchase agreement under s.
19 430.501.

20 **(2)** If the lease-purchase agreement involves 5 or more items as a set, a
21 statement of the aggregate price of all items in the set satisfies the requirement of
22 sub. (1) (f).

23 **(3)** With respect to matters specifically governed by the federal consumer credit
24 protection act, disclosures in compliance with that act satisfy the requirements of
25 sub. (1).

1 **430.401 Prohibited practices.** A lease-purchase agreement may not
2 contain any of the following:

3 (1) A confession of judgment.

4 (2) A negotiable instrument.

5 (3) A security interest or any other claim of a property interest in any property
6 except the property delivered by the lease-purchase company under the
7 lease-purchase agreement.

8 (4) A wage assignment.

9 (5) A waiver by the consumer of any claim or defense.

10 (6) A provision authorizing the lease-purchase company to enter the
11 consumer's premises or to commit a breach of the peace in the repossession of
12 property subject to the lease-purchase agreement.

13 **430.402 Receipts.** A lease-purchase company shall provide the consumer a
14 written receipt for each payment made by cash or money order.

15 **430.403 Consumer education pamphlet. (1) DISTRIBUTION REQUIREMENT.**
16 A lease-purchase company shall disseminate to consumers copies of the consumer
17 education pamphlet provided by the division under sub. (2).

18 **(2) PAMPHLET REQUIREMENTS.** The division shall prepare a pamphlet for
19 dissemination by lease-purchase companies to consumers under sub. (1). The
20 consumer education pamphlet shall include at least the following:

21 (a) Information on the consumer's rights of reinstatement under s. 430.501.

22 (b) Information assisting the consumer in interpreting the disclosures required
23 under s. 430.302.

24 (c) Information on filing with the division complaints regarding possible
25 violations of this chapter.

1 (d) Information on the civil liability of a lease-purchase company under s.
2 430.701 for violations of this chapter.

3 **430.501 Reinstatement. (1)** A consumer who fails to make a timely rental
4 payment may reinstate the lease-purchase agreement, without losing any right or
5 option under the lease-purchase agreement, by the payment of all of the following
6 within 5 days after the renewal date if the consumer pays monthly under the
7 lease-purchase agreement, or within 2 days after the renewal date if the consumer
8 pays more frequently than monthly:

9 (a) Past-due rental charges.

10 (b) If the property has been repossessed, the reasonable costs of pickup and
11 redelivery.

12 (c) Any applicable late fee.

13 **(2)** A consumer who has paid less than two-thirds of the total dollar amount
14 of payments necessary to acquire ownership and who has returned or voluntarily
15 surrendered the property, other than through judicial process, within a time equal
16 to the applicable reinstatement period under sub. (1), may reinstate the
17 lease-purchase agreement under this subsection within 21 days after the date on
18 which the property is returned or a time specified in the lease-purchase agreement,
19 whichever is longer.

20 **(3)** A consumer who has paid two-thirds or more of the total dollar amount of
21 payments necessary to acquire ownership, and who has returned or voluntarily
22 surrendered the property, other than through judicial process, within a time equal
23 to the applicable reinstatement period under sub. (1), may reinstate the
24 lease-purchase agreement under this subsection within 45 days after the date on

1 which the property is returned or a time specified in the lease-purchase agreement,
2 whichever is longer.

3 (4) Nothing in this section prevents a lease-purchase company from
4 attempting to repossess property during a reinstatement period, but a repossession
5 may not affect the consumer's right to reinstate. Upon reinstatement, a
6 lease-purchase company who repossessed property shall provide the consumer with
7 the same property or substitute property of comparable quality and condition.

8 **430.502 Renegotiations and extensions.** (1) A renegotiation occurs if an
9 existing lease-purchase agreement is satisfied and replaced by a new
10 lease-purchase agreement undertaken by the same lease-purchase company and
11 consumer. A renegotiation does not include any of the following:

12 (a) An addition to property or a return of property in a multiple-item
13 lease-purchase agreement, or the substitution of property in a single-item
14 lease-purchase agreement, if the average payment allocable to a payment period is
15 not changed by more than 25%.

16 (b) A deferral or extension of a periodic payment, or a portion of a periodic
17 payment.

18 (c) A reduction in charges in a lease-purchase agreement.

19 (d) A lease-purchase agreement involved in a court proceeding.

20 (2) A renegotiation shall be considered a new lease-purchase agreement
21 requiring new disclosures. Disclosures are not required for a renewal of a
22 lease-purchase agreement.

23 **430.601 Advertising.** (1) In this section, "advertisement" means a
24 commercial message in any medium that aids, promotes or assists, directly or
25 indirectly, a lease-purchase agreement.

1 (2) Except as provided in sub. (4), if an advertisement for a lease-purchase
2 agreement refers to or states the dollar amount of a payment for an item and the right
3 to acquire ownership of that item, the advertisement shall also clearly and
4 conspicuously state all of the following, to the extent applicable:

5 (a) That the transaction advertised is a lease-purchase agreement.

6 (b) The total amount of payments necessary to acquire ownership.

7 (c) That the consumer acquires no ownership rights if the total amount
8 necessary to acquire ownership is not paid.

9 (3) An owner, director, officer or employe of a medium in which an
10 advertisement appears or through which an advertisement is disseminated may not
11 be held liable for a violation of sub. (2).

12 (4) Subsection (2) does not apply to an advertisement that is published in the
13 yellow pages of a telephone directory or in a similar directory of business.

14 **430.701 Consumer civil actions. (1) DAMAGES.** A lease-purchase company
15 that violates this chapter is liable to a consumer damaged as a result of that violation
16 in an amount equal to the following:

17 (a) In the case of a class action, the amount that the court determines to be
18 appropriate with no minimum recovery as to each member of the class, plus the costs
19 of the action and reasonable attorney fees. The total recovery in any class action or
20 series of class actions arising out of the same violation may not exceed \$500,000 or
21 1% of the net worth of the lease-purchase company, whichever is less, plus the costs
22 of the action and reasonable attorney fees. In determining the amount of any award
23 in a class action, the court shall consider, among other relevant factors, the amount
24 of actual damages suffered by the members of the class, the frequency and
25 persistence of violations of this chapter by the lease-purchase company, the

1 lease-purchase company's resources and the extent to which the violation was
2 intentional.

3 (b) In the case of an action not covered under par. (a), the costs of the action and
4 reasonable attorney fees, plus the greater of the following:

5 1. The actual damages sustained by the consumer as a result of the violation.

6 2. Twenty-five percent of the total payments necessary to acquire ownership
7 of the personal property leased under the lease-purchase agreement, but not less
8 than \$100 nor more than \$1,000.

9 **(2) MULTIPLE VIOLATIONS.** (a) If more than one lease-purchase company is a
10 party to a lease-agreement and one lease-purchase company assumes responsibility
11 under the agreement for making the disclosures required under ss. 430.301 and
12 430.302, only the lease-purchase company assuming responsibility for making the
13 disclosures may be held liable for violations of those disclosure requirements. If no
14 company has assumed responsibility for making the disclosures required under ss.
15 430.301 and 430.302, all lease-purchase companies who are a party to the
16 lease-agreement shall be liable for violations of those disclosure requirements.

17 (b) If more than one consumer is a party to a lease-purchase agreement, all of
18 the consumers shall be joined as plaintiffs in an action under sub. (1) and the
19 consumers are entitled only to a single recovery under sub. (1).

20 (c) Multiple violations in connection with a single lease-purchase agreement
21 shall be treated as a single violation under this section.

22 **SECTION 9.** 814.04 (intro.) of the statutes, as affected by 1995 Wisconsin Act 24
23 and 1995 Wisconsin Act 27, section 7148c, is amended to read:

24 **814.04 Items of costs.** (intro.) Except as provided in ss. 93.20, 106.04 (6) (i)
25 and (6m) (a), 430.701 (1), 769.313, 814.025, 814.245, 895.035 (4) and (4m), 895.75 (3),

1 895.77 (2), 895.80 (3), 943.212 (2) (b), 943.245 (2) (d) and 943.51 (2) (b), when allowed
2 costs shall be as follows:

3 **SECTION 10. Initial applicability.**

4 (1) This act first applies to a lease-purchase agreement entered into on the
5 effective date of this subsection.

6 **SECTION 11. Effective date.**

7 (1) This act takes effect on July 1, 1996, or on the first day of the 6th month
8 beginning after publication, whichever is later.

9 (END)