

**1999 DRAFTING REQUEST****Bill**Received: **01/05/2000**Received By: **rmarchan**

Wanted: Soon

Identical to LRB:

For: **Barbara Gronemus (608) 266-7015**By/Representing: **bill**

This file may be shown to any legislator: NO

Drafter: **rmarchan**

May Contact:

Alt. Drafters:

Subject: **Agriculture - miscellaneous  
Fin. Inst. - int. rates/loans  
Fin. Inst. - WCA**Extra Copies: **RCT**

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Agricultural loans

---

**Instructions:**

See Attached. For agricultural loans, require copy of loan form to be given to debtor upon entering into transaction.

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Reauired</u>
/1	rmarchan 01/06/2000 rmarchan 01/18/2000	wjackson 01/06/2000 wjackson 01/18/2000	kfollet 01/12/2000	_____	lrb-docadmin 01/12/2000		
/2			hhagen 01/19/2000	_____	lrb-docadmin 01/19/2000	lrb-docadmin 02/11/2000	

FE Sent For:

**1999 DRAFTING REQUEST**

**Bill**

Received: **01/05/2000**

Received By: **rmarchan**

Wanted: **Soon**

Identical to LRB:

For: **Barbara Gronemus (608) 266-7015**

By/Representing: **bill**

This file may be shown to any legislator: NO

Drafter: **rmarchan**

May Contact:

**Alt. Drafters:**

Subject: **Agriculture - miscellaneous  
Fin. Inst. - int. rates/loans  
Fin. Inst. - WCA**

Extra Copies: **RCT**

**Pre Topic:**

No specific pre topic given

**Topic:**

Agricultural loans

**Instructions:**

See Attached. For agricultural loans, require copy of loan form to be given to debtor upon entering into transaction.

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	rmarchan	wjackson	kfollet	_____	lrb-docadmin		
	01/06/2000	01/06/2000	01/12/2000	_____	01/12/2000		
	rmarchan	wjackson		_____			
	01/18/2000	01/18/2000		_____			
/2			hhagen	_____	lrb-docadmin		
			01/19/2000	_____	01/19/2000		

FE Sent For:

**1999 DRAFTING REQUEST**

**Bill**

Received: **01/05/2000**

Received By: **rmarchan**

Wanted: **Soon**

Identical to LRB:

For: **Barbara Gronemus (608) 266-7015**

By/Representing: **bill**

This file may be shown to any legislator: **NO**

Drafter: **rmarchan**

May Contact:

Alt. Drafters:

Subject: **Agriculture - miscellaneous  
Fin. Inst. - int. rates/loans  
Fin. Inst. - WCA**

Extra Copies: **RCT**

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Agricultural loans

---

**Instructions:**

See Attached. For agricultural loans, require copy of loan form to be given to debtor upon entering into transaction.

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	rmarchan 01/06/2000	wjackson 01/06/2000	kfollet 01/12/2000	_____	lrb_docadmin 01/12/2000		
		1/2 wLj 1/18	Nh 1/19	Nh 1/19			

FE Sent For:

<END>



1999 DRAFTING REQUEST

Bill

Received: 01/05/2000

Received By: rmarchan

Wanted: Soon

Identical to LRB:

For: Barbara Gronemus (608) 266-7015

By/Representing: bill

This file may be shown to any legislator: NO

Drafter: rmarchan

May Contact:

Ah. Drafters:

Subject: Agriculture - miscellaneous
Fin. Inst. - int. rates/loans
Fin. Inst. - WCA

Extra Copies: RCT

Pre Topic:

No specific pre topic given

Topic:

Agricultural loans

Instructions:

See Attached. For agricultural loans, require copy of loan form to be given to debtor upon entering into transaction.

Drafting History:

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

I? rmarchan

Handwritten signatures and dates: Kjf 1/6, Kjf/Hay 1/14

FE Sent For:

<END>

Mtg with Bill Cross  
of Rep. Commerce office 6-7-15

Require creditor in agricultural loan  
transaction to give correct copy of loan  
docs to debtor immediately upon entering  
into transaction.

May want to require duplicate forms!



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-41437

RJM:.....

WY

1  
RMR  
DRAFT

Friday 1-14-99

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1

AN ACT <sup>con. act.</sup> ...; relating to: disclosures <sup>in</sup> ~~regarding~~ certain agricultural transactions.

Under the Wisconsin Consumer Act  
credit

**Analysis by the Legislative Reference Bureau**

Under current law, a transaction that is entered into by a customer for personal, family or household purposes is generally subject to the Wisconsin Consumer Act (consumer act). With limited exceptions, a "customer" under the consumer act includes an individual but not an organization or business. Among other things, the consumer act requires certain disclosures to be made if credit is extended to a customer. For example, under the consumer act, a person that extends credit to a customer must give the customer, before any payment is due, a copy of each document evidencing the customer's obligation under the transaction.

Certain transactions, though, are excluded from the consumer act. For example, the consumer act does not apply to a transaction that is in an amount greater than \$25,000. In addition, with limited exceptions, a transaction that is entered into primarily for an agricultural purpose (agricultural transaction) is not subject to the consumer act. Thus, under current law, if credit is extended to a customer pursuant to an agricultural transaction, the disclosure requirements contained in the consumer act generally do not apply.

Under this bill, certain agricultural transactions are subject to the consumer act for the purpose of requiring disclosures upon the extension of credit. Under ~~this~~ <sup>the</sup> bill, unless the transaction is otherwise excluded from the consumer act, a person that extends credit to a customer pursuant to an agricultural transaction must give

an exact

the customer, at the time of entering into the transaction, ~~A~~ copy of each document evidencing the customer's obligation under the transaction.

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

1           **SECTION 1.** 421.202 (10)<sup>✓</sup> of the statutes is amended to read:

2           421.202 (10) Transactions that are primarily for an agricultural purpose,  
3 except that this subsection does not exclude transactions that are primarily for an  
4 agricultural purpose from ch. 427 and except that this subsection does not exclude  
5 credit transactions that are primarily for an agricultural purpose from ~~s.~~ ss. 422.210  
6 and 422.302 (3) (b).<sup>✓</sup>

7           **SECTION 2.** 421.301 (17)<sup>✓</sup> of the statutes is amended to read:

8           421.301 (17) "Customer" means a person other than an organization (~~s.~~  
9 ~~421.301 (28)~~) who seeks or acquires real or personal property, services, money or  
10 credit for personal, family or household purposes or, for purposes of ch. 427 and ss.  
11 422.210<sup>✓</sup> and 422.302 (3) (b)<sup>✓</sup> only, for agricultural purposes. A person other than a  
12 customer may agree to be governed by chs. 421 to 427 with respect to all aspects of  
13 a transaction and in such event such person shall be deemed a customer for all  
14 purposes of chs. 421 to 427 with respect to such transaction.

renumbered 422.302 (3) (a)  
and

15           **SECTION 3.** 422.302 (3)<sup>✓</sup> of the statutes is ~~(amended)~~ to read:

16           <sup>(Plain)</sup> ~~(a)~~ **422.302 (3)** ~~Before (a),~~ Except as provided in par. (b)<sup>✓</sup>, before any payment is due  
17 pursuant to a transaction, the creditor shall ~~furnish~~ give the customer ~~with~~ an exact  
18 copy of each instrument, document, agreement and contract ~~which~~ that is signed by  
19 the customer and ~~which~~ that evidences the customer's obligation under the  
20 transaction. If there is more than one customer, delivery of ~~copies of the documents~~



1 ~~each required copy to one of them the customers~~ constitutes compliance with this  
2 ~~subsection paragraph.~~<sup>J</sup>

3 SECTION 4. 422.302 (3) (b)<sup>J</sup> of the statutes is created to read:

4 422.302 (3) (b) With respect to a transaction that is primarily for an  
5 agricultural purpose, the creditor shall give the customer, at the time that the  
6 customer enters into the transaction, an exact copy of each instrument, document,  
7 agreement and contract that is signed by the customer and that evidences the  
8 customer's obligation under the transaction. If there is more than one customer,  
9 delivery of each required copy to one of the customers constitutes compliance with  
10 this <sup>J</sup>paragraph.

11 SECTION 5. 422.303 (5)<sup>J</sup> of the statutes is amended to read:

12 422.303 (5) The creditor shall retain a copy of ~~such each~~ writing evidencing a  
13 consumer credit transaction, other than one pursuant to an open-end credit plan,  
14 and of any proposal for a consumer credit transaction which the merchant has  
15 required or requested the customer to sign and which the customer has signed during  
16 contract negotiations, for a period of one year ~~after~~ the last payment scheduled under  
17 the transaction, or one year after the transaction has been repaid in full, whichever  
18 is sooner. The creditor shall ~~supply give~~ the customer ~~with~~, upon demand during the  
19 applicable one/<sup>o</sup>year period. copies of ~~such any~~ documents ~~upon any demand of the~~  
20 ~~customer made within such period;~~ that are retained by the creditor under this  
21 subsection and that relate to a transaction or proposed transaction with the  
22 customer. The creditor shall give the customer one copy shall be furnished at no  
23 charge; and shall furnish each subsequent ~~copies shall be furnished copy~~  
24 condition that the customer pay the creditor's reasonable costs of preparing and

1 forwarding the copy. ~~Copies~~ A copy supplied under this subsection ~~are~~ is in addition  
2 to ~~these copies~~ any COPY required ~~by~~ under s. 422.302.

3 SECTION **6. Initial applicability.**

4 (1) This act first applies to transactions entered into on the effective date of this  
5 subsection.

6 (END)

DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-4143/adn  
RJM/.....  
WLj

Commercially

which is generally designed  
to protect unsophisticated individuals  
who enter into credit transactions

an individual

No  
44 For example, although the bill will apply in an  
agricultural transaction with a family farmer, the bill will not  
apply in an agricultural transaction with a farm that is incorporated.

Representative Gronemus:

1. The attached bill places the requested disclosure requirement in the Wisconsin Consumer Act. As a result, the disclosure requirement will not apply in the specific transactions listed in ss. 421.202 (1) to (9), stats. Please review the transactions listed in ss. 421.202 (1) to (9), stats., and let me know if you desire any changes.
2. A person who violates the bill is liable to the customer for actual damages, reasonable attorney fees and \$25. See ss. 425.302 and 425.308, stats. Please let me know if you intend a different remedy to apply.

that  
are  
excluded  
under

excluded  
under

Robert J. Marchant  
Legislative Attorney  
Phone: (608) 261-4454  
E-mail: Robert.Marchant@legis.state.wi.us

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-4143/1dn  
RJM:wlj:kjf

January 12, 2000

Representative Gronemus:

1. The attached bill places the requested disclosure requirement in the Wisconsin Consumer Act, which is generally designed to protect commercially unsophisticated individuals who enter into credit transactions. As a result, the disclosure requirement will not apply in the specific transactions that are excluded under s. 421.202 (1) to (9), stats. For example, although the bill will apply in an agricultural transaction with an individual family farmer, the bill will not apply in an agricultural transaction with a farm that is incorporated. Please review the transactions excluded under s. 421.202 (1) to (9), stats., and let me know if you desire any changes.

2. A person who violates the bill is liable to the customer for actual damages, reasonable attorney fees and \$25. See ss. 425.302 and 425.308, stats. Please let me know if you intend a different remedy to apply.

Robert J. Marchant  
Legislative Attorney  
Phone: (608) 261-4454  
E-mail: Robert.Marchant@legis.state.wi.us

1-13-00 message from Rep. Gronemus

Redraft 4143/1

- Remove from consumer act
- Apply to all agricultural credit transactions.



RM NR

NOTE

# 1999 BILL

re-gen

documentation of

1 **AN** ACT to renumber and amend 422.302 (3); to amend 421.202(10), 421.301  
 2 (17) and 422.303 (5); and to create 422.302 (3) (b) of the statutes; relating to:  
 3 ~~disclosures in certain~~ agricultural credit transactions ~~under the Wisconsin~~  
 4 ~~Consumer Act.~~ and granting rule-making authority

## Analysis by the Legislative Reference Bureau

Under current law, a transaction that is entered into by a customer for personal family or household purposes is generally subject to the Wisconsin Consumer Act (consumer act). With limited exceptions, a "customer" under the consumer act includes an individual but not an organization or business. Among other things, the consumer act requires certain disclosures to be made if credit is extended to a customer. For example, under the consumer act, a person that extends credit to a customer must give the customer, before any payment is due, a copy of each document evidencing the customer's obligation under the transaction.

Certain transactions, though, are excluded from the consumer act. For example, the consumer act does not apply to a transaction that is in an amount greater than \$25,000. In addition, with limited exceptions, a transaction that is entered into primarily for an agricultural purpose (agricultural transaction) is not subject to the consumer act. Thus, under current law, if credit is extended to a customer pursuant to an agricultural transaction, the disclosure requirements contained in the consumer act generally do not apply.

Under this bill, certain agricultural transactions are subject to the consumer act for the purpose of requiring disclosures upon the extension of credit. Under the

INSERT  
5/24/99

BILL

bill, unless the transaction is otherwise excluded from the consumer act, a person that extends credit to a customer pursuant to an agricultural transaction must give the customer, at the time of entering into the transaction, an exact copy of each document evidencing the customer's obligation under the transaction.

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

DWSEF  
2-1  
1  
2

**SECTION 1.** 421.202 (10) of the statutes is amended to read:

421.202 (10) Transactions that are primarily for an agricultural purpose, except that this subsection does not exclude transactions that are primarily for an agricultural purpose from ch. 427 and except that this subsection does not exclude credit transactions that are primarily for an agricultural purpose from s. ss. 422.210 and 422.302 (3) (b).

**SECTION 2.** 421.301 (17) of the statutes is amended to read:

421.301 (17) "Customer" means a person other than an organization (~~s. 421.301 (28))~~ who seeks or acquires real or personal property, services, money or credit for personal, family or household purposes or, for purposes of ch. 427 and ss. 922.210 and 422.302 (3) (b) only, for agricultural purposes. A person other than a customer may agree to be governed by chs. 421 to 427 with respect to all aspects of a transaction and in such event such person shall be deemed a customer for all purposes of chs. 421 to 427 with respect to such transaction.

**SECTION 3.** 422.302 (3) of the statutes is renumbered 422.302 (3) (a) and amended to read:

422.302 (3) (a) ~~Before~~ Except as provided in par. (b), before any payment is due ~~pursuant to a transaction,~~ the creditor shall ~~furnish~~ give the customer ~~with~~ an exact copy of each instrument, document, agreement and contract ~~which that~~ is signed by the customer and ~~which that~~ evidences the customer's obligation under the

**BILL**

1 ~~transaction.~~ If there is more than one customer, delivery of ~~copies of the documents~~  
2 ~~each required copy~~ to one of ~~them~~ the customers constitutes compliance with this  
3 ~~subsection paragraph.~~

4 **SECTION 4.** 422.302 (3) (b) of the statutes is created to read:

5 422.302 (3) (b) With respect to a transaction that is primarily for an  
6 agricultural purpose, the creditor shall give the customer, at the time that the  
7 customer enters into the transaction, an exact copy of each instrument, document,  
8 agreement and contract that is signed by the customer and that evidences the  
9 customer's obligation under the transaction. If there is more than one customer,  
10 delivery of each required copy to one of the customers constitutes compliance with  
11 this paragraph.

12 **SECTION 5.** 422.303 (5) of the statutes is amended to read:

13 422.303 (5) The creditor shall retain a copy of ~~such each~~ writing evidencing a  
14 consumer credit transaction, other than one pursuant to an open-end credit plan,  
15 and of any proposal for a consumer credit transaction which the merchant has  
16 required or requested the customer to sign and which the customer has signed during  
17 contract negotiations, for a period of one year after the last payment scheduled under  
18 the transaction, or one year after the transaction has been repaid in full, whichever  
19 is sooner. The creditor shall ~~supply give~~ the customer with, upon demand during the  
20 applicabl e-year period, copies of ~~such any~~ documents ~~upon any demand of the~~  
21 ~~custo e made within s h period; that are retained by the creditor under this~~  
22 subsection and that relate to a transaction or proposed transaction with the  
23 customer. The creditor shall give the customer one copy shall be furnished at no  
24 charge; and shall furnish each subsequent copies shall be furnished copy on the  
25 condition that the customer pay the creditor's reasonable costs of preparing and



1

forwarding the copy. Copies A copy supplied under this subsection are is in addition

2

to those copies any copy required by under s. 422.302.

3

**SECTION 6, Initial applicability.**

4

(1) This act first applies to transactions entered into on the effective date of this

5

subsection.

a

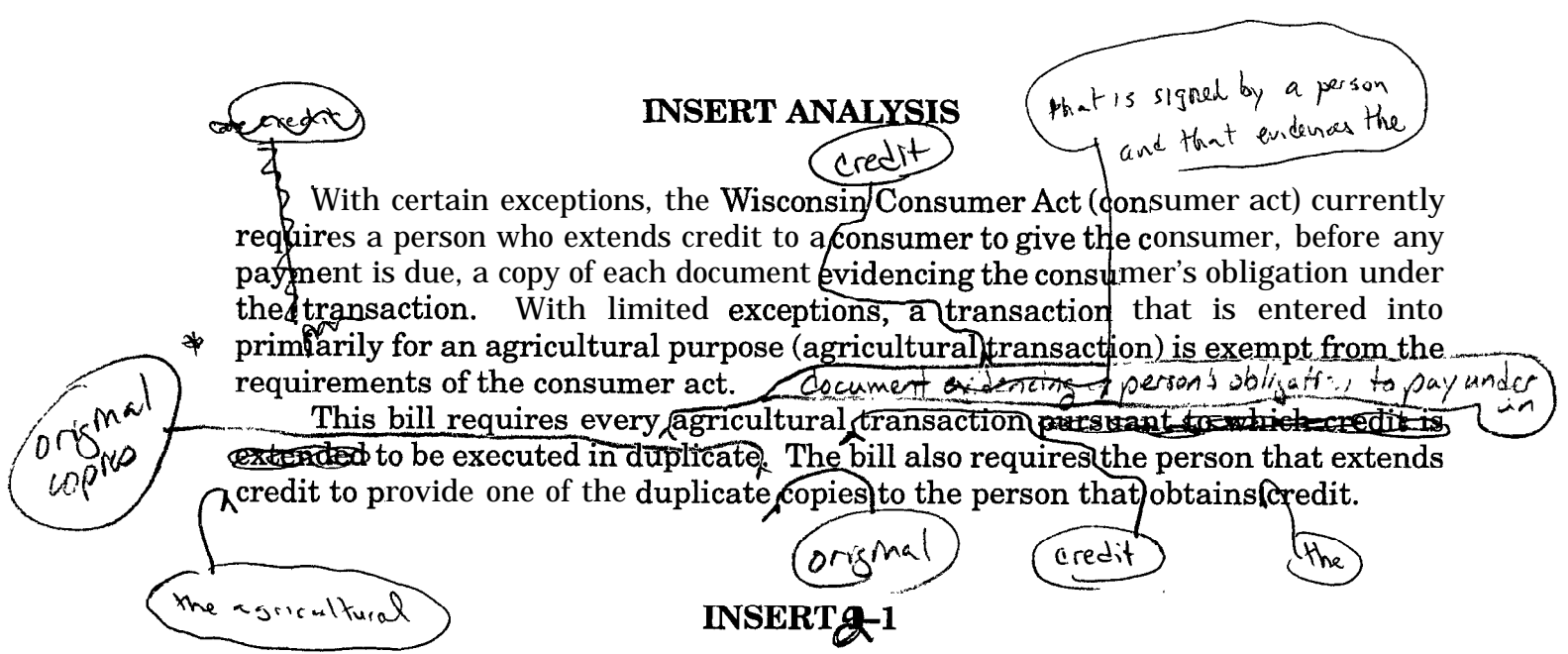
6

(END)

INSERT ANALYSIS

With certain exceptions, the Wisconsin Consumer Act (consumer act) currently requires a person who extends credit to a consumer to give the consumer, before any payment is due, a copy of each document evidencing the consumer's obligation under the transaction. With limited exceptions, a transaction that is entered into primarily for an agricultural purpose (agricultural transaction) is exempt from the requirements of the consumer act.

This bill requires every agricultural transaction pursuant to which credit is extended to be executed in duplicate. The bill also requires the person that extends credit to provide one of the duplicate copies to the person that obtains credit.



INSERT 1

SECTION 1. 100.185 of the statutes is created to read:

**100.185 Documentation of agricultural credit transactions. (1)**

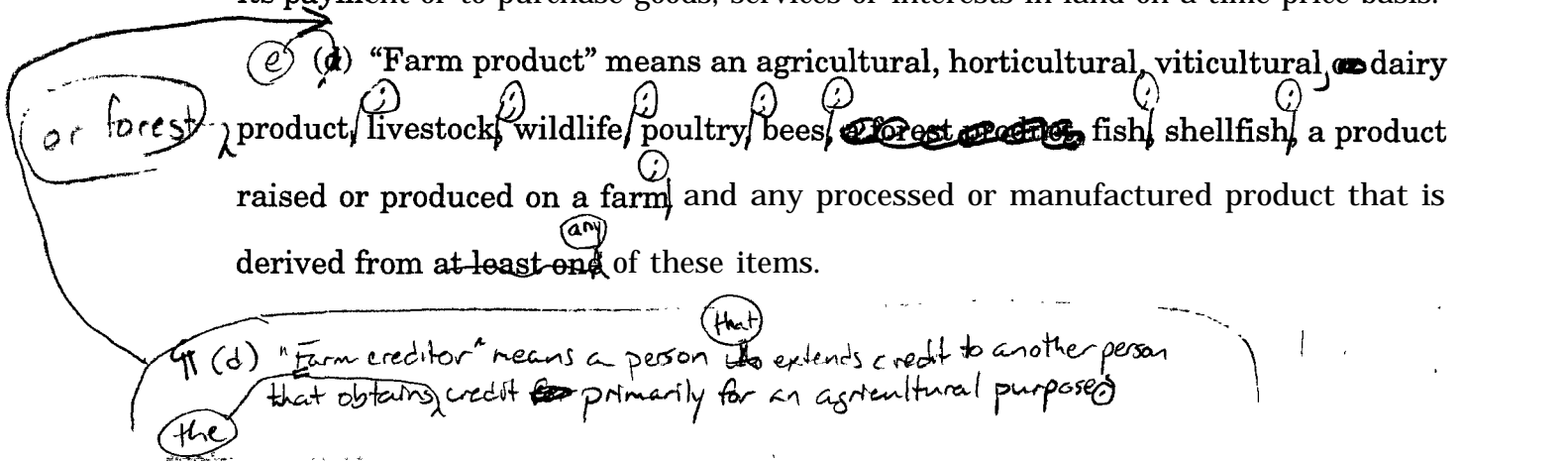
**DEFINITIONS.** In this section: (a) "Credit transaction" means a transaction pursuant to which real or personal property, services or money is acquired by a person on credit, and the person is required to pay a charge for the credit or is required to pay his or her obligation in instalments.

(b) "Agricultural purpose" means a purpose related to the production, harvest, exhibition, marketing, transportation, processing or manufacture of farm products by a person that cultivates, plants, propagates or nurtures those farm products.

(c) "Credit" means the right to defer payment of debt, to incur debt and defer its payment or to purchase goods, services or interests in land on a time price basis.

(d) "Farm product" means an agricultural, horticultural, viticultural, dairy or forest product, livestock, wildlife, poultry, bees, forest products, fish, shellfish, a product raised or produced on a farm, and any processed or manufactured product that is derived from at least one of these items.

(d) "Farm creditor" means a person that extends credit to another person that obtains credit primarily for an agricultural purpose.



A farm creditor shall ensure that each

that is signed by a person and that evidences the

primarily

(2) DOCUMENTATION REQUIRED. ~~Each~~ document, ~~evidencing~~ a person's obligation

to pay under a credit transaction that the person enters into for an agricultural

purpose shall be executed in duplicate original copies. The person that extends credit

~~pursuant to the transaction~~ shall provide the person who receives credit with one of

the duplicate original copies.

farm creditor

is

~~except as provided~~ under sub. (3) the duplicate original copies shall consist of a signed copy  
a carbon copy containing the carbon impression of  
all signatures on the signed copy

and an identical

as required

(3) <sup>(CS)</sup> Rules. The department may, by rule, <sup>authorize the production</sup> of ~~the~~ duplicate original copies <sup>under sub. (2)</sup> by any method that is at least as effective at preventing fraud as the method specified under sub. (2). ✓

my understanding of

NOTE

The department of agriculture, trade and consumer protection

In order to account for changing commercial practices,

Representative Cronemus:

# 1. Please review the attached bill, which I redrafted according to your instructions. The bill authorizes DATCP to expand the acceptable methods of producing duplicate original copies, by rule. Please let me know if this provision is not consistent with your intent.

# 2. The bill will be enforced by DATCP and A person who violates the bill is subject to a forfeiture of up to \$200, ~~and~~ imprisonment for up to <sup>six</sup> months or both. Please let me know if you desire any changes to these enforcement provisions.

(Name: RSM)

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-4 143/2dn  
RJM:wlj:hmh

January 19, 2000

Representative Gronemus:

1. Please review the attached bill, which I redrafted according to my understanding of your instructions. In order to account for changing commercial practices, the bill authorizes the department of agriculture, trade and consumer protection (DATCP) to expand the acceptable methods of producing duplicate original copies, by rule. Please let me know if this provision is not consistent with your intent.

2. The bill will be enforced by DATCP. A person who violates the bill is subject to a forfeiture of up to \$200, imprisonment for up to six months or both. Please let me know if you desire any changes to these enforcement provisions.

Robert J. Marchant  
Legislative Attorney  
Phone: (608) 261-4454  
E-mail: [Robert.Marchant@legis.state.wi.us](mailto:Robert.Marchant@legis.state.wi.us)

**SUBMITTAL  
FORM**

**LEGISLATIVE REFERENCE BUREAU**  
**Legal Section Telephone: 266-3561**  
**5th Floor, 100 N. Hamilton Street**



The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

**Date:** 01/19/2000

**To:** Representative Gronemus

**Relating to LRB drafting number:** LRB-4143/~~2000~~

**Topic**

Agricultural loans

**Subject(s)**

Agriculture - miscellaneous, Fin. Inst. - int. \*s/loans, Fin. Inst. - WCA

1. **JACKET** the draft for introduction Barbara Gronemus

in the Senate or the Assembly (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached \_\_\_\_\_.

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction \_\_\_\_\_.

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Robert J. Marchant, Legislative Attorney  
Telephone: (608) 261-4454