

2001 ASSEMBLY BILL 384

May 8, 2001 – Introduced by Representatives GRONEMUS, JESKEWITZ, RYBA, FREESE, POCAN, MUSSER, ALBERS, HAHN and REYNOLDS, cosponsored by Senators SCHULTZ and GEORGE. Referred to Committee on Small Business and Consumer Affairs.

1 AN ACT *to create* 100.185 of the statutes; **relating to:** documentation of
2 agricultural credit transactions and granting rule-making authority.

Analysis by the Legislative Reference Bureau

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 credit transaction) is exempt from the requirements of the consumer act.

This bill requires every document that is signed by a person and that evidences the person's obligation to pay under an agricultural credit transaction to be executed in duplicate original copies. The bill also requires the person that extends the agricultural credit to provide one of the duplicate original copies to the person that obtains the credit.

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

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

4 **100.185 Documentation of agricultural credit transactions. (1)**

5 DEFINITIONS. In this section:

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1 (a) “Credit transaction” means a transaction under which real or personal
2 property, services, or money is acquired by a person, on credit, and under which the
3 person is required to pay a charge for the credit or is required to pay his or her
4 obligation in installments.

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

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

10 (d) “Farm creditor” means a person that extends credit to another person that
11 obtains the credit primarily for an agricultural purpose.

12 (e) “Farm product” means an agricultural, horticultural, viticultural, dairy, or
13 forest product; livestock; wildlife; poultry; bees; fish; shellfish; a product raised or
14 produced on a farm; and any processed or manufactured product that is derived from
15 any of these items.

16 **(2) DOCUMENTATION REQUIRED.** A farm creditor shall ensure that each document
17 that is signed by a person and that evidences the person’s obligation to pay under a
18 credit transaction that the person enters into primarily for an agricultural purpose
19 is executed in duplicate original copies. The duplicate original copies shall consist
20 of a signed copy and an identical copy containing the impression of all signatures on
21 the signed copy. Except as provided under sub. (3), the identical copy shall be a
22 noncarbon reproduction of the signed copy, produced by the transfer of images in
23 substantially the same manner as is used to make a carbon copy, or shall be a carbon
24 copy. The farm creditor shall provide the person that receives the credit with one of
25 the duplicate original copies.

