

2001 DRAFTING REQUEST

Assembly Substitute Amendment (ASA-AB384)

Received: 08/27/2001

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:

Addl. Drafters:

Subject: Fin. Inst. - int. rates/loans

Extra Copies:

Submit via email: NO

Pre Topic:

No specific pre topic given

Topic:

Documentation of agricultural credit transactions

Instructions:

Draft LRBb1972 as a sub.

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>
/?	rmarchan 08/28/2001	jdye 09/04/2001					
/1			jfrantze 09/04/2001		lrb_docadmin 09/04/2001	lrb_docadmin 09/04/2001	

FE Sent For:

<END>

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/?	rmarchan	11/9/4 jld	9/14	6/15/6 9/4			

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<END>

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:

ASSEMBLY BILL 384

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.

Soon

2001 - 2002 LEGISLATURE

50159/1
LRBb1972/1
RJM:mfj

ASA-AB384

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Wlj*

**ASSEMBLY AMENDMENT 120,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2001 SENATE BILL 55**

June 29, 2001 - Offered by Representatives GRONEMUS and SERATTI.

An Act . . . relating to: documentation of agricultural credit transactions and granting rule-making authority.

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 889, line 1: after that line insert:

3 SECTION 2407m. 100.185 of the statutes is created to read:

4 100.185 Documentation of agricultural credit transactions. (1)

5 DEFINITIONS. In this section:

6 (a) "Credit transaction" means a transaction under which real or personal
7 property, services, or money is acquired by a person, on credit, and under which the
8 person is required to pay a charge for the credit or is required to pay his or her
9 obligation in installments.

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

INSERT
A
(move to next pages)

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

4 → **INSERTA (from previous page)**
5 (d) "Farm creditor" means a person that extends credit to another person that
6 obtains the credit primarily for an agricultural purpose.

7 (e) "Farm product" means an agricultural, horticultural, viticultural, dairy, or
8 forest product; livestock; wildlife; poultry; bees; fish; shellfish; a product raised or
9 produced on a farm; and any processed or manufactured product that is derived from
10 any of these items.

11 (2) DOCUMENTATION REQUIRED. ✓ A farm creditor shall ensure that each document
12 that is signed by a person and that evidences the person's obligation to pay under a
13 credit transaction in an amount of \$20,000 or more that the person enters into
14 primarily for an agricultural purpose is executed in duplicate original copies. The
15 duplicate original copies shall consist of a signed copy and an identical copy
16 containing the impression of all signatures on the signed copy. Except as provided
17 under sub. (3), ✓ the identical copy shall be a noncarbon reproduction of the signed
18 copy, produced by the transfer of images in substantially the same manner as is used
19 to make a carbon copy, or shall be a carbon copy. The farm creditor shall provide the
20 person that receives the credit with one of the duplicate original copies.

21 (3) RULES. The department may, by rule, authorize the production of duplicate
22 original copies as required under sub. (2) by any method that is at least as effective
23 at preventing fraud as the methods specified under sub. (2). ✓

✓ 2. Page 1397, line 25. after that line insert:
SEC #. Inital Applicability

(#) This act

1 ~~AGRICULTURAL CREDIT TRANSACTIONS.~~ The treatment of section 100.185 of
2 the statutes first applies to transactions entered into on the effective date of this
3 subsection. *De*

4

(END)