

1 commence within 60 days after the date on which the division receives the written  
2 response.

3 (d) If the licensee fails to file a written response within the time provided under  
4 par. (b), files a timely written response but fails to request a contested case hearing  
5 under s. 227.42 or files a timely written response requesting a contested case hearing  
6 but, in the opinion of the division, the matter fails to satisfy all of the conditions  
7 specified in s. 227.42 (1) (a) to (d), the division may issue an order suspending or  
8 revoking the license. If the licensee files a timely written response containing a  
9 proper request for a contested case hearing under s. 227.42, any order of the division  
10 suspending or revoking the licensee's license shall be stayed pending completion of  
11 proceedings under ch. 227.

12 **218.626 Modification of license. (1) CHANGE IN PLACE OF BUSINESS.** No  
13 licensee may change its place of business to another location without the prior  
14 approval of the division. A licensee shall provide the division with at least 15 days'  
15 prior written notice of a proposed change under this subsection and shall pay any  
16 applicable fees specified in the rules promulgated under s. 218.63 (3). Upon approval  
17 by the division of the new location, the division shall issue an amended license,  
18 specifying the date on which the amended license is issued and the new location.

19 **(2) OTHER CHANGES.** Except as provided in sub. (1), a licensee shall notify the  
20 division of any material change to the information provided in the licensee's original  
21 application for a license under this subchapter or provided in a previous notice of  
22 change filed by the licensee with the division under this subsection. A licensee shall  
23 provide the notice required under this subsection within 10 days after the change.  
24 The licensee shall provide any additional information, data, and records about the  
25 change to the division within 20 days after the division requests the information,

1 data, or records. The division shall determine the cost of investigating and  
2 processing the change. The licensee shall pay the division's cost within 30 days after  
3 the division demands payment.

4 (3) DIVISION APPROVAL OF OTHER CHANGES. Any change that is subject to the  
5 notice requirement under sub. (2) is subject to the approval of the division. In  
6 reviewing the change, the division shall apply the same criteria as the criteria for  
7 approval of an original license application.

8 **218.628 Annual report; records.** (1) ANNUAL REPORT. On or before March  
9 31 of each year, a licensee shall file a report with the division giving such reasonable  
10 and relevant information as the division may require concerning the business and  
11 operations conducted by the licensee. The licensee shall make the report in the form  
12 prescribed by the division.

13 (2) BOOKS AND RECORDS. A licensee shall keep such books and records in the  
14 licensed location as, in the opinion of the division, will enable the division to  
15 determine whether the provisions of this subchapter are being observed. Every  
16 licensee shall preserve its records of a rent-to-own agreement for at least 3 years  
17 after making the final entry with respect to the rent-to-own agreement.

18 **218.63 Powers and duties of division; administration.** (1) ORDERS. The  
19 division may issue any general order, as defined in s. 217.02 (3), or special order, as  
20 defined in s. 217.02 (10), in execution of or supplementary to this subchapter, except  
21 that the division may not issue a general order or special order that conflicts with this  
22 subchapter.

23 (2) INVESTIGATIONS AND EXAMINATIONS. For the purpose of discovering violations  
24 of this subchapter, the division may cause an investigation or examination to be  
25 made of the business of a licensee transacted under this subchapter. The place of

1 business, books of accounts, papers, records, safes, and vaults of the licensee shall  
2 be open to the division for the purpose of an investigation or examination, and the  
3 division has authority to examine under oath all persons whose testimony is required  
4 for an investigation or examination. The division shall determine the cost of an  
5 investigation or examination. The licensee shall pay the cost of an investigation or  
6 examination. The licensee shall pay the cost of any hearing held for the purpose of  
7 this subsection, including witness fees, unless the division or a court finds that the  
8 licensee has not violated any provision of this subchapter. The licensee shall pay all  
9 costs owing under this subsection within 30 days after the division demands  
10 payment. The state may maintain an action for the recovery of any costs owing under  
11 this subsection.

12 (3) RULES. The division may promulgate rules for the administration of this  
13 subchapter.

14 (4) TESTIMONIAL POWERS AND POWERS TO SECURE EVIDENCE. The division has the  
15 same power to conduct hearings, take testimony, and secure evidence as is provided  
16 in ss. 217.17 and 217.18.

17 (5) ENFORCEMENT. The division has the duty, power, jurisdiction, and authority  
18 to investigate, ascertain, and determine whether this subchapter or any lawful  
19 orders issued under sub. (1) are being violated. The division may report violations  
20 of this subchapter to the attorney general or the district attorney of the proper county  
21 for prosecution.

22 **218.632 General requirements of disclosure.** (1) FORM, LOCATION, SIZE, AND  
23 TIME OF DISCLOSURE. The information required under s. 218.634 to be included in a  
24 rent-to-own agreement shall satisfy all of the following requirements:

25 (a) The information shall be clearly and conspicuously disclosed.

1 (b) The information shall be disclosed in writing.

2 (c) The information shall be disclosed on the face of the rent-to-own agreement  
3 above the line for the lessee's signature.

4 (d) The information shall be disclosed in not less than 8-point standard type.

5 (e) The information shall be disclosed before the time that the lessee becomes  
6 legally obligated under the rent-to-own agreement.

7 (2) ACCURACY OF DISCLOSURE. The information required under s. 218.634 must  
8 be accurate as of the time that it is disclosed to the lessee. If any information  
9 subsequently becomes inaccurate as a result of any act, occurrence, or agreement by  
10 the lessee, the resulting inaccuracy is not a violation of this subchapter.

11 (3) COPY OF RENT-TO-OWN AGREEMENT. The rental-purchase company shall  
12 provide the lessee with a copy of the completed rent-to-own agreement signed by the  
13 lessee. If more than one lessee is legally obligated under the same rent-to-own  
14 agreement, delivery of a copy of the completed rent-to-own agreement to one of the  
15 lessees shall satisfy this subsection.

16 (4) SINGLE INSTRUMENT. In a rent-to-own agreement, the lessee's payment  
17 obligations shall be evidenced by a single instrument, which shall include the  
18 signature of the rental-purchase company, the signature of the lessee, and the date  
19 on which the instrument is signed.

20 **218.634 Required provisions of rent-to-own agreement.** A  
21 rental-purchase company shall include all of the following information, to the extent  
22 applicable, in every rent-to-own agreement:

23 (1) DESCRIPTION. A brief description of the rental property, sufficient to identify  
24 the rental property to the lessee and the rental-purchase company, including any  
25 identification number, and a statement indicating whether the rental property is

1 new or used. A statement that incorrectly indicates that new rental property is used  
2 is not a violation of this subchapter.

3 (2) CASH PRICE. The price at which the rental–purchase company would sell the  
4 rental property to the lessee if the lessee were to pay for the rental property in full  
5 on the date on which the rent–to–own agreement is executed, along with a statement  
6 that, if the lessee intends to acquire ownership of the rental property and is able to  
7 pay for the property in full or is able to obtain credit to finance the purchase, the  
8 lessee may be able to purchase similar property from a retailer at a lower cost.

9 (3) RENTAL PAYMENT. The periodic rental payment for the rental property.

10 (4) UP–FRONT PAYMENT. Any payment required of the lessee at the time that the  
11 agreement is executed or at the time that the rental property is delivered, including  
12 the initial rental payment, any application or processing charge, any delivery fee, the  
13 applicable tax, and any charge for a liability damage waiver or for other optional  
14 services agreed to by the lessee.

15 (5) PERIODIC RENTAL PAYMENTS TO ACQUIRE OWNERSHIP. The total number, total  
16 dollar amount, and timing of all periodic rental payments necessary to acquire  
17 ownership of the rental property.

18 (6) OTHER CHARGES AND FEES TO ACQUIRE OWNERSHIP. The dollar amount, both  
19 itemized and in total, of all taxes, liability damage waiver fees, fees for optional  
20 services, processing fees, application fees, and delivery charges that the lessee would  
21 incur if the lessee were to rent the rental property until the lessee acquires  
22 ownership, assuming that the lessee does not add or decline the liability damage  
23 waiver or optional services after signing the rent–to–own agreement.

24 (7) TOTAL PAYMENTS TO ACQUIRE OWNERSHIP. The total of all charges to be paid  
25 by the lessee to acquire ownership of the rental property, which shall consist of the

1 sum of the total dollar amount of all periodic rental payments disclosed under sub.  
2 (5) and the total dollar amount of all other charges and fees disclosed under sub. (6),  
3 along with a statement that this is the amount a lessee will pay to acquire ownership  
4 of the rental property if the tax rates do not change and if the lessee does not add or  
5 decline the liability damage waiver or optional services after signing the  
6 rent-to-own agreement.

7 (8) OTHER CHARGES. An itemized description of any other charges or fees that  
8 the rental-purchase company may charge the lessee.

9 (9) SUMMARY OF EARLY-PURCHASE OPTION. A statement summarizing the terms  
10 of the lessee's option to acquire ownership of the rental property, including a  
11 statement indicating that the lessee has the right to acquire ownership of the rental  
12 property at any time after the first payment by paying all past-due payments and  
13 fees and an amount not to exceed an amount equal to the cash price of the rental  
14 property multiplied by a fraction that has as its numerator the number of periodic  
15 rental payments remaining under the rent-to-own agreement and that has as its  
16 denominator the total number of periodic rental payments.

17 (10) RESPONSIBILITY FOR THEFT OR DAMAGE. A statement that, unless otherwise  
18 agreed, the lessee is responsible for the fair market value of the rental property,  
19 determined according to the early-purchase option formula under sub. (9), if the  
20 rental property is stolen, damaged, or destroyed while in the possession of or subject  
21 to the control of the lessee. The statement shall indicate that the fair market value  
22 will be determined as of the date on which the rental property is stolen, damaged,  
23 or destroyed.

24 (11) SERVICE AND WARRANTY. A statement that during the term of the  
25 rent-to-own agreement, the rental-purchase company is required to service the

1 rental property to maintain it in good working condition, as long as no other person  
2 has serviced the rental property. In lieu of servicing the rental property, the  
3 rental-purchase company may, at its option, replace the rental property. The  
4 rental-purchase company's obligation to provide service is limited to defects in the  
5 property not caused by improper use or neglect by the lessee or harmful conditions  
6 outside the control of the rental-purchase company or manufacturer.

7 (12) TERMINATION AT OPTION OF LESSEE. A statement that the lessee may  
8 terminate the agreement at any time without penalty by voluntarily surrendering  
9 or returning the rental property in good repair.

10 (13) RIGHT TO REINSTATE. A brief explanation of the lessee's right to reinstate  
11 a rent-to-own agreement under s. 218.654.

12 (14) RENTAL, NOT PURCHASE. A statement that the lessee will not own the rental  
13 property until the lessee has made all payments necessary to acquire ownership or  
14 has exercised the lessee's early-purchase option. The rental-purchase company  
15 shall also include a notice reading substantially as follows: "You are renting this  
16 property. You will not own the property until you make all payments necessary to  
17 acquire ownership or until you exercise your early-purchase option. If you do not  
18 make your payments as scheduled or exercise your early-purchase option, the lessor  
19 may repossess the property."

20 (15) INFORMATION ABOUT RENTAL-PURCHASE COMPANY AND LESSEE. The names of  
21 the rental-purchase company and the lessee, the rental-purchase company's  
22 business address and telephone number, the lessee's address, and the date on which  
23 the rent-to-own agreement is executed.

1           **218.636 Prohibited provisions of rent-to-own agreement.** A  
2 rental-purchase company may not include any of the following provisions in a  
3 rent-to-own agreement:

4           (1) **CONFESSION.** A confession of judgment.

5           (2) **SECURITY.** A provision granting the rental-purchase company a security  
6 interest in any property except the rental property delivered by the rental-purchase  
7 company under the rent-to-own agreement.

8           (3) **REPOSSESSION.** A provision authorizing the rental-purchase company or an  
9 agent of the rental-purchase company to enter the lessee's premises or to commit a  
10 breach of the peace in the repossession of rental property provided by the  
11 rental-purchase company under the rent-to-own agreement.

12           (4) **WAIVER.** A waiver of a defense or counterclaim, a waiver of any right to  
13 assert any claim that the lessee may have against the rental-purchase company or  
14 against an agent of the rental-purchase company, or a waiver of any provision of this  
15 subchapter.

16           (5) **OVERPAYMENT.** A provision requiring periodic rental payments totaling more  
17 than the total dollar amount of all periodic rental payments necessary to acquire  
18 ownership, as disclosed in the rental-purchase agreement.

19           (6) **INSURANCE.** A provision requiring the lessee to purchase insurance from the  
20 rental-purchase company to insure the rental property.

21           (7) **ATTORNEY FEES.** A provision requiring the lessee to pay attorney fees.

22           **218.638 Liability waiver.** A rental-purchase company may offer a liability  
23 waiver to the lessee. The terms of the waiver shall be provided to the lessee in  
24 writing, and the face of the writing shall clearly disclose that the lessee is not  
25 required to purchase the waiver. The fee for the waiver may not exceed 10% of the

1 periodic rental payment due under the rent-to-own agreement. The lessee shall be  
2 entitled to cancel the waiver at the end of any rental term.

3 **218.64 Early-purchase option.** An early-purchase option under a  
4 rent-to-own agreement shall permit the lessee to purchase the rental property at  
5 any time after the initial periodic rental payment for an amount determined  
6 according to the early-purchase option formula under s. 218.634 (9). As a condition  
7 of exercising the early-purchase option, the rental-purchase company may require  
8 the lessee to be current on the payments under the lessee's rent-to-own agreement  
9 or to pay any past-due rental charges and other outstanding fees that are owed.

10 **218.642 Receipts and statements. (1) RECEIPTS.** A rental-purchase  
11 company shall provide a written receipt to a lessee for any payment made by the  
12 lessee in cash, or upon the request of the lessee, for any other type of payment.

13 **(2) STATEMENT DUE TO LESSEE.** Subject to sub. (4), upon the request of a lessee,  
14 a rental-purchase company shall provide a written statement to the lessee showing  
15 the lessee's payment history under each rent-to-own agreement between the lessee  
16 and the rental-purchase company. A rental-purchase company is not required to  
17 provide a statement covering any rent-to-own agreement that terminated more  
18 than one year prior to the date of the lessee's request. A rental-purchase company  
19 may provide a single statement covering all rent-to-own agreements or separate  
20 statements for each rent-to-own agreement, at the rental-purchase company's  
21 option.

22 **(3) STATEMENT DUE TO 3RD PARTY.** Subject to sub. (4), upon the written request  
23 of a lessee, made during the term of or no later than one year after the termination  
24 of a rent-to-own agreement, a rental-purchase company shall provide a written

1 statement to any person designated by the lessee, showing the lessee's payment  
2 history under the rent-to-own agreement.

3 (4) FEE FOR STATEMENT. A lessee or, if appropriate, a lessee's designee is entitled  
4 to receive one statement under subs. (2) and (3) without charge once every 12  
5 months. A rental-purchase company shall provide an additional statement if the  
6 lessee pays the rental-purchase company's reasonable costs of preparing and  
7 furnishing the statement.

8 **218.644 Price cards displayed.** (1) PRICE CARDS; GENERALLY. Except as  
9 provided under sub. (2), a rental-purchase company shall display a card or tag that  
10 clearly and conspicuously states all of the following information on or next to any  
11 property displayed or offered by the rental-purchase company for rent under a  
12 rent-to-own agreement:

13 (a) The cash price that an individual would pay to purchase the property.

14 (b) The amount of the periodic rental payment and the term over which the  
15 payment must be made.

16 (c) The total number and total dollar amount of all periodic rental payments  
17 necessary to acquire ownership of the property under a rent-to-own agreement.

18 (d) Whether the property is new or used.

19 (2) EXCEPTIONS. If property is offered for rent under a rent-to-own agreement  
20 through a catalog, or if the size of the property is such that displaying a card or tag  
21 on or next to the property is impractical, a rental-purchase company may make the  
22 disclosures required under sub. (1) in a catalog or list that is readily available to  
23 prospective lessees.

24 **218.646 Advertising.** (1) DISCLOSURE REQUIRED. Except as provided under  
25 sub. (2), if an advertisement for a rent-to-own agreement refers to or states the

1 amount of a payment for a specific item of property, the rental-purchase company  
2 shall ensure that the advertisement clearly and conspicuously states all of the  
3 following:

4 (a) That the transaction advertised is a rent-to-own agreement.

5 (b) The total number and total dollar amount of all periodic rental payments  
6 necessary to acquire ownership of the property.

7 (c) That the lessee does not acquire ownership of the property if the lessee fails  
8 to make all periodic rental payments or other payments necessary to acquire  
9 ownership of the property.

10 (2) EXCEPTION. Subsection (1) does not apply to an in-store display or to an  
11 advertisement that is published in the yellow pages of a telephone directory or in a  
12 similar directory of businesses.

13 **218.648 Referral transactions. (1) PROHIBITED REFERRAL TRANSACTIONS.** No  
14 rental-purchase company may induce any individual to enter into a rent-to-own  
15 agreement by giving or offering to give a rebate or discount to the individual in  
16 consideration of the individual giving to the rental-purchase company the names of  
17 prospective lessees if the earning of the rebate or discount is contingent on the  
18 occurrence of any event that takes place after the time that the individual enters into  
19 the rent-to-own agreement.

20 (2) AUTHORIZED REFERRAL TRANSACTIONS. After entering into a rent-to-own  
21 agreement, a rental-purchase company may give or offer to give a rebate or discount  
22 to the lessee under the rent-to-own agreement in consideration of the lessee giving  
23 to the rental-purchase company the names of prospective lessees. A rebate or  
24 discount under this subsection may be contingent on the occurrence of any event that  
25 takes place after the time that the names are given to the rental-purchase company.

1           **218.65 Termination of rent-to-own agreement.** The termination date of  
2 a rent-to-own agreement is the earlier of the following:

3           (1) The day specified in the rent-to-own agreement as the day on which the  
4 rental term ends, unless a different day has been established pursuant to the terms  
5 of the rent-to-own agreement.

6           (2) The date on which the lessee voluntarily surrenders the rental property.

7           **218.652 Late payment, grace period, and late fees.** (1) LATE FEE;  
8 GENERALLY. If a lessee fails to make a periodic rental payment when due under a  
9 rent-to-own agreement or if, at the end of any rental term, the lessee fails to return  
10 the rental property or to renew the rent-to-own agreement for an additional term,  
11 the rental-purchase company may require the lessee to pay a late fee. Except as  
12 provided under sub. (4), this subsection does not apply if the lessee's failure to return  
13 the rental property or failure to renew the rent-to-own agreement at the end of the  
14 rental term is due to the lessee's exercise of an early-purchase option under the  
15 rent-to-own agreement or is due to the lessee making all periodic rental payments  
16 necessary to acquire ownership of the rental property.

17           (2) GRACE PERIODS. The following grace periods shall apply to periodic rental  
18 payments made with respect to a rental-purchase agreement:

19           (a) For an agreement that is renewed on a weekly basis, no late fee may be  
20 assessed for a periodic rental payment that is made within 2 days after the date on  
21 which the payment is due.

22           (b) For an agreement that is renewed for a term that is longer than one week,  
23 no late fee may be assessed for a periodic rental payment that is made within 5 days  
24 after the date on which the payment is due.

1           **(3) COLLECTION, RECORDING, AND LIMITATION OF LATE FEES.** Late fees are subject  
2 to all of the following limitations:

3           (a) A late fee may not exceed \$5 for each past-due periodic rental payment.

4           (b) A late fee may be collected only once on each periodic rental payment due,  
5 regardless of how long the payment remains past due.

6           (c) Payments received shall be applied first to the payment of any rent that is  
7 due and then to late fees and any other charges.

8           (d) A late fee may be collected at the time that the late fee accrues or at any time  
9 afterward.

10           **(4) EFFECT OF OUTSTANDING LATE FEE ON TRANSFER OF OWNERSHIP.** A  
11 rental-purchase company may require payment of any outstanding late fees before  
12 transferring ownership of rental property to a lessee.

13           **218.654 Reinstatement of terminated rent-to-own agreement. (1)**  
14 **REINSTATEMENT, GENERALLY.** A lessee may reinstate a terminated rent-to-own  
15 agreement without losing any rights or options previously acquired if all of the  
16 following conditions apply:

17           (a) The lessee returned or surrendered the rental property within 5 days after  
18 the termination of the rent-to-own agreement.

19           (b) Not more than 21 days have passed after the date on which the rental  
20 property was returned to the rental-purchase company or, if the lessee has paid  
21 two-thirds or more of the total number of periodic rental payments necessary to  
22 acquire ownership of the rental property, not more than 45 days have passed since  
23 the date on which the rental property was returned to the rental-purchase company.

24           **(2) AUTHORIZED CONDITIONS ON REINSTATEMENT.** As a condition of reinstatement  
25 under this section, the rental-purchase company may require the payment of all

1 past-due rental charges, any applicable late fees, a reinstatement fee not to exceed  
2 \$5, and the periodic rental payment for the next term.

3 (3) EFFECT OF REPOSSESSION ON REINSTATEMENT. Nothing in this section prohibits  
4 a rental-purchase company from attempting to repossess rental property upon  
5 termination of a rent-to-own agreement, but repossession efforts do not affect the  
6 lessee's right to reinstate the rent-to-own agreement as long as the rental property  
7 is voluntarily returned or surrendered within 5 days after the termination of the  
8 rent-to-own agreement.

9 (4) PROPERTY AVAILABLE UPON REINSTATEMENT. Upon reinstatement, the  
10 rental-purchase company shall provide the lessee with the same rental property, if  
11 the property is available and is in the same condition as when it was returned to the  
12 rental-purchase company, or with substitute rental property of comparable quality  
13 and condition.

14 **218.656 Reduced periodic rental payment due to reduced income. (1)**  
15 REDUCTION IN AMOUNT OF PERIODIC RENTAL PAYMENTS; REQUIRED EVIDENCE. (a)  
16 *Reduction in amount of periodic rental payments.* If a lessee's monthly income is  
17 reduced by 25% or more due to pregnancy, disability, involuntary job loss, or  
18 involuntary reduction in the amount of hours worked or wages earned, the  
19 rental-purchase company shall reduce the amount of each periodic rental payment  
20 due under the rent-to-own agreement by the same percentage that the lessee's  
21 monthly income is reduced or by 50%, whichever is less, for the period of time during  
22 which the lessee's income is reduced. This paragraph applies only if all of the  
23 following conditions are satisfied:

1           1. The total dollar amount of periodic rental payments made by the lessee  
2 under the rent-to-own agreement equals more than 50% of the total dollar amount  
3 of periodic rental payments necessary to acquire ownership of the rental property.

4           2. The lessee has provided the rental-purchase company with reasonable  
5 evidence of the amount and cause of the reduction in the lessee's monthly income.

6           (b) *Evidence of continued reduction in income.* At reasonable intervals after  
7 reducing the amount of a periodic rental payment under par. (a), a rental-purchase  
8 company may require the lessee to provide evidence of the lessee's monthly income  
9 and evidence that the cause of the reduction in the lessee's monthly income has not  
10 abated.

11           (2) INCREASE IN NUMBER OF PERIODIC RENTAL PAYMENTS. Except as provided in  
12 sub. (4), if a rental-purchase company reduces the amount of a periodic rental  
13 payment under sub. (1) (a), the rental-purchase company may increase the total  
14 number of periodic rental payments necessary to acquire ownership of the rental  
15 property.

16           (3) INCREASE IN AMOUNT OF PERIODIC RENTAL PAYMENTS. Except as provided in  
17 sub. (4), if a rental-purchase company reduces the amount of a periodic rental  
18 payment under sub. (1) (a) and if, subsequently, the lessee's monthly income is  
19 increased, the rental-purchase company may increase, by the same percentage that  
20 the lessee's monthly income is increased, the amount of each periodic rental payment  
21 due after the date on which the lessee's monthly income is increased.

22           (4) LIMITATION ON INCREASES. If a rental-purchase company, under sub. (2) or  
23 (3), increases the amount or number of periodic rental payments due under a  
24 rent-to-own agreement, the increase affects only the rights or duties of the lessee  
25 to the extent authorized in sub. (2) or (3). No rental-purchase company, acting under

1 sub. (2) or (3), may increase the total dollar amount of periodic rental payments  
2 necessary to acquire ownership of the rental property, or the amount of a periodic  
3 rental payment, to greater than the amount disclosed in the rent-to-own agreement.

4 **218.658 Default and right to cure. (1) DEFAULT; GENERALLY.** A lessee is in  
5 default under a rent-to-own agreement if any of the following occurs:

6 (a) The lessee fails to return the rental property within 7 days after the date  
7 on which the last term for which a periodic rental payment was made expires, unless  
8 the lessee has exercised an early-purchase option or has made all periodic rental  
9 payments necessary to acquire ownership of the rental property.

10 (b) The lessee materially breaches any other provision of the rent-to-own  
11 agreement.

12 (2) DEFAULT; NECESSARY FOR LESSEE LIABILITY. No cause of action shall accrue  
13 against a lessee with respect to the lessee's obligations under a rent-to-own  
14 agreement except upon default and the expiration of any applicable period of time  
15 allowed for cure of the default.

16 (3) NOTICE OF DEFAULT; GENERAL REQUIREMENT. Except as provided in sub. (4),  
17 as a condition precedent to bringing an action against a lessee arising out of the  
18 lessee's default, a rental-purchase company shall provide a written notice of the  
19 default and of the right to cure the default to the lessee. The notice shall specify the  
20 default and the action required to cure the default and shall inform the lessee that,  
21 if the default is not cured within 15 days after the notice is given, the rental-purchase  
22 company will have the right to bring an action against the lessee.

23 (4) NOTICE OF DEFAULT; EXCEPTION. A rental-purchase company is not required  
24 to provide a notice of default and right to cure as a condition precedent to bringing  
25 an action against a lessee if each of the following occurred twice during the 12 months

1 before the date of the current default with respect to the same rent-to-own  
2 agreement:

3 (a) The lessee was in default.

4 (b) The rental-purchase company gave the lessee written notice of the default  
5 and of the lessee's right to cure under sub. (3).

6 (c) The lessee cured the default.

7 **(5) REQUEST FOR VOLUNTARY SURRENDER OF PROPERTY.** A rental-purchase  
8 company may request the voluntary return or surrender of rental property prior to  
9 the declaration of a default and the sending of written notice of default and right to  
10 cure. A request under this subsection is subject to the requirements of s. 218.66.

11 **218.66 Rental-purchase company collection practices.** In attempting to  
12 recover possession of rental property or to collect past-due periodic rental payments  
13 or other charges owed under a rent-to-own agreement, a rental-purchase company  
14 may not do any of the following:

15 **(1) USE OF FORCE.** Use or threaten to use force or violence to cause physical harm  
16 to the lessee or the lessee's property or to a person related to the lessee.

17 **(2) CRIMINAL PROSECUTION.** Threaten criminal prosecution. It is not a violation  
18 of this subsection for a rental-purchase company to inform a lessee of the existence  
19 of s. 943.20 (1) (e) and the consequences of violating that section.

20 **(3) DISCLOSURE OF FALSE INFORMATION.** Disclose or threaten to disclose  
21 information adversely affecting the lessee's reputation for creditworthiness with  
22 knowledge or reason to know that the information is false.

23 **(4) COMMUNICATION WITH LESSEE'S EMPLOYER.** Initiate or threaten to initiate  
24 communication with the lessee's employer prior to obtaining final judgment against  
25 the lessee, except for the purpose of enforcing an assignment of earnings authorized

1 under s. 218.68. This subsection does not prohibit a rental–purchase company from  
2 communicating with a lessee’s employer solely to verify employment status or  
3 earnings or to determine if the employer has an established debt counseling service  
4 or procedure.

5 (5) DISCLOSURE OF INFORMATION RELATING TO LESSEE’S REPUTATION. Disclose or  
6 threaten to disclose to a person other than the lessee or the lessee’s spouse  
7 information affecting the lessee’s reputation, whether or not for creditworthiness,  
8 with knowledge or reason to know that the other person does not have a legitimate  
9 business need for the information, except that this subsection does not prohibit any  
10 of the following:

11 (a) The disclosure to another person of information permitted to be disclosed  
12 to that person by statute.

13 (b) An inquiry solely for the purpose of determining the location of the lessee  
14 or the rental property.

15 (6) DISCLOSURE OF INFORMATION REGARDING A DISPUTED DEBT. Disclose or threaten  
16 to disclose information concerning the existence of a debt known to be reasonably  
17 disputed by the lessee without disclosing the fact that the lessee disputes the debt.

18 (7) HARASSMENT. Communicate with the lessee or a person related to the lessee  
19 with such frequency, at such unusual hours, or in such a manner as can reasonably  
20 be expected to threaten or harass the lessee or a person related to the lessee, or  
21 engage in any other conduct that can reasonably be expected to threaten or harass  
22 the lessee or a person related to the lessee.

23 (8) USE OF OBSCENE OR THREATENING LANGUAGE. Use obscene or threatening  
24 language in communicating with the lessee or a person related to the lessee.

1           **(9) USE OF THREAT TO ENFORCE FALSE RIGHT.** Threaten to enforce a right with  
2 knowledge that the right does not exist.

3           **(10) USE OF FALSE PROCESS.** Use a communication that simulates legal or  
4 judicial process or that gives the appearance of being authorized, issued, or approved  
5 by a government, government agency, or attorney-at-law when it is not.

6           **(11) USE OF THREAT TO SUE.** Threaten to file a civil action against the lessee  
7 unless the civil action is of a type that the rental-purchase company files in the  
8 regular course of business or unless the rental-purchase company intends to file the  
9 civil action against the lessee.

10           **218.68 Assignment of earnings.** No rental-purchase company may take or  
11 arrange for an assignment of earnings of an individual for payment or as security for  
12 payment of an obligation arising out of a rent-to-own agreement unless the  
13 assignment is revocable at will by the individual.

14           **218.682 Penalties. (1) FAILURE TO PAY FEES AND PROVIDE REPORTS, INFORMATION,**  
15 **AND NOTICES; GENERALLY.** A licensee that fails to file its annual report by the date  
16 specified in s. 218.628 (1), fails to pay the annual license fee by the date specified in  
17 s. 218.622 (4), fails to provide any required rider or endorsement to increase the  
18 amount of its bond by the date specified in s. 218.622 (4), fails to provide examination  
19 records by the date required by the division, fails to notify the division in writing of  
20 a relocation of the licensee's place of business by the date specified in s. 218.626 (1),  
21 or fails to provide notice to the division of other changes as required under s. 218.626  
22 (2) by the date specified in s. 218.626 (2) may be required to forfeit not more than \$50.  
23 Each day that a failure described in this subsection continues constitutes a separate  
24 offense.

1           **(2) FAILURE TO PROVIDE CERTAIN INFORMATION.** A licensee that fails to provide any  
2 additional information, data, or records requested by the division under s. 218.626  
3 (2) by the date specified in s. 218.626 (2) may be required to forfeit not more than  
4 \$100. Each day that a failure described in this subsection continues constitutes a  
5 separate offense.

6           **(3) MISDEMEANORS.** Any person who violates s. 218.63 (2) or any provision of  
7 ss. 218.617 to 218.628 other than those provisions described in subs. (1) and (2) may  
8 be fined not more than \$1,000, imprisoned for not more than 6 months, or both.

9           **218.684 Civil actions and defenses. (1) LIABILITY; GENERALLY.** Except as  
10 provided under subs. (2) to (6), a rental-purchase company that violates any  
11 provision of this subchapter is liable to a lessee damaged as a result of that violation  
12 for the costs of the action and, notwithstanding s. 814.04 (1), for reasonable attorney  
13 fees as determined by the court, plus an amount equal to the greater of the following:

14           (a) The actual damages, including any incidental and consequential damages,  
15 sustained by the lessee as a result of the violation.

16           (b) An amount equal to 25% of the total amount of payments due in one month  
17 under the lessee's rent-to-own agreement, except that liability under this  
18 paragraph may not be less than \$100 nor more than \$1,000.

19           **(2) LIABILITY; CERTAIN VIOLATIONS.** Except as provided in subs. (4) and (5), if a  
20 rental-purchase company violates s. 218.636, the lessee may retain the rental  
21 property under the rent-to-own agreement without obligation to pay any amount  
22 and may recover any amounts paid to the rental-purchase company under the  
23 rent-to-own agreement.

24           **(3) CLASS ACTION.** In the case of a class action, a rental-purchase company that  
25 violates this subchapter is liable to the members of the class in an amount

1 determined by the court, except that the total recovery for all lessees whose recovery  
2 is computed under sub. (1) (b) may not exceed \$100,000 plus the costs of the action  
3 and, notwithstanding s. 814.04 (1), reasonable attorney fees as determined by the  
4 court. In determining the amount to award under this subsection, the court shall  
5 consider, among other relevant factors, the amount of actual damages sustained by  
6 the members of the class, the frequency and persistence of the violations by the  
7 rental-purchase company, the resources of the rental-purchase company, the  
8 number of persons damaged by the violation, the presence or absence of good faith  
9 on the part of the rental-purchase company, and the extent to which the violation  
10 was intentional.

11 (4) DEFENSE; ERROR NOTIFICATION AND CORRECTION. A rental-purchase company  
12 is not liable for a violation of this subchapter resulting from an error by the  
13 rental-purchase company if, within 60 days after discovering the error, the  
14 rental-purchase company notifies the lessee of the error and makes any adjustments  
15 necessary to correct the error.

16 (5) DEFENSE; UNINTENTIONAL ERROR. A rental-purchase company is not liable  
17 for a violation of this subchapter if the rental-purchase company shows by a  
18 preponderance of the evidence that the violation was not intentional, that the  
19 violation resulted from a bona fide error notwithstanding the maintenance of  
20 procedures reasonably adopted to avoid the error, and that the rental-purchase  
21 company has acted to correct the error. A bona fide error under this subsection  
22 includes a clerical error, an error in making calculations, an error due to computer  
23 malfunction or to computer programming, or a printing error.

24 (6) LIABILITY FOR MULTIPLE VIOLATIONS. Multiple violations of this subchapter  
25 in connection with the same rent-to-own agreement shall entitle the lessee to only

1 a single recovery under sub. (1), except that a violation of s. 218.66 that occurs after  
2 recovery has been granted with respect to that rent-to-own agreement may entitle  
3 the lessee to an additional recovery under sub. (1).

4 (7) **NECESSARY PARTIES.** If more than one lessee is a party to the same  
5 rent-to-own agreement, all of the lessees that are parties to the rent-to-own  
6 agreement shall be joined as plaintiffs in any action under sub. (1), and the lessees  
7 are entitled to only a single recovery under sub. (1).

8 **218.686 Limitation on actions.** An action brought by a lessee under this  
9 subchapter shall be commenced within one year after the date on which the alleged  
10 violation occurred, 2 years after the date on which the rent-to-own agreement was  
11 entered into, or one year after the date on which the last payment was made under  
12 the rent-to-own agreement, whichever is later.

13 **218.688 Venue. (1) GENERALLY.** The venue for a claim arising out of a  
14 rent-to-own agreement is any of the following counties:

15 (a) Where the lessee resides or is personally served.

16 (b) Where the rental property is located.

17 (c) Where the lessee sought or acquired the rental property or signed the  
18 document evidencing his or her obligation under the terms of the rent-to-own  
19 agreement.

20 (2) **CHANGE IN VENUE.** When it appears from the return of service of a summons  
21 or otherwise that the county in which an action is pending under sub. (1) is not a  
22 proper place of trial for the action, unless the defendant appears and waives the  
23 improper venue, the court shall transfer the action to any county that is a proper  
24 place of trial.

1           **(3) MULTIPLE DEFENDANTS.** If there are several defendants in an action arising  
2 out of a rent-to-own agreement, and if venue is based on residence, venue may be  
3 in the county of residence of any of the defendants.

4           **\*b1528/1.1\* SECTION 3021v.** 220.02 (2) (b) of the statutes is amended to read:

5           220.02 (2) (b) The lending of money under s. 138.09 or those relating to finance  
6 companies, motor vehicle dealers, adjustment service companies, community  
7 currency exchanges, rental-purchase companies, and collection agencies under ch.  
8 218.

9           **\*b1528/1.1\* SECTION 3021w.** 220.02 (3) of the statutes is amended to read:

10           220.02 (3) It is the intent of sub. (2) to give the division jurisdiction to enforce  
11 and carry out all laws relating to banks or banking in this state, including those  
12 relating to state banks, trust company banks, and also all laws relating to small loan  
13 companies or other loan companies or agencies, finance companies, motor vehicle  
14 dealers, adjustment service companies, community currency exchanges,  
15 rental-purchase companies, and collection agencies, and those relating to sellers of  
16 checks under ch. 217, whether doing business as corporations, individuals, or  
17 otherwise, but to exclude laws relating to credit unions.”.

18           **\*b1599/2.28\* 1535.** Page 1003, line 6: after that line insert:

19           **\*b1599/2.28\* “SECTION 3019m.** 197.04 (1) (b) and (2) of the statutes are  
20 amended to read:

21           197.04 (1) (b) If within either of the 90-day periods described in par. (a) a  
22 petition conforming to the requirements of s. 8.40 is filed with the clerk of the  
23 municipality as provided in s. 8.37 and the petition has been signed by 5% of the  
24 electors of a 1st class city or by 10% of the electors of all other municipalities

1 requesting that the question of discontinuing the proceeding to acquire the plant or  
2 equipment of the public utility be submitted to the electors of the municipality, the  
3 applicable question under par. (c) shall be submitted to the electors at ~~any general~~  
4 ~~or regular municipal~~ the succeeding election authorized under s. 8.065 (2) or an  
5 election authorized under s. 8.065 (3) that is held not less than 42 and not more than  
6 47 days from the date of the filing of the petition. ~~If no general election or regular~~  
7 ~~municipal election is to be held within the stated periods, the governing body of the~~  
8 ~~municipality shall order the holding of a special election, to be held not less than 42~~  
9 ~~days from the date of filing of the petition, for the purpose of submitting the question~~  
10 ~~to the electors.~~

11 (2) The governing body of the municipality may provide for notice of, the  
12 manner of holding, the method of voting on, the method of making returns of, and  
13 the method of canvassing and determining the result of, the election required under  
14 sub. (1). Notice of the election to the electors shall be given by a brief notice of that  
15 fact once a week for 3 weeks in some newspaper of general circulation published in  
16 the municipality. If no newspaper of general circulation is published in the  
17 municipality, publication may be made in any newspaper of general circulation in the  
18 county seat of the county in which the municipality is located. ~~The notice of holding~~  
19 ~~any special election shall be incorporated as a part of the notice given under this~~  
20 ~~subsection.~~

21 \*b1599/2.28\* SECTION 3019p. 197.10 (2) of the statutes is amended to read:

22 197.10 (2) Such contract when adopted by the common council of said city and  
23 accepted by the owner or owners of such public utility shall be submitted to the public  
24 service commission for its approval and upon such approval the same shall be filed  
25 as provided in s. 8.37 and submitted in such manner as the common council shall

1 determine to a vote of the electors of such city at the next ~~regular municipal~~ election  
2 ~~or at a special election called for that purpose~~ authorized under s. 8.065 (2) or an  
3 election authorized under s. 8.065 (3) to be held not sooner than 45 days after  
4 approval of the commission, and such contract shall not become binding upon such  
5 city until approved by a majority vote of the qualified electors of such city voting  
6 thereon. No bonds shall in any case be issued by said city under the contract or  
7 contracts mentioned in sub. (1), until the proposition of their issue shall have been  
8 submitted to the people of such city and adopted by a majority of the electors voting  
9 thereon.

10 **\*b1599/2.28\* SECTION 3020m.** 198.19 (1) of the statutes is amended to read:

11 198.19 (1) Any territory, constituting one or more municipalities contiguous to  
12 a district may be annexed to and become a part of such district to all intents and  
13 purposes and with like effect as though originally included therein upon such terms  
14 and conditions as the board of directors of the district shall fix by ordinance adopted  
15 by the affirmative vote of two-thirds of the directors-elect, provided that before such  
16 ordinance becomes effective the same shall be accepted and ratified by the  
17 affirmative vote of a majority of the qualified electors entitled to vote and voting in  
18 a ~~special election~~ referendum called and held for that purpose, in accordance with  
19 s. 8.065, in each municipality proposed in such ordinance to be annexed to the  
20 district. Such ordinance shall be published and such election shall be noticed, held  
21 and conducted, as nearly as may be, in the manner provided by this chapter for the  
22 noticing, holding and conduct of elections upon the organization of a municipal power  
23 district, except that the returns of such election and the ballots therein shall be  
24 delivered to the clerk of the district. The results of said election shall be canvassed  
25 publicly by the directors of the district.”



1           (b) For a universal bank organized as a mutual organization, the universal  
2 bank's net worth, undivided profits, surplus, outstanding notes and debentures  
3 approved by the division, other forms of capital designated as capital by the division,  
4 and other forms of capital considered to be qualifying capital by a deposit insurance  
5 corporation.

6           (2) "Deposit insurance corporation" means the Federal Deposit Insurance  
7 Corporation or other instrumentality of, or corporation chartered by, the United  
8 States that insures deposits of financial institutions and that is supported by the full  
9 faith and credit of the U.S. government as stated in a congressional resolution.

10          (3) "Division" means the division of banking.

11          (4) "Financial institution" means a state savings bank organized under ch. 214,  
12 state savings and loan association organized under ch. 215, or state bank chartered  
13 under ch. 221.

14          (5) "Universal bank" means a financial institution that has been issued a  
15 certificate of authority under s. 222.0205.

16          (6) "Well-capitalized" has the meaning given in 12 USC 1831o (b) (1) (A).

17          **222.0103 Applicability. (1) SAVINGS BANKS.** A universal bank that is a savings  
18 bank organized under ch. 214 remains subject to all of the requirements, duties, and  
19 liabilities, and may exercise all of the powers, of a savings bank, except that, in the  
20 event of a conflict between this chapter and those requirements, duties, liabilities,  
21 or powers, this chapter shall control.

22          **(2) SAVINGS AND LOAN ASSOCIATIONS.** A universal bank that is a savings and loan  
23 association organized under ch. 215 remains subject to all of the requirements,  
24 duties, and liabilities, and may exercise all of the powers, of a savings and loan

1 association, except that, in the event of a conflict between this chapter and those  
2 requirements, duties, liabilities, or powers, this chapter shall control.

3 (3) BANKS. A universal bank that is a bank chartered under ch. 221 remains  
4 subject to all of the requirements, duties, and liabilities, and may exercise all of the  
5 powers, of a bank, except that, in the event of a conflict between this chapter and  
6 these requirements, duties, liabilities, or powers, this chapter shall control.

7 **222.0105 Fees.** The division may establish such fees as it determines are  
8 appropriate for documents filed with the division under this chapter and for services  
9 provided by the division under this chapter.

10 **222.0107 Administration.** (1) POWERS OF DIVISION. The division shall  
11 administer this chapter for all universal banks.

12 (2) RULE-MAKING AUTHORITY. The division may promulgate rules to administer  
13 and carry out this chapter. The division may establish additional limits or  
14 requirements on universal banks, if the division determines that the limits or  
15 requirements are necessary for the protection of depositors, members, investors, or  
16 the public.

## 17 SUBCHAPTER II

### 18 CERTIFICATION

19 **222.0201 Procedure.** (1) APPLICATION. A financial institution may apply to  
20 become certified as a universal bank by filing a written application with the division.  
21 The application shall include all information required by the division. The  
22 application shall be on the forms and in accordance with the procedures prescribed  
23 by the division.

24 (2) REVIEW BY DIVISION. An application submitted by a financial institution  
25 under sub. (1) shall either be approved or disapproved by the division, in writing,

1 within 60 days after the date on which application is filed with the division. The  
2 division and the financial institution may mutually agree to extend the application  
3 period for an additional period of 60 days. The division shall approve an application  
4 if all of the applicable requirements under s. 222.0203 (1) are met.

5 **222.0203 Eligibility. (1) REQUIREMENTS.** The division may approve an  
6 application from a financial institution for certification as a universal bank only if  
7 all of the following requirements are met:

8 (a) The financial institution is chartered or organized, and regulated, under ch.  
9 214, 215, or 221 and has been in existence and continuous operation for a minimum  
10 of 3 years before the date of the application.

11 (b) The financial institution is well-capitalized.

12 (c) The financial institution does not exhibit a combination of financial,  
13 managerial, operational, and compliance weaknesses that is moderately severe or  
14 unsatisfactory, as determined by the division based upon the division's assessment  
15 of the financial institution's capital adequacy, asset quality, management capability,  
16 earnings quantity and quality, adequacy of liquidity, and sensitivity to market risk.

17 (d) During the 12-month period before the date of the application, the financial  
18 institution has not been the subject of an enforcement action, and there is no  
19 enforcement action pending against the financial institution by any state or federal  
20 financial institution regulatory agency, including the division.

21 (e) The most current evaluation prepared under 12 USC 2906 that the financial  
22 institution has received rates the financial institution as "outstanding" or  
23 "satisfactory" in helping to meet the credit needs of its entire community, including  
24 low-income and moderate-income neighborhoods, consistent with the safe and  
25 sound operation of the financial institution.

1 (f) If the financial institution has received from its federal functional regulator,  
2 as defined in 15 USC 6809 (2), a consumer compliance examination that contains  
3 information regarding the financial institution's compliance with 15 USC 6801 to  
4 6803 and any applicable regulations prescribed under 15 USC 6804, the most recent  
5 such examination indicates, in the opinion of the division, that the financial  
6 institution is in substantial compliance with those statutes or regulations.

7 (2) FAILURE TO MAINTAIN ELIGIBILITY; LIMITATION OF AUTHORITY AND  
8 DECERTIFICATION. For any period during which a universal bank fails to meet the  
9 requirements under sub. (1), the division shall by order limit or restrict the exercise  
10 of the powers of the universal bank under this chapter. In addition to or lieu of  
11 limiting or restricting the universal bank's authority under this subsection, the  
12 division may by order revoke the universal bank's certificate of authority issued  
13 under s. 222.0205.

14 **222.0205 Certificate of authority.** Upon approval of an application for  
15 certification as a universal bank, the division shall issue to the applicant a certificate  
16 of authority stating that the financial institution is certified as a universal bank  
17 under this chapter.

18 **222.0207 Voluntary termination of certification.** A financial institution  
19 that is certified as a universal bank under this chapter may elect to terminate its  
20 certification by giving 60 days' prior written notice of the termination to the division.  
21 A termination under this section is effective only with the written approval of the  
22 division. A financial institution shall, as a condition to a termination under this  
23 section, terminate its exercise of all powers granted under this chapter before the  
24 termination of the certification. The division's written approval of a financial

1 institution's termination under this section is void if the financial institution fails to  
2 satisfy the precondition to termination under this section.

3 SUBCHAPTER III

4 ORGANIZATION

5 **222.0301 Articles of incorporation and bylaws.** A universal bank shall  
6 continue to operate under its articles of incorporation and bylaws as in effect prior  
7 to certification as a universal bank or as such articles or bylaws may be subsequently  
8 amended in accordance with the provisions of the chapter under which the universal  
9 bank was organized or chartered.

10 **222.0303 Name.** (1) USE OF "BANK." Notwithstanding ss. 214.035, 215.40 (1),  
11 and 215.60 (1) and subject to subs. (2) and (3) (b), a universal bank may use the word  
12 "bank" in its name, without having to include the word "savings." Notwithstanding  
13 ss. 215.40 (1) and 215.60 (1) and subject to subs. (2) and (3) (b), a universal bank that  
14 is organized under ch. 215 and that uses the word "bank" in its name in accordance  
15 with this section need not include the words "savings and loan association" or  
16 "savings association" in its name.

17 (2) DISTINGUISHABILITY. Except as provided in sub. (3), the name of the  
18 universal bank shall be distinguishable upon the records of the division from all of  
19 the following names:

20 (a) The name of every other financial institution organized under the laws of  
21 this state.

22 (b) The name of every national bank or foreign bank authorized to transact  
23 business in this state.

24 (3) EXCEPTIONS. (a) A universal bank may apply to the division for authority  
25 to use a name that does not meet the requirements under sub. (2). The division may

1 authorize the use of the name if any of the conditions under s. 221.0403 (2) (a) or (b)  
2 is met.

3 (b) A universal bank may use a name that is used in this state by another  
4 financial institution or by an institution authorized to transact business in this state,  
5 if the universal bank has done any of the following:

6 1. Merged with the other institution.

7 2. Been formed by reorganization of the other institution.

8 3. Acquired all or substantially all of the assets, including the name, of the  
9 other institution.

10 **222.0305 Capital and assets. (1) CAPITAL REQUIREMENTS.** Notwithstanding  
11 subch. VI of ch. 214 and ss. 215.24 and 221.0205, the division shall determine the  
12 minimum capital requirements of universal banks.

13 **(2) CERTAIN ASSET REQUIREMENTS.** Section 214.045 does not apply to universal  
14 banks.

15 **222.0307 Acquisitions, mergers, and asset purchases. (1) IN GENERAL.**  
16 A universal bank may, with the approval of the division, purchase the assets of,  
17 merge with, acquire, or be acquired by any other financial institution, universal  
18 bank, national bank, federally chartered savings bank, or savings and loan  
19 association, or by a holding company of any of these entities. Notwithstanding subch.  
20 III of ch. 214 and ss. 214.09 and 215.36, the approval of the division of savings and  
21 loan is not required.

22 **(2) APPLICATIONS FOR APPROVAL.** An application for approval under sub. (1) shall  
23 be submitted on a form prescribed by the division and accompanied by a fee  
24 determined by the division. In processing and acting on applications under this  
25 section the division shall apply the following standards:

1 (a) For universal banks organized under ch. 214, ss. 214.09, 214.62 to 214.64,  
2 and 214.665, and subch. III of ch. 214.

3 (b) For universal banks organized under ch. 215, ss. 215.35, 215.36, 215.53, and  
4 215.73.

5 (c) For universal banks chartered under ch. 221, subchs. VII and IX of ch. 221.

#### 6 SUBCHAPTER IV

#### 7 POWERS

8 **222.0401 Federal financial institution powers. (1) IN GENERAL. (a)**  
9 *Powers exercised by universal bank.* A universal bank, with the approval of the  
10 division, may exercise any power that may be directly exercised by a federally  
11 chartered savings bank, a federally chartered savings and loan association, or a  
12 federally chartered national bank.

13 (b) *Powers exercised by subsidiary of universal bank.* A universal bank,  
14 through a subsidiary and with the approval of the division, may exercise any power  
15 that a federally chartered savings bank, a federally chartered savings and loan  
16 association, or a federally chartered national bank may exercise through a  
17 subsidiary.

18 (2) **APPROVAL REQUIRED FOR EXERCISE OF FEDERAL POWER.** A universal bank shall  
19 file with the division a written request to exercise a power under sub. (1). The  
20 division shall determine whether the requested power is permitted under sub. (1).  
21 Within 60 days after receiving a request under this subsection, the division shall  
22 approve the request, if the power is permitted under sub. (1), or shall disapprove the  
23 request if the power is not permitted under sub. (1). The division and the universal  
24 bank may mutually agree to extend this 60-day period for an additional period of 60  
25 days.

1           (3) EXERCISE OF FEDERAL POWERS THROUGH A SUBSIDIARY. The division may  
2 require that certain powers exercisable by a universal bank under sub. (1) (a) be  
3 exercised through a subsidiary of the universal bank with appropriate safeguards to  
4 limit the risk exposure of the universal bank.

5           **222.0403 Loan powers. (1) PERMITTED PURPOSES.** A universal bank may  
6 make, sell, purchase, arrange, participate in, invest in, or otherwise deal in loans or  
7 extensions of credit for any purpose.

8           (2) IN GENERAL. Except as provided in subs. (3) to (8), the total liabilities of any  
9 person, other than a municipal corporation, to a universal bank for a loan or  
10 extension of credit may not exceed 20% of the capital of the universal bank at any  
11 time. In determining compliance with this section, liabilities of a partnership  
12 include the liabilities of the general partners, computed individually as to each  
13 general partner on the basis of his or her direct liability.

14           (3) CERTAIN SECURED LIABILITIES. The percentage limitation under sub. (2) is  
15 50% of the universal bank's capital, if the liabilities under sub. (2) are limited to the  
16 following types of liabilities:

17           (a) *Warehouse receipts.* A liability secured by warehouse receipts issued by  
18 warehouse keepers who are licensed and bonded in this state under ss. 99.02 and  
19 99.03 or under the federal Bonded Warehouse Act or who hold a registration  
20 certificate under ch. 127, if all of the following requirements are met:

- 21           1. The receipts cover readily marketable nonperishable staples.
- 22           2. The staples are insured, if it is customary to insure the staples.
- 23           3. The market value of the staples is not, at any time, less than 140% of the face  
24 amount of the obligation.

1           (b) *Certain bonds or notes.* A liability in the form of a note or bond that meets  
2 any of the following qualifications:

3           1. The note or bond is secured by not less than a like amount of bonds or notes  
4 of the United States issued since April 24, 1917, or certificates of indebtedness of the  
5 United States.

6           2. The note or bond is secured or covered by guarantees or by commitments or  
7 agreements to take over, or to purchase, the bonds or notes, and the guarantee,  
8 commitment, or agreement is made by a federal reserve bank, the federal small  
9 business administration, the federal department of defense, or the federal maritime  
10 commission.

11           3. The note or bond is secured by mortgages or trust deeds insured by the  
12 federal housing administration.

13           (4) OBLIGATIONS OF LOCAL GOVERNMENTAL UNITS. (a) *Definition.* In this  
14 subsection, “local governmental unit” has the meaning given in s. 22.01 (7).

15           (b) *General limitation.* Except as otherwise provided in this subsection, the  
16 total liabilities of a local governmental unit to a universal bank for money borrowed  
17 may not, at any time, exceed 25% of the capital of the universal bank.

18           (c) *Revenue obligations.* Liabilities in the form of revenue obligations of a local  
19 governmental unit are subject to the limitations provided in par. (b). In addition, a  
20 universal bank is permitted to invest in a general obligation of that local  
21 governmental unit in an amount that will bring the combined total of the general  
22 obligations and revenue obligations of a single local governmental unit to a sum not  
23 in excess of 50% of the capital of the universal bank.

24           (d) *General obligations.* If the liabilities of the local governmental unit are in  
25 the form of bonds, notes, or other evidences of indebtedness that are a general

1 obligation of a local governmental unit, the total liability of the local governmental  
2 unit may not exceed 50% of the capital of the universal bank.

3 (e) *Temporary borrowings.* The total amount of temporary borrowings of any  
4 local governmental unit maturing within one year after the date of issue may not  
5 exceed 60% of the capital of the universal bank. Temporary borrowings and  
6 longer-term general obligation borrowings of a single local governmental unit may  
7 be considered separately in determining compliance with this subsection.

8 (5) OBLIGATIONS OF CERTAIN INTERNATIONAL ORGANIZATIONS; OTHER FOREIGN BONDS.  
9 A universal bank may purchase bonds offered for sale by the International Bank for  
10 Reconstruction and Development and the Inter-American Development Bank or  
11 any other foreign bonds approved under rules established by the division. The  
12 aggregate investment in any of these bonds issued by a single issuer may not exceed  
13 10% of the capital of the universal bank.

14 (6) FOREIGN NATIONAL GOVERNMENT BONDS. A universal bank may purchase  
15 general obligation bonds issued by any foreign national government if the bonds are  
16 payable in United States funds. The aggregate investment in these foreign bonds  
17 may not exceed 3% of the capital of the universal bank, except that this limitation  
18 does not apply to bonds of the Canadian government and Canadian provinces that  
19 are payable in United States funds.

20 (7) LIMITS ESTABLISHED BY BOARD. (a) *When financial statements required.* A  
21 universal bank may not make or renew a loan or loans, the aggregate total of which  
22 exceeds the level established by the board of directors without being supported by a  
23 signed financial statement of the borrower, unless the loan is secured by collateral  
24 having a value in excess of the amount of the loan. A signed financial statement  
25 furnished by the borrower to a universal bank in compliance with this paragraph

1 must be renewed annually as long as the loan or any renewal of the loan remains  
2 unpaid and is subject to this paragraph.

3 (b) *Treatment of loans complying with limits.* A loan or a renewal of a loan made  
4 by a universal bank in compliance with par. (a), without a signed financial statement,  
5 may be treated by the universal bank as entirely independent of any secured loan  
6 made to the same borrower if the loan does not exceed the applicable limitations  
7 provided in this section.

8 (8) EXCEPTIONS. This section does not apply to any of the following:

9 (a) *Liabilities secured by certain short-term federal obligations.* A liability that  
10 is secured by not less than a like amount of direct obligations of the United States  
11 which will mature not more than 18 months after the date on which such liabilities  
12 to the universal bank are entered into.

13 (b) *Certain federal and state obligations or guaranteed obligations.* A liability  
14 that is a direct obligation of the United States or this state, or an obligation of any  
15 governmental agency of the United States or this state, that is fully and  
16 unconditionally guaranteed by the United States or this state.

17 (c) *Commodity Credit Corporation liabilities.* A liability in the form of a note,  
18 debenture, or certificate of interest of the Commodity Credit Corporation.

19 (d) *Discounting bills of exchange or business or commercial paper.* A liability  
20 created by the discounting of bills of exchange drawn in good faith against actually  
21 existing values or the discounting of commercial or business paper actually owned  
22 by the person negotiating the same.

23 (e) *Certain other federal or federally guaranteed obligations.* Obligations of, or  
24 obligations that are fully guaranteed by, the United States and obligations of any  
25 federal reserve bank, federal home loan bank, the Student Loan Marketing

1 Association, the Government National Mortgage Association, the Federal National  
2 Mortgage Association, the Federal Home Loan Mortgage Corporation, the  
3 Export-Import Bank of Washington, or the Federal Deposit Insurance Corporation.

4 (9) ADDITIONAL AUTHORITY. (a) *In general.* In addition to the authority  
5 granted under subs. (1) to (8), and except as provided in par. (b), a universal bank may  
6 lend under this subsection, through the universal bank or subsidiary of the universal  
7 bank, to all borrowers from the universal bank and all of its subsidiaries, an  
8 aggregate amount not to exceed 20% of the universal bank's capital. Neither a  
9 universal bank nor any subsidiary of the universal bank may lend to any borrower,  
10 under this subsection and any other law or rule, an amount that would result in an  
11 aggregate amount for all loans to that borrower that exceeds 20% of the universal  
12 bank's capital. A universal bank or its subsidiary may take an equity position or  
13 other form of interest as security in a project funded through loans made under this  
14 paragraph. Every transaction by a universal bank or its subsidiary under this  
15 paragraph requires prior approval by the governing board of the universal bank or  
16 its subsidiary, respectively. Loans made under this paragraph are not subject to s.  
17 221.0326 or to classification as losses, for a period of 2 years from the date of each loan  
18 except as provided in par. (b).

19 (b) *Suspension of additional authority.* The division may suspend authority  
20 established under par. (a) and, in such case, may specify how an outstanding loan  
21 shall be treated by the universal bank or its subsidiary. Among the factors that the  
22 division may consider in suspending authority under par. (a) are the universal bank's  
23 capital adequacy, asset quality, earnings quantity, earnings quality, adequacy of  
24 liquidity, and sensitivity to market risk and the ability of the universal bank's  
25 management.

1           **(10) EXERCISE OF LOAN POWERS; PROHIBITED CONSIDERATIONS.** In determining  
2 whether to make a loan or extension of credit, no universal bank may consider any  
3 health information obtained from the records of an affiliate of the universal bank  
4 that is engaged in the business of insurance, unless the person to whom the health  
5 information relates consents.

6           **222.0405 Investment powers. (1) INVESTMENT SECURITIES.** Except as  
7 provided in subs. (3) to (8), a universal bank may purchase, sell, underwrite, and hold  
8 investment securities, consistent with safe and sound banking practices, up to 100%  
9 of the universal bank's capital. A universal bank may not invest greater than 20%  
10 of the universal bank's capital in the investment securities of one obligor or issuer.  
11 In this subsection, "investment securities" includes commercial paper, banker's  
12 acceptances, marketable securities in the form of bonds, notes, debentures, and  
13 similar instruments that are regarded as investment securities.

14           **(2) EQUITY SECURITIES.** Except as provided in subs. (3) to (8), a universal bank  
15 may purchase, sell, underwrite, and hold equity securities, consistent with safe and  
16 sound banking practices, up to 20% of capital or, if approved by the division in  
17 writing, a greater percentage of capital.

18           **(3) HOUSING ACTIVITIES.** With the prior written consent of the division, a  
19 universal bank may invest in the initial purchase and development, or the purchase  
20 or commitment to purchase after completion, of home sites and housing for sale or  
21 rental, including projects for the reconstruction, rehabilitation, or rebuilding of  
22 residential properties to meet the minimum standards of health and occupancy  
23 prescribed for a local governmental unit, the provision of accommodations for retail  
24 stores, shops, and other community services that are reasonably incident to that  
25 housing, or in the stock of a corporation that owns one or more of those projects and

1 that is wholly owned by one or more financial institutions. The total investment in  
2 any one project may not exceed 15% of the universal bank's capital, nor may the  
3 aggregate investment under this subsection exceed 50% of capital. A universal bank  
4 may not make an investment under this subsection unless it is in compliance with  
5 the capital requirements set by the division under s. 222.0305 (1) and with the capital  
6 maintenance requirements of its deposit insurance corporation.

7 (4) PROFIT-PARTICIPATION PROJECTS. A universal bank may take equity positions  
8 in profit-participation projects, including projects funded through loans from the  
9 universal bank, in an aggregate amount not to exceed 20% of capital. The division  
10 may suspend the investment authority under this subsection. If the division  
11 suspends the investment authority under this subsection, the division may specify  
12 how outstanding investments under this subsection shall be treated by the universal  
13 bank or its subsidiary. Among the factors that the division may consider in  
14 suspending authority under this subsection are the universal bank's capital  
15 adequacy, asset quality, earnings quantity, earnings quality, adequacy of liquidity,  
16 and sensitivity to market risk and the ability of the universal bank's management.  
17 This subsection does not authorize a universal bank, directly or indirectly through  
18 a subsidiary, to engage in the business of underwriting insurance.

19 (5) DEBT INVESTMENTS. A universal bank may invest in bonds, notes,  
20 obligations, and liabilities described under s. 222.0403 (3) to (7), subject to the  
21 limitations under those subsections.

22 (6) CERTAIN LIABILITIES. This section does not limit investment in the  
23 liabilities described in s. 222.0403 (8).

24 (7) CERTAIN INVESTMENTS. A universal bank may invest without limitation in  
25 any of the following:

1           (a) *Business development corporations.* Stocks or obligations of a corporation  
2 organized for business development by this state or by the United States or by an  
3 agency of this state or the United States.

4           (b) *Urban renewal investment corporations.* Obligations of an urban renewal  
5 investment corporation organized under the laws of this state or of the United States.

6           (c) *Certain bank insurance companies.* An equity interest in an insurance  
7 company or an insurance holding company organized to provide insurance for  
8 universal banks and for persons affiliated with universal banks, solely to the extent  
9 that this ownership is a prerequisite to obtaining directors' and officers' insurance  
10 or blanket bond insurance for the universal bank through the company.

11           (d) *Certain remote service unit corporations.* Shares of stock, whether  
12 purchased or otherwise acquired, in a corporation acquiring, placing, and operating  
13 remote service units under s. 214.04 (21) or 215.13 (46) or bank communications  
14 terminals under s. 221.0303 (2).

15           (e) *Service corporations.* Equity or debt securities or instruments of a service  
16 corporation subsidiary of the universal bank.

17           (f) *Federal funds.* Advances of federal funds.

18           (g) *Certain risk management financial products.* With the prior written  
19 approval of the division, financial futures transactions, financial options  
20 transactions, forward commitments, or other financial products for the purpose of  
21 reducing, hedging, or otherwise managing its interest rate risk exposure.

22           (h) *Certain fiduciaries.* A subsidiary organized to exercise corporate fiduciary  
23 powers under ch. 112.

24           (i) *Agricultural credit corporations.* An agricultural credit corporation. Unless  
25 a universal bank owns at least 80% of the stock of the agricultural credit corporation,

1 a universal bank may not invest more than 20% of the universal bank's capital in the  
2 agricultural credit corporation.

3 (j) *Deposit accounts and insured obligations.* Deposit accounts or insured  
4 obligations of any financial institution, the accounts of which are insured by a deposit  
5 insurance corporation.

6 (k) *Certain federal obligations.* Obligations of, or obligations that are fully  
7 guaranteed by, the United States and stocks or obligations of any federal reserve  
8 bank, federal home loan bank, the Student Loan Marketing Association, the  
9 Government National Mortgage Association, the Federal National Mortgage  
10 Association, the Federal Home Loan Mortgage Corporation, or the Federal Deposit  
11 Insurance Corporation.

12 (L) *Other investments.* Any other investment authorized by the division.

13 (8) INVESTMENTS IN OTHER FINANCIAL INSTITUTIONS. In addition to the authority  
14 granted under ss. 222.0307 and 222.0409, and subject to the limitations of sub. (2),  
15 a universal bank may invest in other financial institutions.

16 (9) INVESTMENTS THROUGH SUBSIDIARIES. A universal bank may make  
17 investments under this section, directly or indirectly through a subsidiary, unless  
18 the division determines that an investment shall be made through a subsidiary with  
19 appropriate safeguards to limit the risk exposure of the universal bank.

20 **222.0407 Universal bank purchase of its own stock.** (1) IN GENERAL. A  
21 universal bank may hold or purchase not more than 10% of its capital stock, notes,  
22 or debentures, except as provided in sub. (2) or (3).

23 (2) DIVISION APPROVAL. A universal bank may hold or purchase more than 10%  
24 of its capital stock, notes, or debentures, if approved by the division.

1           **(3) ADDITIONAL AUTHORITY.** A universal bank may hold or purchase more than  
2 10% of its capital stock, notes, or debentures if the purchase is necessary to prevent  
3 loss upon a debt previously contracted in good faith. Stock, notes, or debentures held  
4 or purchased under this subsection may not be held by the universal bank for more  
5 than 6 months if the stock, notes, or debentures can be sold for the amount of the  
6 claim of the universal bank against the holder of the debt previously contracted. The  
7 universal bank shall either sell the stock, notes, or debentures within 12 months of  
8 acquisition under this subsection or shall cancel the stock, notes, or debentures.  
9 Cancellation of the stock, notes, or debentures reduces the amount of the universal  
10 bank's capital stock, notes, or debentures. If the reduction reduces the universal  
11 bank's capital below the minimum level required by the division, the universal bank  
12 shall increase its capital to the amount required by the division.

13           **(4) LOANS SECURED BY CAPITAL, SURPLUS, OR DEPOSITS.** A universal bank may not  
14 loan any part of its capital, surplus, or deposits on its own capital stock, notes, or  
15 debentures as collateral security, except that a universal bank may make a loan  
16 secured by its own capital stock, notes, or debentures to the same extent that the  
17 universal bank may make a loan secured by the capital stock, notes, and debentures  
18 of a holding company for the universal bank.

19           **222.0409 Stock in bank-owned banks.** With the approval of the division,  
20 a universal bank may acquire and hold stock in one or more banks chartered under  
21 s. 221.1202 or national banks chartered under 12 USC 27 (b) or in one or more  
22 holding companies wholly owning such a bank. Aggregate investments under this  
23 section may not exceed 10% of the universal bank's capital.

24           **222.0411 General deposit powers. (1) IN GENERAL.** A universal bank may  
25 set eligibility requirements for, and establish the types and terms of, deposits that

1 the universal bank solicits and accepts. The terms set under this subsection may  
2 include minimum and maximum amounts that the universal bank may accept and  
3 the frequency and computation method of paying interest.

4 (2) PLEDGE OF SECURITY FOR DEPOSITS. Subject to the limitations of s. 221.0324  
5 that are applicable to banks, a universal bank may pledge its assets as security for  
6 deposits.

7 (3) SECURITIZATION OF ASSETS. With the approval of the division, a universal  
8 bank may securitize its assets for sale to the public. The division may establish  
9 procedures governing the exercise of authority granted under this subsection.

10 (4) SAFE DEPOSIT POWERS. A universal bank may take and receive, from any  
11 individual or corporation for safekeeping and storage, gold and silver plate, jewelry,  
12 money, stocks, securities, and other valuables or personal property, and may rent out  
13 the use of safes or other receptacles upon its premises for such compensation as may  
14 be agreed upon. A universal bank has a lien for its charges on any property taken  
15 or received by it for safekeeping. If the lien is not paid within 2 years from the date  
16 the lien accrues, or if property is not called for by the person depositing the property,  
17 or by his or her representative or assignee, within 2 years from the date the lien  
18 accrues, the universal bank may sell the property at public auction. A universal bank  
19 shall provide the same notice for a sale under this subsection that is required by law  
20 for sales of personal property on execution. After retaining from the proceeds of the  
21 sale all of the liens and charges due the bank and the reasonable expenses of the sale,  
22 the universal bank shall pay the balance to the person depositing the property, or to  
23 his or her representative or assignee.

24 **222.0413 Necessary or convenient powers, reasonably related or**  
25 **incidental activities, and other approved activities. (1) NECESSARY OR**

1 CONVENIENT POWERS. Unless otherwise prohibited or limited by this chapter, a  
2 universal bank may exercise all powers necessary or convenient to effect the  
3 purposes for which the universal bank is organized or to further the businesses in  
4 which the universal bank is lawfully engaged.

5 (2) REASONABLY RELATED AND INCIDENTAL ACTIVITIES. (a) Subject to any  
6 applicable state or federal regulatory or licensing requirements, a universal bank  
7 may engage, directly or indirectly through a subsidiary, in activities reasonably  
8 related or incident to the purposes of the universal bank. Activities reasonably  
9 related or incident to the purposes of the universal bank are those activities that are  
10 part of the business of financial institutions, or closely related to the business of  
11 financial institutions, or convenient and useful to the business of financial  
12 institutions, or reasonably related or incident to the operation of financial  
13 institutions, or financial in nature. Activities that are reasonably related or incident  
14 to the purposes of a universal bank include the following:

- 15 1. Business and professional services.
- 16 2. Data processing.
- 17 3. Courier and messenger services.
- 18 4. Credit-related activities.
- 19 5. Consumer services.
- 20 6. Real estate-related services, including real estate brokerage services.
- 21 7. Insurance and related services, other than insurance underwriting.
- 22 8. Securities brokerage.
- 23 9. Investment advice.
- 24 10. Securities and bond underwriting.
- 25 11. Mutual fund activities.

1           12. Financial consulting.

2           13. Tax planning and preparation.

3           14. Community development and charitable activities.

4           15. Debt cancellation contracts.

5           16. Any activities that are reasonably related or incident to activities under  
6 subds. 1. to 15., as determined by rule of the division under par. (b).

7           (b) An activity that is authorized by statute or regulation for financial  
8 institutions to engage in as of the effective date of this paragraph .... [revisor inserts  
9 date], is an activity that is reasonably related to or incident to the purposes of a  
10 universal bank. An activity permitted under the Bank Holding Company Act is an  
11 activity that is reasonably related to or incident to the purposes of a universal bank.  
12 The division may, by rule, expand the list of activities under par. (a) 1. to 15. that are  
13 reasonably related or incident to the purposes of a universal bank and, by rule, may  
14 establish which activities under par. (a) 16. are reasonably related or incident to the  
15 activities under par. (a) 1. to 15. Any activity approved by rule of the division under  
16 this paragraph shall be authorized for all universal banks.

17           (3) NOTICE REQUIREMENT. A universal bank shall give 60 days' prior written  
18 notice to the division of the universal bank's intention to engage in an activity under  
19 this section.

20           (4) STANDARDS FOR DENIAL. The division may deny the authority of a universal  
21 bank to engage in an activity under this section, other than those activities described  
22 in sub. (2) (a) 1. to 15., if the division determines that the activity is not an activity  
23 reasonably related or incident to the purposes of a universal bank. The division may  
24 deny the authority of a universal bank to engage in an activity under this section if  
25 the division determines that the universal bank is not well-capitalized, that the

1 universal bank is the subject of an enforcement action, or that the universal bank  
2 does not have satisfactory management expertise for the proposed activity.

3 (5) INSURANCE INTERMEDIATION. A universal bank, or an officer or salaried  
4 employee of a universal bank, may obtain a license as an insurance intermediary, if  
5 otherwise qualified. A universal bank may not, directly or indirectly through a  
6 subsidiary, engage in the business of underwriting insurance.

7 (6) OTHER ACTIVITIES APPROVED BY THE DIVISION. A universal bank may engage  
8 in any other activity that is approved by rule of the division.

9 (7) ACTIVITIES PROVIDED THROUGH A SUBSIDIARY. A universal bank may engage  
10 in an activity under this section, directly or indirectly through a subsidiary, unless  
11 the division determines that the activity must be conducted through a subsidiary  
12 with appropriate safeguards to limit the risk exposure of the universal bank.

13 (8) LIMITATIONS ON INVESTMENTS THROUGH SUBSIDIARIES. The amount of the  
14 investment in any one subsidiary that engages in an activity under this section may  
15 not exceed 20% of capital or, if approved by the division, a higher percentage  
16 authorized by the division. The aggregate investment in all subsidiaries that engage  
17 in an activity under this subsection may not exceed 50% of capital or, if approved by  
18 the division, a higher percentage authorized by the division.

19 (9) OWNERSHIP OF SUBSIDIARIES. A subsidiary that engages in an activity under  
20 this section may be owned jointly, with one or more other financial institutions,  
21 individuals, or entities.

22 **222.0415 Trust powers.** Subject to rules of the division, a universal bank may  
23 exercise trust powers in accordance with s. 221.0316.”

24 \*b1569/1.5\* **1538.** Page 1003, line 9: after that line insert:

1           **\*b1569/1.5\*** "SECTION 3028. 224.30 (2) of the statutes is repealed."

2           **\*b1519/2.238\* 1539.** Page 1003, line 12: after that line insert:

3           **\*b1519/2.238\*** "SECTION 3035c. 227.42 (5) of the statutes is amended to read:

4           227.42 (5) Except as provided under s. 289.27 (1), this section does not apply  
5 to any part of the process for approving a feasibility report, plan of operation or  
6 license under subch. III of ch. 289 or s. 291.23, 291.25, 291.29 or 291.31, any decision  
7 by the department of ~~natural resources~~ environmental management relating to the  
8 environmental impact of a proposed action under ch. 289 or 291 or ss. 292.31 and  
9 292.35, or any part of the process of negotiation and arbitration under s. 289.33.

10           **\*b1519/2.238\* SECTION 3035d.** 227.43 (1) (b) of the statutes is amended to  
11 read:

12           227.43 (1) (b) Assign a hearing examiner to preside over any hearing of a  
13 contested case which is required to be conducted by the department of ~~natural~~  
14 ~~resources~~ fish, wildlife, parks, and forestry and which is not conducted by the  
15 secretary of ~~natural resources~~ fish, wildlife, parks, and forestry.

16           **\*b1519/2.238\* SECTION 3035e.** 227.43 (1) (bd) of the statutes is created to read:

17           227.43 (1) (bd) Assign a hearing examiner to preside over any hearing of a  
18 contested case which is required to be conducted by the department of environmental  
19 management and which is not conducted by the secretary of environmental  
20 management.

21           **\*b1519/2.238\* SECTION 3035f.** 227.43 (2) (a) of the statutes is amended to read:

22           227.43 (2) (a) The department of ~~natural resources~~ fish, wildlife, parks, and  
23 forestry shall notify the division of hearings and appeals of every pending hearing  
24 to which the administrator of the division is required to assign a hearing examiner

1 under sub. (1) (b) after the department of ~~natural resources~~ fish, wildlife, parks, and  
2 forestry is notified that a hearing on the matter is required.

3 \*b1519/2.238\* SECTION 3035g. 227.43 (2) (am) of the statutes is created to  
4 read:

5 227.43 (2) (am) The department of environmental management shall notify the  
6 division of hearings and appeals of every pending hearing to which the administrator  
7 of the division is required to assign a hearing examiner under sub. (1) (bd) after the  
8 department of environmental management is notified that a hearing on the matter  
9 is required.

10 \*b1519/2.238\* SECTION 3035h. 227.43 (3) (a) of the statutes is amended to  
11 read:

12 227.43 (3) (a) The administrator of the division of hearings and appeals may  
13 set the fees to be charged for any services rendered to the department of ~~natural~~  
14 ~~resources~~ fish, wildlife, parks, and forestry by a hearing examiner under this section.  
15 The fee shall cover the total cost of the services less any costs covered by the  
16 appropriation under s. 20.505 (4) (f).

17 \*b1519/2.238\* SECTION 3035i. 227.43 (3) (am) of the statutes is created to read:

18 227.43 (3) (am) The administrator of the division of hearings and appeals may  
19 set the fees to be charged for any services rendered to the department of  
20 environmental management by a hearing examiner under this section. The fees  
21 shall cover the total cost of the services less any costs covered by the appropriation  
22 under s. 20.505 (4) (f).

23 \*b1519/2.238\* SECTION 3035j. 227.43 (4) (a) of the statutes is amended to read:

1           227.43 (4) (a) The department of ~~natural resources~~ fish, wildlife, parks, and  
2 forestry shall pay all costs of the services of a hearing examiner assigned to the  
3 department under sub. (1) (b), according to the fees set under sub. (3) (a).

4           **\*b1519/2.238\* SECTION 3035k.** 227.43 (4) (am) of the statutes is created to  
5 read:

6           227.43 (4) (am) The department of environmental management shall pay all  
7 costs of the services of a hearing examiner assigned to the department under sub. (1)  
8 (bd), according to the fees set under sub. (3) (am).

9           **\*b1519/2.238\* SECTION 3035L.** 227.46 (8) of the statutes is amended to read:

10           227.46 (8) If the hearing examiner assigned under s. 227.43 (1) (b) renders the  
11 final decision in a contested case, and the decision is subject to judicial review under  
12 s. 227.52, the department of ~~natural resources~~ fish, wildlife, parks, and forestry may  
13 petition for judicial review. If the hearing examiner assigned under s. 227.43 (1) (bd)  
14 renders the final decision in a contested case and the decision is subject to judicial  
15 review under s. 227.52, the department of environmental management may petition  
16 for judicial review. If the hearing examiner assigned under s. 227.43 (1) (br) renders  
17 the final decision in a contested case, and the decision is subject to judicial review  
18 under s. 227.52, the department of transportation may petition for judicial review.”.

19           **\*b1527/1.5\* 1540.** Page 1003, line 12: after that line insert:

20           **\*b1527/1.5\* “SECTION 3035.** 227.245 of the statutes is created to read:

21           **227.245 Permanent rules; exemptions.** (1) PROMULGATION OF UNIVERSAL  
22 BANKING RULES. Except as provided in subs. (2) and (3), the division of banking may  
23 promulgate a rule under s. 222.0413 (2) (b) without complying with the notice,  
24 hearing, and publication procedures under this chapter.

1           (2) FILING AND PUBLICATION. The division of banking shall file a rule described  
2 under sub. (1) as provided in s. 227.20. At the time that the rule is filed, the division  
3 of banking shall mail a copy of the rule to the chief clerk of each house and to each  
4 member of the legislature, shall publish in the official state newspaper a class 1  
5 notice under ch. 985 containing a copy of the rule, and shall take any other step it  
6 considers feasible to make the rule known to persons who will be affected by the rule.

7           (3) EFFECTIVE DATE. A rule described under sub. (1) takes effect as provided  
8 under s. 227.22.”.

9           **\*b1569/1.6\* 1541.** Page 1003, line 12: after that line insert:

10           **\*b1569/1.6\*** “SECTION 3036. 228.01 of the statutes is amended to read:

11           **228.01 Recording of documents and public records by mechanical**  
12 **process authorized.** Whenever any officer of any county having a population of  
13 500,000 or more is required or authorized by law to file, record, copy, recopy or replace  
14 any document, court order, plat, paper, written instrument, writings, record or book  
15 of record, on file or of record in his or her office, notwithstanding any other provisions  
16 in the statutes, the officer may do so by photostatic, photographic,  
17 microphotographic, microfilm, optical imaging, electronic formatting or other  
18 mechanical process which produces a clear, accurate and permanent copy or  
19 reproduction of the original document, court order, plat, paper, written instrument,  
20 writings, record or book of record in accordance with the applicable standards  
21 specified under ss. 16.61 (7) and 16.612. Any such officer may also reproduce by such  
22 processes or transfer from optical disk or electronic storage any document, court  
23 order, plat, paper, written instrument, writings, record or book of record which has

1 previously been filed, recorded, copied or recopied. Optical imaging or electronic  
2 formatting of any document is subject to authorization under s. 59.52 (14) (a).

3 **\*b1569/1.6\* SECTION 3037.** 228.03 (2) of the statutes is amended to read:

4 228.03 (2) Any photographic reproduction of an original record meeting the  
5 applicable standards prescribed in s. 16.61 (7) or copy of a record generated from an  
6 original record stored in optical disk or electronic format in compliance with the  
7 applicable standards under ss. 16.61 and 16.612 shall be taken as and stand in lieu  
8 of and have all of the effect of the original record and shall be admissible in evidence  
9 in all courts and all other tribunals or agencies, administrative or otherwise, in all  
10 cases where the original document is admissible. A transcript, exemplification or  
11 certified copy of such a reproduction of an original record, or certified copy of a record  
12 generated from an original record stored in optical disk or electronic format, for the  
13 purposes specified in this subsection, is deemed to be a transcript, exemplification  
14 or certified copy of the original. The custodian of a photographic reproduction shall  
15 place the reproduction or optical disk in conveniently accessible storage and shall  
16 make provision for preserving, examining and using the reproduction of the record  
17 or generating a copy of the record from optical disk or electronic storage. An enlarged  
18 copy of a photographic reproduction of a record made in accordance with the  
19 applicable standards specified in s. 16.61 (7) or an enlarged copy of a record  
20 generated from an original record stored in optical disk or electronic format in  
21 compliance with the applicable standards under ss. 16.61 and 16.612 that is certified  
22 by the custodian as provided in s. 889.18 (2) has the same effect as an actual-size  
23 copy.”.

24 **\*b1603/2.1\* 1542.** Page 1003, line 12: after that line insert:

1           **\*b1603/2.1\*** **SECTION 3034d.** 227.20 (1) of the statutes is amended to read:  
2           227.20 (1) ~~An~~ Within 30 days after legislative review of a rule is completed  
3 under s. 227.19, the agency shall file a certified copy of each the proposed rule it  
4 promulgates in the office of the secretary of state and in the office of the revisor. No  
5 rule is valid until the certified copies have been filed. A certified copy shall be typed  
6 or duplicated on 8 1/2 by 11 inch paper, leaving sufficient room for the secretary of  
7 state's stamp at the top of the first page. Forms that are filed need not comply with  
8 the specifications of this subsection.

9           **\*b1603/2.1\*** **SECTION 3034j.** 227.24 (1) (c) of the statutes is amended to read:  
10           227.24 (1) (c) A rule promulgated under par. (a) takes effect upon publication  
11 in the official state newspaper or on any later date specified in the rule and, except  
12 as provided under sub. (2), remains in effect only for ~~150~~ 90 days.

13           **\*b1603/2.1\*** **SECTION 3034k.** 227.24 (2) (a) of the statutes is amended to read:  
14           227.24 (2) (a) At the request of an agency, the joint committee for review of  
15 administrative rules may, at any time prior to the expiration date of a rule  
16 promulgated under sub. (1) (a), extend the effective period of the emergency rule or  
17 part of the emergency rule for a period specified by the committee not to exceed ~~60~~  
18 90 days. Any number of extensions may be granted under this paragraph, but the  
19 total period for all extensions may not exceed ~~120~~ 180 days.”.

20           **\*b1762/1.1\*** **1543.** Page 1003, line 12: after that line insert:

21           **\*b1762/1.1\*** **SECTION 3032m.** 227.117 of the statutes is created to read:  
22           **227.117 Review of rules impacting energy policies.** (1) The public service  
23 commission may conduct an energy and reliability assessment of any proposed rule  
24 submitted to the legislative council staff for review under s. 227.15 (1). The energy

1 and reliability assessment shall evaluate the potential impact of the proposed rule  
2 on the energy policies of the state related to electricity generation, transmission, or  
3 distribution or to fuels used in generating electricity. If, after making such an  
4 assessment, the public service commission concludes that the proposed rule may  
5 have a significant impact on those policies, the public service commission may  
6 prepare an energy and reliability impact statement. An energy and reliability  
7 impact statement prepared under this subsection shall evaluate the probable  
8 impacts of the proposed rule on the state's energy policies and describe appropriate  
9 alternatives to the proposed rule that will reduce any negative impacts on those  
10 policies.

11 (2) The public service commission shall submit a copy of any energy and  
12 reliability impact statement prepared under sub. (1) to the legislative council staff  
13 and to the agency that proposed the rule that resulted in the statement.

14 (3) An agency that receives an energy and reliability impact statement under  
15 sub. (2), shall consider the energy and reliability impact statement before submitting  
16 the notification and report to the legislature under s. 227.19 (2) and (3).

17 \*b1762/1.1\* SECTION 3032p. 227.19 (3) (intro.) of the statutes is amended to  
18 read:

19 227.19 (3) FORM OF REPORT. (intro.) The report required under sub. (2) shall be  
20 in writing and shall include the proposed rule in the form specified in s. 227.14 (1),  
21 the material specified in s. 227.14 (2) to (4), a copy of any energy and reliability  
22 impact statement received from the public service commission under s. 227.117 (2),  
23 a copy of any recommendations of the legislative council staff and an analysis. The  
24 analysis shall include:

25 \*b1762/1.1\* SECTION 3032r. 227.19 (3) (f) of the statutes is created to read:

1           227.19 (3) (f) If an energy and reliability impact statement regarding the  
2 proposed rule was submitted with the report, an explanation of what changes, if any,  
3 that were made in the proposed rule in response to that statement.”.

4           **\*b1312/2.15\* 1544.** Page 1004, line 11: after that line insert:

5           **\*b1312/2.15\*** “SECTION 3048j. 230.08 (2) (e) 1. of the statutes, as affected by  
6 2001 Wisconsin Act .... (this act), is amended to read:

7           230.08 (2) (e) 1. Administration — ~~13~~ 12.”.

8           **\*b1312/2.16\* 1545.** Page 1004, line 11: delete “10” and substitute “11”.

9           **\*b1519/2.239\* 1546.** Page 1004, line 20: after that line insert:

10           **\*b1519/2.239\*** “SECTION 3050c. 230.08 (2) (e) 4c. of the statutes is created to  
11 read:

12           230.08 (2) (e) 4c. Environmental management — 2.

13           **\*b1519/2.239\*** SECTION 3050d. 230.08 (2) (e) 4m. of the statutes is created to  
14 read:

15           230.08 (2) (e) 4m. Fish, wildlife, parks, and forestry — 3.

16           **\*b1519/2.239\*** SECTION 3050g. 230.08 (2) (e) 8. of the statutes is repealed.”.

17           **\*b1523/3.4\* 1547.** Page 1004, line 20: after that line insert:

18           **\*b1523/3.4\*** “SECTION 3051. 230.08 (2) (e) 13. of the statutes is amended to  
19 read:

20           230.08 (2) (e) 13. Veterans affairs — ~~2~~ 3.”.

21           **\*b1523/3.5\* 1548.** Page 1005, line 18: delete “commandant of the” and  
22 substitute “commandants of the Wisconsin Veterans Home at King and the”.

23           **\*b1364/1.4\* 1549.** Page 1007, line 14: after that line insert:

24           **\*b1364/1.4\*** “SECTION 3061r. 230.143 of the statutes is created to read:

1           **230.143 Appointment; selective service registration.** A person who is  
2 required to register with the selective service system under 50 USC, Appendix,  
3 sections 451 to 473, but has not registered, may not receive any of the following  
4 during the period that the person is required to register:

5           (1) An original appointment to a position in the classified service.

6           (2) An appointment to a position described in s. 230.08 (2) (k).

7           (3) An appointment to a position as a corps enrollee with the Wisconsin  
8 conservation corps program under s. 106.215 (1) (c).

9           **\*b1364/1.4\* SECTION 3061t.** 230.15 (1) of the statutes is amended to read:

10           230.15 (1) ~~Appointments~~ Subject to the restriction under s. 230.143,  
11 appointments to, and promotions in, the classified service shall be made only  
12 according to merit and fitness, which shall be ascertained so far as practicable by  
13 competitive examination. The administrator may waive competitive examination  
14 for appointments made under subs. (1m) and (2) and shall waive competitive  
15 examination for appointments made under sub. (2m).”

16           **\*b1586/1.1\* 1550.** Page 1007, line 14: after that line insert:

17           **\*b1586/1.1\* “SECTION 3072h.** 230.26 (4) of the statutes is amended to read:

18           230.26 (4) Fringe benefits specifically authorized by statutes, with the  
19 exception of deferred compensation plan participation under subch. VII of ch. 40,  
20 worker’s compensation, unemployment insurance, group insurance, retirement, and  
21 social security coverage, shall be denied employees hired under this section. Such  
22 employees may not be considered permanent employees and do not qualify for  
23 tenure, vacation, paid holidays, sick leave, performance awards, or the right to  
24 compete in promotional examinations.”

1           **\*b1519/2.240\* 1551.** Page 1008, line 16: after that line insert:

2           **\*b1519/2.240\* "SECTION 3080t.** 230.36 (1m) (b) 1. (intro.) of the statutes is  
3 amended to read:

4           230.36 (1m) (b) 1. (intro.) A forest ranger or field employee of the department  
5 of natural resources fish, wildlife, parks, and forestry who is subject to call for forest  
6 fire control duty or fire watcher employed at the Wisconsin Veterans Home at King  
7 or at the facilities operated by the department of veterans affairs under s. 45.385, and  
8 lifeguard, at all times while:".

9           **\*b1519/2.241\* 1552.** Page 1008, line 23: after that line insert:

10           **\*b1519/2.241\* "SECTION 3081b.** 230.36 (1m) (b) 2. (intro.) of the statutes, as  
11 affected by 2001 Wisconsin Act .... (this act), is amended to read:

12           230.36 (1m) (b) 2. (intro.) A conservation warden, conservation patrol boat  
13 captain, conservation patrol boat engineer, environmental warden, member of the  
14 state patrol, state motor vehicle inspector, University of Wisconsin System police  
15 officer, security officer, or security person, other state facilities police officer, special  
16 tax agent, excise tax investigator employed by the department of revenue and special  
17 criminal investigation agent employed by the department of justice at all times  
18 while:

19           **\*b1519/2.241\* SECTION 3081g.** 230.36 (2m) (a) 5. of the statutes is amended  
20 to read:

21           230.36 (2m) (a) 5. A conservation field employee of the department of ~~natural~~  
22 resources fish, wildlife, parks, and forestry who is subject to call for fire control duty.

23           **\*b1519/2.241\* SECTION 3081h.** 230.36 (2m) (a) 5m. of the statutes is created  
24 to read:

1           230.36 (2m) (a) 5m. An environmental warden.”.

2           **\*b1624/1.1\* 1553.** Page 1008, line 24: after that line insert:

3           **\*b1624/1.1\* “SECTION 3086.** 231.01 (4m) of the statutes is amended to read:

4           231.01 (4m) “Educational facility” means a facility used for education by a  
5 regionally accredited, private, ~~postsecondary educational~~ institution that is  
6 described in section 501 (c) (3) of the Internal Revenue Code, as defined in s. 71.22  
7 (4), and that is exempt from federal taxation under section 501 (a) of the Internal  
8 Revenue Code.”.

9           **\*b1589/1.2\* 1554.** Page 1011, line 6: after that line insert:

10          **\*b1589/1.2\* “SECTION 3095r.** 233.10 (2) (b) of the statutes is amended to read:

11          233.10 (2) (b) The kinds of leave to which an employee of the authority is  
12 entitled, including paid annual leave of absence, paid sick leave, and unpaid leave  
13 of absence, except that unused sick leave accumulated prior to July 1, 1997, shall be  
14 carried over and made available for the employee’s use for appropriate sick leave  
15 purposes or for conversion as provided under s. 40.05 (4) (b), ~~(bd)~~, (be), (bm), or (bp).”.

16          **\*b1519/2.242\* 1555.** Page 1014, line 7: after that line insert:

17          **\*b1519/2.242\* “SECTION 3111k.** 234.86 (1) (b) of the statutes is amended to  
18 read:

19          234.86 (1) (b) “Department” means the department of ~~natural resources~~  
20 environmental management.”.

21          **\*b1519/2.243\* 1556.** Page 1015, line 8: after that line insert:

22          **\*b1519/2.243\* “SECTION 3117p.** 234.907 (2) (h) of the statutes is amended to  
23 read:

1           234.907 (2) (h) The loan results in new or more viable methods for the  
2 processing or marketing of a product from a raw agricultural commodity or enables  
3 the borrower to comply with the rules promulgated by the department of ~~natural~~  
4 resources fish, wildlife, parks, and forestry for the commercial fishing of whitefish  
5 in Lake Superior.”

6           **\*b1519/2.244\* 1557.** Page 1018, line 11: after that line insert:

7           **\*b1519/2.244\* “SECTION 3127g.** 236.13 (2m) of the statutes is amended to  
8 read:

9           236.13 (2m) As a further condition of approval when lands included in the plat  
10 lie within 500 feet of the ordinary high–water mark of any navigable stream, lake  
11 or other body of navigable water or if land in the proposed plat involves lake or stream  
12 shorelands referred to in s. 236.16, the department of ~~natural resources~~  
13 environmental management, to prevent pollution of navigable waters, or the  
14 department of commerce, to protect the public health and safety, may require  
15 assurance of adequate drainage areas for private sewage disposal systems and  
16 building setback restrictions, or provisions by the owner for public sewage disposal  
17 facilities for waters of the state, as defined in s. 281.01 (18), industrial wastes, as  
18 defined in s. 281.01 (5), and other wastes, as defined in s. 281.01 (7). The public  
19 sewage disposal facilities may consist of one or more systems as the department of  
20 ~~natural resources~~ environmental management or the department of commerce  
21 determines on the basis of need for prevention of pollution of the waters of the state  
22 or protection of public health and safety.

23           **\*b1519/2.244\* SECTION 3127j.** 236.16 (3) (a) of the statutes is amended to read:

1           236.16 (3) (a) All subdivisions abutting on a navigable lake or stream shall  
2 provide public access at least 60 feet wide providing access to the low watermark so  
3 that there will be public access, which is connected to existing public roads, at not  
4 more than one-half mile intervals as measured along the lake or stream shore except  
5 where greater intervals and wider access is agreed upon by the department of  
6 ~~natural resources~~ fish, wildlife, parks, and forestry, the department of  
7 environmental management, and the department, and excluding shore areas where  
8 public parks or open-space streets or roads on either side of a stream are provided.

9           **\*b1519/2.244\* SECTION 3127L.** 236.16 (3) (d) (intro.) of the statutes is  
10 amended to read:

11           236.16 (3) (d) (intro.) All of the owners of all of the land adjacent to a public  
12 access established under par. (a) to an inland lake, as defined in s. 30.92 (1) (bk), may  
13 petition the city, village, town or county that owns the public access to construct  
14 shoreline erosion control measures. Subject to par. (e), the city, village, town or  
15 county shall construct the requested shoreline erosion control measures or request  
16 the department of ~~natural resources~~ environmental management to determine the  
17 need for shoreline erosion control measures. Upon receipt of a request under this  
18 paragraph from a city, village, town or county, the department of ~~natural resources~~  
19 environmental management shall follow the procedures in s. 30.02 (3) and (4).  
20 Subject to par. (e), the city, village, town or county shall construct shoreline erosion  
21 control measures as required by the department of ~~natural resources~~ environmental  
22 management if the department of ~~natural resources~~ environmental management  
23 determines all of the following:".

24           **\*b1777/2.1\* 1558.** Page 1018, line 11: after that line insert: