



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2005 Senate Bill 180

**Senate Substitute
Amendment 1**

Memo published: September 23, 2005

Contact: Ronald Sklansky, Senior Staff Attorney (266-1946)

Current federal law generally provides that, in a consumer credit transaction, a credit card issuer may not prohibit a merchant from offering a discount to a consumer in order to induce the consumer to pay by cash rather than pay by use of a credit card. [See 12 C.F.R. s. 226.12 (f) (1).] There is no similar state law.

Substitute Amendment 1 makes state law equivalent to federal law. Thus, under the substitute amendment, a credit card issuer may not prohibit a merchant from offering a discount to a customer to induce the customer to pay by cash rather than pay by use of a credit card. This provision only applies in a consumer credit transaction when the amount financed is \$25,000 or less and when credit is sought for personal, family, or household purposes. A contract clause contrary to this policy will be unenforceable in Wisconsin. [See ss. 421.202 (6), 421.301 (17), and 425.306, Stats.]

On September 22, 2005, the Senate Committee on Judiciary, Corrections and Privacy recommended passage of Senate Bill 180, as amended by the substitute amendment, by a vote of Ayes, 5; and Noes, 0.

RS:jal