



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-2617/1
EVM:amn

2019 ASSEMBLY BILL 335

July 16, 2019 - Introduced by Representatives BALLWEG, FIELDS, BOWEN, BRANDTJEN, CONSIDINE, CROWLEY, GUNDRUM, KNODL, KOLSTE, KUGLITSCH, MCGUIRE, B. MEYERS, MILROY, MURPHY, MURSAU, NOVAK, PETRYK, RAMTHUN, ROHRKASTE, SHANKLAND, SINICKI, SKOWRONSKI, STEFFEN, THIESFELDT, TUSLER, VANDERMEER, VRUWINK and ZIMMERMAN, cosponsored by Senators MARKLEIN, RINGHAND, COWLES, DARLING, ERPENBACH, FEYEN, HANSEN, MILLER, NASS, OLSEN, L. TAYLOR, TESTIN and WANGGAARD. Referred to Committee on Consumer Protection.

- 1 **AN ACT** *to amend* 218.0163 (1) (a); and *to create* 218.0116 (1) (z) of the statutes;
2 **relating to:** prohibited practices of motor vehicle manufacturers, importers,
3 and distributors and providing a penalty.

Analysis by the Legislative Reference Bureau

Under current law, a manufacturer, importer, or distributor (manufacturer) of motor vehicles that wishes to sell motor vehicles in this state must be licensed by the Department of Transportation. Also under current law, a manufacturer may have its license revoked, and may be liable for pecuniary losses and attorney fees, if the manufacturer commits any of a number of violations enumerated in the statutes.

This bill enumerates an additional violation. Specifically, a manufacturer commits a violation, as described above, if it directly or indirectly takes or threatens to take an adverse action against a dealer of its motor vehicles 1) for the purpose of recovering costs of compensating the dealer for certain service work performed for the manufacturer, or 2) in retaliation for a dealer's exercising a right or seeking a remedy under Wisconsin's motor vehicle dealer law.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

ASSEMBLY BILL 335**SECTION 1**

1 **SECTION 1.** 218.0116 (1) (z) of the statutes is created to read:

2 218.0116 (1) (z) 1. In this paragraph, “adverse action” includes all of the
3 following:

4 a. Increasing a price charged for services or goods.

5 b. Assessing a penalty, fee, or surcharge.

6 c. Withholding, reducing, or delaying an incentive or other payment.

7 d. Transferring or shifting costs.

8 e. Limiting allocations of vehicles or parts.

9 f. Failing to act in good faith.

10 g. Failing to make timely payment of compensation.

11 h. Establishing or applying a discriminatory standard.

12 i. Conducting or threatening to conduct a nonroutine or nonrandom audit.

13 2. Being a manufacturer, importer, or distributor who directly or indirectly
14 takes or threatens to take an adverse action against a dealer for any of the following
15 reasons:

16 a. For the purpose of recovering costs of compensating dealers under s.
17 218.0125.

18 b. In retaliation for a dealer’s exercising a right or seeking a remedy under ss.
19 218.0101 to 218.0163 or under rules promulgated by the department of
20 transportation under ss. 218.0101 to 218.0163.

21 **SECTION 2.** 218.0163 (1) (a) of the statutes is amended to read:

22 218.0163 (1) (a) A violation by any other licensee of s. 218.0116 (1) (bm), (f), (h),
23 (hm), (i), (km), (L), (Lm), (mm), (pm), (q), (qm), (r), (rm), (s), (sm), (t), (u), (um), (v),
24 (vm), (w), (wm), (x), (xm), (y), (ym), ~~or (ys)~~, or (z).

25 **SECTION 3. Initial applicability.**

ASSEMBLY BILL 335

1 (1) This act first applies to an adverse action taken or continued on the effective
2 date of this subsection.

3 (END)