

1987 Assembly Bill 188

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1987 Wisconsin Act 105

AN ACT to amend 218.015 (1) (h) 1, 218.015 (2) (a) and (b), 218.015 (2) (c) and 218.015 (2) (d); and to create 218.015 (1) (b) 4, (bg), (bj) and (em), 218.015 (2) (b) 3 and 218.015 (2) (cm) of the statutes, relating to extending the coverage of the motor vehicle warranty law to leased motor vehicles.

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

SECTION 1. 218.015 (1) (b) 4, (bg), (bj) and (em) of the statutes are created to read:

218.015 (1) (b) 4. A person who leases a motor vehicle from a motor vehicle lessor under a written lease.

(bg) "Early termination cost" means any expense or obligation a motor vehicle lessor incurs as a result of both the termination of a written lease before the termination date set forth in that lease and the return of a motor vehicle to a manufacturer under sub. (2) (b) 3. "Early termination cost" includes a penalty for prepayment under a finance arrangement.

(bj) "Early termination savings" means any expense or obligation a motor vehicle lessor avoids as a result of both the termination of a written lease before the termination date set forth in that lease and the return of a motor vehicle to a manufacturer under sub. (2) (b) 3. "Early termination savings" includes an interest charge the motor vehicle lessor would have paid to finance the motor vehicle or, if the motor vehicle lessor does not finance the motor vehicle, the difference between the total amount for which the lease obligates the consumer during the period of the lease term remaining after the early termination and the present value of that amount at the date of the early termination.

(em) "Motor vehicle lessor" means a person who holds title to a motor vehicle leased to a lessee, or who holds the lessor's rights, under a written lease.

SECTION 2. 218.015 (1) (h) 1 of the statutes is amended to read:

218.015 (1) (h) 1. The same nonconformity with the warranty is subject to repair by the manufacturer, motor vehicle lessor or any of ~~its~~ the manufacturer's authorized motor vehicle dealers at least 4 times and the nonconformity continues.

SECTION 3. 218.015 (2) (a) and (b) of the statutes are amended to read:

218.015 (2) (a) If a new motor vehicle does not conform to an applicable express warranty and the consumer reports the nonconformity to the manufacturer, the motor vehicle lessor or any of ~~its~~ the manufacturer's authorized motor vehicle dealers and makes the motor vehicle available for repair before the expiration of the warranty or one year after first delivery of the motor vehicle to a consumer, whichever is sooner, the nonconformity shall be repaired.

(b) 1. If after a reasonable attempt to repair the nonconformity is not repaired, the manufacturer shall, at carry out the requirement under subd. 2 or 3, whichever is appropriate.

2. At the direction of the a consumer, described under sub. (1) (b) 1, 2 or 3, do either replace of the following:

a. Accept return of the motor vehicle and replace the motor vehicle with a comparable new motor vehicle or accept.

b. Accept return of the motor vehicle and refund to the consumer and to any holder of a perfected security interest in the consumer's motor vehicle, as their interests may appear, the full purchase price plus any sales tax, finance charge, amount paid by the consumer at the point of sale and collateral cost associated with the repair of the nonconformity, less a reasonable allowance for use. A Under this subdivision, a reasonable allowance for use may not exceed the amount obtained by multiplying the full purchase price of the motor vehicle by a fraction, the denominator of which is 100,000 or, for a motorcycle, 20,000, and the numerator of which is the number of miles the motor vehicle was driven before the consumer first reported the nonconformity to the motor vehicle dealer.

SECTION 4. 218.015 (2) (b) 3 of the statutes is created to read:

218.015 (2) (b) 3. a. With respect to a consumer described in sub. (1) (b) 4, accept return of the motor vehicle, refund to the motor vehicle lessor and to any holder of a perfected security interest in the motor vehicle, as their interests may appear, the current value of the written lease and refund to the consumer the amount the consumer paid under the written lease plus any sales tax and collateral costs, less a reasonable allowance for use.

b. Under this subdivision, the current value of the written lease equals the total amount for which that lease obligates the consumer during the period of the lease remaining after its early termination, plus the motor vehicle dealer's early termination costs and the value of the motor vehicle at the lease expiration date if the lease sets forth that value, less the motor vehicle lessor's early termination savings.

c. Under this subdivision, a reasonable allowance for use may not exceed the amount obtained by multiplying the total amount for which the written lease obligates the consumer by a fraction, the denominator of which is 100,000 and the numerator of which is the number of miles the consumer drove the motor vehicle before first reporting the nonconformity to the manufacturer, motor vehicle lessor or motor vehicle dealer.

SECTION 5. 218.015 (2) (c) of the statutes is amended to read:

218.015 (2) (c) At the time of receiving the comparable new motor vehicle or refund under par. (b) To receive a comparable new motor vehicle or a refund due under par. (b) 1 or 2, a consumer described under

sub. (1) (b) 1, 2 or 3 shall offer to the manufacturer of the motor vehicle having the nonconformity to transfer title of that motor vehicle to that manufacturer. No later than 30 days after that offer, the manufacturer shall provide the consumer with the comparable new motor vehicle or refund. When the manufacturer provides the new motor vehicle or refund, the consumer shall surrender return the motor vehicle subject to having the nonconformity to the manufacturer together and provide the manufacturer with the certificate of title with and all endorsements necessary to transfer title to the manufacturer. The manufacturer shall provide the consumer with the comparable new motor vehicle or refund no later than 30 days after an offer to transfer title in compliance with this paragraph by the consumer.

SECTION 6. 218.015 (2) (cm) of the statutes is created to read:

218.015 (2) (cm) 1. To receive a refund due under par. (b) 3, a consumer described under sub. (1) (b) 4 shall offer to the manufacturer of the motor vehicle having the nonconformity to return that motor vehicle to that manufacturer. No later than 30 days after that offer, the manufacturer shall provide the refund to the consumer. When the manufacturer provides the refund, the consumer shall return the motor vehicle having the nonconformity to the manufacturer.

2. To receive a refund due under par. (b) 3, a motor vehicle lessor shall offer to the manufacturer of the motor vehicle having the nonconformity to transfer title of that motor vehicle to that manufacturer. No later than 30 days after that offer, the manufacturer shall provide the refund to the motor vehicle lessor. When the manufacturer provides the refund, the motor vehicle lessor shall provide to the manufacturer the certificate of title and all endorsements necessary to transfer title to the manufacturer.

3. No person may enforce the lease against the consumer after the consumer receives a refund due under par. (b) 3.

SECTION 7. 218.015 (2) (d) of the statutes is amended to read:

218.015 (2) (d) No motor vehicle returned by a consumer or motor vehicle lessor in this state under par. (b), or by a consumer or motor vehicle lessor in another state under a similar law of that state, may be ~~resold~~ sold or leased again in this state unless full disclosure of the reasons for return is made to any prospective buyer or lessee.

SECTION 8. **Nonstatutory provisions.** This act applies to any motor vehicle, as defined in section 218.015 (1) (d) of the statutes, with respect to which a lease is entered into on or after the effective date of this SECTION.