



## 1995 ASSEMBLY BILL 782

January 11, 1996 - Introduced by Representatives JENSEN, ALBERS, GREEN, HOVEN, LADWIG, HAHN, SPRINGER, GROTHMAN and SERATTI, cosponsored by Senators DARLING, HUELSMAN and FITZGERALD. Referred to Committee on Insurance, Securities and Corporate Policy.

1     **AN ACT to repeal** 553.03 (1) and (8m), 553.03 (10), 553.21 (2), 553.26 (intro.),  
2           553.26 (5) and (6), 553.26 (7), 553.26 (8) to (17), 553.26 (18), 553.26 (19), 553.26  
3           (20), 553.26 (21), 553.26 (22), 553.27 (1), 553.27 (2) and (3), 553.27 (5), 553.27  
4           (6), 553.27 (7), 553.27 (8), 553.27 (9), 553.27 (11), 553.28 (1) (f), 553.29, 553.30,  
5           553.31, 553.53, 553.58 (3), 553.72 (2), 553.74 (2) and 553.76 (2); **to renumber**  
6           **and amend** 553.21 (1), 553.74 (1) and 553.76 (1); **to amend** 553.23, 553.235  
7           (1) (intro.), 553.235 (2) (a), 553.24 (1), 553.24 (2), 553.24 (4) (intro.), 553.24 (6),  
8           553.25, 553.26 (title), 553.27 (title), 553.27 (4), 553.27 (10), 553.28 (title), 553.28  
9           (1) (intro.), 553.28 (1) (b), 553.28 (1) (d), 553.28 (1) (e), 553.28 (2), 553.41 (1),  
10          553.41 (3), 553.41 (4), 553.41 (5), 553.51 (title), 553.51 (1), 553.51 (2), 553.51 (4),  
11          553.52 (1), 553.52 (2), 553.56 (1), 553.58 (1), 553.59, 553.60, 553.605 (1) (a)  
12          (intro.), 553.72 (1) and 553.75 (3); **to repeal and recreate** 553.22, 553.26 (1)  
13          to (3) and 553.26 (4); and **to create** 553.03 (8g) and 553.26 (4m) of the statutes;  
14          **relating to:** the regulation of sales of franchises and granting rule-making  
15          authority.

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### ***Analysis by the Legislative Reference Bureau***

This bill makes many changes to the franchise investment law. The major change is to replace the current registration system with a requirement that a notice

of registration of the franchise be filed. Other changes include discontinuing the requirement that advertisements of the franchise be filed with the division of securities and creating a statute of limitation of one year after discovery of a violation.

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

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

1           **SECTION 1.** 553.03 (1) and (8m) of the statutes are repealed.

2           **SECTION 2.** 553.03 (8g) of the statutes is created to read:

3           553.03 (8g) "Notification" means notification under s. 553.26.

4           **SECTION 3.** 553.03 (10) of the statutes is repealed.

5           **SECTION 4.** 553.21 (1) of the statutes is renumbered 553.21 and amended to  
6 read:

7           **553.21 Registration requirement.** No person may sell or offer in this state  
8 any franchise unless the offer of the franchise has been registered under this chapter  
9 or is exempted under s. ~~553.22~~, 553.23, 553.235 or 553.25.

10          **SECTION 5.** 553.21 (2) of the statutes is repealed.

11          **SECTION 6.** 553.22 of the statutes, as affected by 1995 Wisconsin Act 27, is  
12 repealed and recreated to read:

13          **553.22 Excluded franchises.** This chapter does not apply to the offer or sale  
14 of the following franchises:

15           (1) Any relationship if the person described in the offer as a franchisee, or any  
16 of the current directors or executive officers of that person, has been in the type of  
17 business of the franchise relationship for more than 2 years and the parties  
18 anticipated, or should have anticipated, at the time the agreement establishing the  
19 franchise relationship was reached, that the sales arising from the relationship

1 would account for no more than 20% of the gross sales revenue of the franchisee for  
2 a period of at least one year after the franchisee begins selling the goods or services  
3 involved in the franchise.

4 (2) An association of producers of agricultural products authorized by 7 USC  
5 291 (1).

6 (3) An organization that is operated on a cooperative basis by and for  
7 independent retailers and that sells goods at wholesale to, or furnishes services  
8 primarily to, its members.

9 SECTION 7. 553.23 of the statutes is amended to read:

10 **553.23 Private franchisee and subfranchisor sales exempted.** The offer  
11 ~~or~~ sale of a franchise by a franchisee for the franchisee's own account ~~or~~ and the offer  
12 ~~or~~ sale of the entire area franchise owned by a subfranchisor for the subfranchisor's  
13 own account is are exempted from s. 553.21 if the sale is not effected by or through  
14 a franchisor. A sale is not effected by or through a franchisor merely because a  
15 franchisor has a right to approve or disapprove a different franchisee or because a  
16 franchisor imposes or has the right to impose a fee or charge to reimburse the  
17 franchisor for reasonable and actual expenses incurred in connection with the sale.

18 SECTION 8. 553.235 (1) (intro.) of the statutes is amended to read:

19 553.235 (1) CONDITIONS OF EXEMPTION. (intro.) Except as provided in sub. (2),  
20 a registration exemption is available for the ~~offer or~~ sale of a franchise that meets all  
21 of the following conditions:

22 SECTION 9. 553.235 (2) (a) of the statutes is amended to read:

23 553.235 (2) (a) The exemption under sub. (1) is not available for the ~~offer or~~ sale  
24 of a franchise in which the franchisee would be a motor vehicle dealer or a motor  
25 vehicle distributor or wholesaler, as defined in s. 218.01 (1).

1           **SECTION 10.** 553.24 (1) of the statutes, as affected by 1995 Wisconsin Act 27,  
2 is amended to read:

3           553.24 (1) The division may by order deny or revoke any exemption under s.  
4 ~~553.22~~, 553.23, 553.235 or 553.25 with respect to the offer or sale of a franchise for  
5 any of the grounds specified in s. 553.28 (1).

6           **SECTION 11.** 553.24 (2) of the statutes, as affected by 1995 Wisconsin Act 27,  
7 is amended to read:

8           553.24 (2) If the public interest and the protection of investors so require, the  
9 division may, by order, summarily deny or revoke any exemption under s. ~~553.22~~,  
10 553.23, 553.235 or 553.25 with respect to the offer or sale of a franchise.

11           **SECTION 12.** 553.24 (4) (intro.) of the statutes, as affected by 1995 Wisconsin  
12 Act 27, is amended to read:

13           553.24 (4) (intro.) A person who ~~offers or~~ sells a franchise pursuant to an  
14 exemption under s. ~~553.22~~, 553.23, 553.235 or 553.25 after the exemption is denied  
15 or revoked by an order of the division does not violate s. 553.21 if:

16           **SECTION 13.** 553.24 (6) of the statutes, as affected by 1995 Wisconsin Act 27,  
17 is amended to read:

18           553.24 (6) Within 10 days after the filing date of ~~the information required~~  
19 ~~under s. 553.22 or~~ an application for an exemption under s. 553.25, the division may  
20 require that additional information be filed if the division determines that the  
21 information is reasonably necessary to establish an exemption under s. ~~553.22 or~~  
22 553.25. If the division requires additional information, the exemption is not effective  
23 until 10 days after the additional information is filed with the division, unless a  
24 shorter period is permitted by the division.

1           **SECTION 14.** 553.25 of the statutes, as affected by 1995 Wisconsin Act 27, is  
2 amended to read:

3           **553.25 Exemption by division.** The division may by rule or order exempt  
4 from registration under s. 553.21 any offer or sale of a franchise if registration is not  
5 necessary or appropriate in the public interest or for the protection of investors.

6           **SECTION 15.** 553.26 (title) of the statutes is amended to read:

7           **553.26 (title) ~~Application for registration~~ Registration by notification.**

8           **SECTION 16.** 553.26 (intro.) of the statutes is repealed.

9           **SECTION 17.** 553.26 (1) to (3) of the statutes are repealed and recreated to read:

10           553.26 (1) A person who wishes to sell a franchise in this state that is not  
11 excluded under s. 553.22 and that is not exempt from registration under s. 553.23,  
12 553.235 or 553.25 shall register the franchise by notification to the division. The  
13 notification shall be on a form prescribed by the division, which need include only the  
14 name of the franchisor or subfranchisor, the name or names under which the  
15 franchisor or subfranchisor intends to do business and the franchisor's or  
16 subfranchisor's principal business address. Nothing other than a copy of the offering  
17 circular required under s. 553.27(4), the consent to service of process required by s.  
18 553.27 (10), if it is not already on file with the division, and the registration fee  
19 required under s. 553.72 (1) need accompany the notification.

20           (2) A franchisor may register only one franchise system on each notification.

21           (3) Registration is effective upon receipt of the notification by the division. The  
22 notice shall be effective for one year from the date on which the division receives it.

23           **SECTION 18.** 553.26 (4) of the statutes, as affected by 1995 Wisconsin Act 27,  
24 is repealed and recreated to read:

1           553.26 (4) Upon receipt of notification, the division shall endorse upon the  
2 notice "received" and the date and shall return a copy to the person who filed the  
3 notice.

4           **SECTION 19.** 553.26 (4m) of the statutes is created to read:

5           553.26 (4m) A person who has complied with sub. (1) need not file with the  
6 division, during the period when the registration is effective, any more information,  
7 including any amendments to the offering circular. The division may not review the  
8 offering circular for the adequacy of its disclosure.

9           **SECTION 20.** 553.26 (5) and (6) of the statutes are repealed.

10          **SECTION 21.** 553.26 (7) of the statutes, as affected by 1995 Wisconsin Act 27,  
11 is repealed.

12          **SECTION 22.** 553.26 (8) to (17) of the statutes are repealed.

13          **SECTION 23.** 553.26 (18) of the statutes, as affected by 1995 Wisconsin Act 27,  
14 is repealed.

15          **SECTION 24.** 553.26 (19) of the statutes is repealed.

16          **SECTION 25.** 553.26 (20) of the statutes, as affected by 1995 Wisconsin Act 27,  
17 is repealed.

18          **SECTION 26.** 553.26 (21) of the statutes is repealed.

19          **SECTION 27.** 553.26 (22) of the statutes is repealed.

20          **SECTION 28.** 553.27 (title) of the statutes is amended to read:

21          **553.27** (title) **General registration provisions; offering circular;**  
22 **consent to service of process.**

23          **SECTION 29.** 553.27 (1) of the statutes is repealed.

24          **SECTION 30.** 553.27 (2) and (3) of the statutes, as affected by 1995 Wisconsin  
25 Act 27, are repealed.

1           **SECTION 31.** 553.27 (4) of the statutes, as affected by 1995 Wisconsin Act 27,  
2 is amended to read:

3           553.27 (4) No franchise subject to registration under this chapter may be sold  
4 in this state unless a copy of the an offering circular ~~in the form prescribed by rule~~  
5 ~~of the division~~ is provided to the prospective franchisee at least 10 business days  
6 prior to the execution by the prospective franchisee of any binding franchise or other  
7 agreement or at least 10 business days prior to the receipt of any consideration,  
8 whichever first occurs. The offering circular may be in a form that the division  
9 requires by rule, in a form permitted under 16 CFR 436 or in a form permitted by a  
10 successor to that regulation.

11           **SECTION 32.** 553.27 (5) of the statutes is repealed.

12           **SECTION 33.** 553.27 (6) of the statutes, as affected by 1995 Wisconsin Act 27,  
13 is repealed.

14           **SECTION 34.** 553.27 (7) of the statutes, as affected by 1995 Wisconsin Act 27,  
15 is repealed.

16           **SECTION 35.** 553.27 (8) of the statutes, as affected by 1995 Wisconsin Act 27,  
17 is repealed.

18           **SECTION 36.** 553.27 (9) of the statutes, as affected by 1995 Wisconsin Act 27,  
19 is repealed.

20           **SECTION 37.** 553.27 (10) of the statutes, as affected by 1995 Wisconsin Act 27,  
21 is amended to read:

22           553.27 (10) Every ~~applicant for registration of an offer to sell franchises under~~  
23 ~~this chapter~~ franchisor who files a notification shall file with the division, in ~~such the~~  
24 form as that the division by rule prescribes, an irrevocable consent appointing the  
25 division to be the applicant's attorney to receive service of any lawful process in any

1 civil action against the applicant or the applicant's successor, executor or  
2 administrator, ~~which~~ that arises under this chapter or any rule or order under this  
3 chapter after the consent has been filed, with the same force and validity as if served  
4 personally on the person filing the consent. A person who has filed a consent in  
5 connection with a previous registration or exemption under this chapter need not file  
6 another. Service may be made by leaving a copy of the process in the office of the  
7 division but it is not effective unless the plaintiff, who may be the division in an action  
8 instituted by the division, ~~forthwith~~ sends notice of the service and a copy of the  
9 process by registered or certified mail to the defendant or respondent at his or her  
10 last address on file with the division, and the plaintiff's affidavit of compliance with  
11 this subsection is filed in the case on or before the return day of the process, if any,  
12 or within ~~such further~~ the time as that the court allows.

13 **SECTION 38.** 553.27 (11) of the statutes, as affected by 1995 Wisconsin Act 27,  
14 is repealed.

15 **SECTION 39.** 553.28 (title) of the statutes is amended to read:

16 **553.28 (title) Denial, suspension or revocation of registrations ~~or~~**  
17 **~~exemptions.~~**

18 **SECTION 40.** 553.28 (1) (intro.) of the statutes, as affected by 1995 Wisconsin  
19 Act 27, is amended to read:

20 553.28 (1) (intro.) The division may issue an order ~~denying effectiveness to, or~~  
21 ~~postponing,~~ suspending or revoking the effectiveness of, any registration statement  
22 if the division finds any of the following:

23 **SECTION 41.** 553.28 (1) (b) of the statutes is amended to read:



1           553.28 (1) (b) That the offer, ~~purchase~~ or sale of the franchise would constitute  
2           misrepresentation to, or deceit or fraud upon, purchasers thereof, ~~or of the franchise,~~  
3           has worked or tended to work a fraud upon purchasers or would so operate.

4           **SECTION 42.** 553.28 (1) (d) of the statutes is amended to read:

5           553.28 (1) (d) That any person identified in ~~an application for registration~~ the  
6           franchisor's offering circular has been convicted of an offense specified ~~under s.~~  
7           ~~553.26 (5)~~ that is required to be disclosed in the offering circular, or is subject to an  
8           order, or has had a civil judgment entered against him or her ~~as described in s. 553.26~~  
9           ~~(5)~~ that is required to be disclosed in the offering circular, and the involvement of the  
10          person in the ~~same~~ sale or management of the franchise creates an unreasonable risk  
11          to prospective franchisees.

12          **SECTION 43.** 553.28 (1) (e) of the statutes, as affected by 1995 Wisconsin Act 27,  
13          is amended to read:

14          553.28 (1) (e) That the ~~applicant or registrant~~ franchisor has failed to pay the  
15          proper filing fee, ~~but the division may enter only a denial order under this paragraph~~  
16          ~~and the division shall vacate any such order when the deficiency has been corrected.~~

17          **SECTION 44.** 553.28 (1) (f) of the statutes is repealed.

18          **SECTION 45.** 553.28 (2) of the statutes, as affected by 1995 Wisconsin Act 27,  
19          is amended to read:

20          553.28 (2) If the public interest and the protection of investors so require, the  
21          division may by order summarily ~~deny, postpone,~~ suspend or revoke the effectiveness  
22          of the registration.

23          **SECTION 46.** 553.29 of the statutes, as affected by 1995 Wisconsin Act 27, is  
24          repealed.

1           **SECTION 47.** 553.30 of the statutes, as affected by 1995 Wisconsin Act 27, is  
2 repealed.

3           **SECTION 48.** 553.31 of the statutes, as affected by 1995 Wisconsin Act 27, is  
4 repealed.

5           **SECTION 49.** 553.41 (1) of the statutes, as affected by 1995 Wisconsin Act 27,  
6 is amended to read:

7           553.41 (1) No person may make or cause to be made, in any document filed with  
8 the division or in any proceeding under this chapter, any statement which is, at the  
9 time and in the light of the circumstances under which it is made, false or misleading  
10 in any material respect ~~or, in connection with any statement required to be made~~  
11 ~~under s. 553.31 (1), omit to state a material fact necessary in order to make the~~  
12 ~~statement made, in the light of the circumstances under which they are made, not~~  
13 ~~misleading.~~

14           **SECTION 50.** 553.41 (3) of the statutes is amended to read:

15           553.41 (3) No person may offer, ~~purchase~~ or sell a franchise in this state by  
16 means of any written or oral communication not included in sub. (1) ~~which~~ (4) that  
17 includes an untrue statement of a material fact or omits to state a material fact  
18 necessary in order to make the statements made, in the light of the circumstances  
19 under which they were made, not misleading.

20           **SECTION 51.** 553.41 (4) of the statutes is amended to read:

21           553.41 (4) No person may make any untrue statement of a material fact in any  
22 statement required to be disclosed in writing in a timely manner ~~pursuant to s.~~  
23 ~~553.22 or under s. 553.27~~ or omit to state in any such statement any material fact  
24 ~~which~~ that is required to be stated therein in the statement.

1           **SECTION 52.** 553.41 (5) of the statutes, as affected by 1995 Wisconsin Act 27,  
2 is amended to read:

3           553.41 **(5)** No person may wilfully represent to any prospective purchaser or  
4 seller of a franchise franchisee in this state that the filing of a franchise registration  
5 application or the registration of a franchise constitutes a finding by the division that  
6 any document filed under this chapter is true, complete, and not misleading, or in  
7 relation to an exemption or exception, that the division has passed in any way upon  
8 the merits of any franchise or wilfully represent in a similar manner that a franchise  
9 is registered or exempted when in fact, such that is not the case.

10           **SECTION 53.** 553.51 (title) of the statutes is amended to read:

11           **553.51 (title) Civil liability; offer or sale in violation.**

12           **SECTION 54.** 553.51 (1) of the statutes is amended to read:

13           553.51 **(1)** Any person who offers, purchases or sells a franchise in violation of  
14 s. 553.21 or 553.41 (1), (2), (4) or (5) 553.27 (4), if the violation was material in the  
15 franchisee's or subfranchisee's decision to purchase the franchise, shall be liable to  
16 the franchisee or subfranchisor, who may bring an action for rescission, ~~unless, in the~~  
17 ~~case of a violation of s. 553.41 (1), (2), (4) or (5), the defendant proves that the plaintiff~~  
18 ~~knew the facts concerning the untruth or omission, or that the defendant exercised~~  
19 ~~reasonable care and did not know, or, if the defendant had exercised reasonable care,~~  
20 ~~would not have known, of the untruth or omission.~~

21           **SECTION 55.** 553.51 (2) of the statutes is amended to read:

22           553.51 **(2)** Any person who violates s. 553.41 (3) ~~shall be, (4) or (5) is liable for~~  
23 ~~damages to any person who does not knowing know or having have~~ cause to believe  
24 that such the statement or representation was false or misleading and who, while  
25 relying upon such the statement, shall have sold or representation, purchased a

1 franchise, ~~for damages~~, unless the defendant proves that the plaintiff knew the facts  
2 concerning the untruth or omission or that the defendant exercised reasonable care  
3 and did not know, or if the defendant had exercised reasonable care would not have  
4 known, of the untruth or omission.

5 **SECTION 56.** 553.51 (4) of the statutes, as affected by 1995 Wisconsin Act 27,  
6 is amended to read:

7 553.51 (4) No action may be maintained to enforce any liability under this  
8 section unless it is brought before the expiration of 3 years after the act or transaction  
9 constituting the violation upon which the liability is based, the expiration of one year  
10 after the discovery by the franchisee of the fact that constitutes the violation or 90  
11 days after delivery to the franchisee of a written notice disclosing that discloses any  
12 violation of s. ~~553.21 or 553.41~~, which notice shall be approved as to form by this  
13 chapter and that is filed with the division, whichever first expires.

14 **SECTION 57.** 553.52 (1) of the statutes is amended to read:

15 553.52 (1) Any person who wilfully violates ~~any provision of this chapter except~~  
16 ~~s. 553.41 (1), or any rule under this chapter, (2) to (5)~~ or any order of which the person  
17 has notice, or who violates s. 553.41 (1) knowing or having reasonable cause to  
18 believe either that the statement made was false or misleading in any material  
19 respect ~~or that the failure to report a material event under s. 553.31 (1) was false or~~  
20 ~~misleading in any material respect~~, may be fined not more than \$5,000 or imprisoned  
21 for not more than 5 years or both. Each of the acts specified ~~shall constitute~~ is a  
22 separate offense, and a prosecution or conviction for any one of those offenses ~~shall~~  
23 does not bar prosecution or conviction for any other offense.

24 **SECTION 58.** 553.52 (2) of the statutes is amended to read:

1           553.52 (2) Any person who employs, directly or indirectly, any device, scheme  
2 or artifice to defraud in connection with the offer or sale of any franchise or engages,  
3 directly or indirectly, in any act, practice, or course of business which operates or  
4 would operate as a fraud or deceit upon any person in connection with the offer,  
5 purchase or sale of any franchise shall be fined not more than \$5,000 or imprisoned  
6 for not more than 5 years, or both.

7           **SECTION 59.** 553.53 of the statutes, as affected by 1995 Wisconsin Act 27, is  
8 repealed.

9           **SECTION 60.** 553.56 (1) of the statutes, as affected by 1995 Wisconsin Act 27,  
10 is amended to read:

11           553.56 (1) Except as provided by sub. (2), no order may be entered by the  
12 division under s. 553.24, or 553.28 ~~or 553.53 (2)~~ without appropriate prior notice to  
13 all interested parties, opportunity for hearing and written findings of fact and  
14 conclusions of law.

15           **SECTION 61.** 553.58 (1) of the statutes, as affected by 1995 Wisconsin Act 27,  
16 is amended to read:

17           553.58 (1) The division may make, amend and rescind any rules, forms and  
18 orders that are necessary to carry out this chapter, including rules and forms  
19 governing ~~registration statements, applications~~ registrations and ~~reports~~, defining  
20 any terms, whether or not used in this chapter, insofar as the definitions are not  
21 inconsistent with this chapter. The division may define by rule false, fraudulent or  
22 deceptive practices in the offer and sale of franchises. ~~The division may also adopt~~  
23 ~~rules with regard to advertising utilized in connection with exempt sales under s.~~  
24 ~~553.22, 553.23 or 553.235 and which need not be filed under s. 553.53.~~ For the  
25 purpose of rules and forms, the division may classify franchises, persons and matters

1 within the division's jurisdiction, and may prescribe different requirements for  
2 different classes. Rules shall be made and published and all administrative  
3 procedures, including hearings under s. 553.56 and issuance of orders, shall be in  
4 accordance with ch. 227.

5 **SECTION 62.** 553.58 (3) of the statutes, as affected by 1995 Wisconsin Act 27,  
6 is repealed.

7 **SECTION 63.** 553.59 of the statutes is amended to read:

8 **553.59 Scope of chapter. (1)** The provisions of this chapter concerning sales  
9 and offers to sell apply when a sale is made in this state or when an offer to sell is  
10 ~~made in this state or when an offer to purchase is made and accepted in this state.~~  
11 ~~The provisions concerning purchases and offers to purchase apply when a purchase~~  
12 ~~or offer to purchase is made in this state or an offer to sell is made and or accepted~~  
13 ~~in this state, except that s. 553.21 does not apply to an offer to sell that is not directed~~  
14 ~~to, or received by, the offeree in this state.~~

15 **(2)** For the purpose of this section, an offer to sell ~~or to purchase~~ is made in this  
16 state, ~~whether or not either party is then present in this state, when if the offer either~~  
17 ~~originates from in this state or is directed by the offeror to this state and received by~~  
18 ~~the offeree in this state, but for the purpose of s. 553.21, an offer to sell which is not~~  
19 ~~directed to or received by the offeree in this state is not made in this state.~~

20 **(3)** For the purpose of this section, an offer to ~~purchase or to sell~~ is accepted in  
21 this state ~~when if acceptance is communicated to the offeror in from this state, and~~  
22 ~~has not previously been communicated to the offeror, orally or in writing, outside this~~  
23 ~~state; and acceptance is communicated to the offeror in this state, whether or not~~  
24 ~~either party is then present in this state, when the offeree directs it to the offeror in~~

1 ~~this state reasonably believing the offeror to be in this state and it is received by the~~  
2 ~~offeror in this state.~~

3 (4) An offer to sell ~~or to purchase~~ is not made in this state ~~when~~ if the publisher  
4 circulates or there is circulated on the publisher's behalf in this state any bona fide  
5 newspaper or other publication of general, regular and paid circulation ~~which~~ that  
6 is not published in this state, or if a radio or television program ~~originating~~ that  
7 originates outside this state is received in this state.

8 **SECTION 64.** 553.60 of the statutes, as affected by 1995 Wisconsin Act 27, is  
9 amended to read:

10 **553.60 Miscellaneous powers.** The division may by order summarily  
11 prohibit offers or sales of a franchise ~~subject to s. 553.21 (1) which~~ that are being, or  
12 have been, made in this state in violation of this chapter, unless the offer ~~or sale of~~  
13 ~~the~~ franchise is registered or exempted from registration under this chapter.

14 **SECTION 65.** 553.605 (1) (a) (intro.) of the statutes, as affected by 1995  
15 Wisconsin Act 27, is amended to read:

16 553.605 (1) (a) (intro.) The division or any officer designated by the division  
17 may impose an administrative assessment in the amount provided in par. (b) on any  
18 person who is subject to an order that is issued under s. 553.24, 553.28, 553.53,  
19 553.58 (1) and (2) or 553.60 in any of the following circumstances:

20 **SECTION 66.** 553.72 (1) of the statutes is amended to read:

21 553.72 (1) The fee for filing ~~an application for a notice for the one-year~~  
22 effectiveness of the registration of the offer of franchises a franchise under s. 553.26  
23 is \$400.

24 **SECTION 67.** 553.72 (2) of the statutes, as affected by 1995 Wisconsin Act 27,  
25 is repealed.

1           **SECTION 68.** 553.74 (1) of the statutes, as affected by 1995 Wisconsin Act 27,  
2 is renumbered 553.74 and amended to read:

3           **553.74** (title) **Open records; publication.** All applications, reports  
4 notifications and other papers and documents filed with the division under this  
5 chapter shall be open to public inspection in accordance with rules adopted by the  
6 division. The division may publish any information filed with or obtained by the  
7 division, if, in the judgment of the division, such action is in the public interest. No  
8 ~~provision of this chapter authorizes the division or any of the division's employes to~~  
9 ~~disclose any information withheld from public inspection except among themselves~~  
10 ~~or when necessary or appropriate in a proceeding or investigation under this chapter~~  
11 ~~or to other federal or state regulatory agencies. No provision of this chapter either~~  
12 ~~creates or derogates from any privilege which exists at common law or otherwise~~  
13 ~~when documentary or other evidence is sought under a subpoena directed to the~~  
14 ~~division or any of the division's employes.~~

15           **SECTION 69.** 553.74 (2) of the statutes is repealed.

16           **SECTION 70.** 553.75 (3) of the statutes, as affected by 1995 Wisconsin Act 27,  
17 is amended to read:

18           553.75 (3) The information contained in or filed with any registration  
19 ~~statement, application or report~~ notification shall be made available to the public in  
20 accordance with rules adopted by the division.

21           **SECTION 71.** 553.76 (1) of the statutes is renumbered 553.76 and amended to  
22 read:

23           **553.76** (title) **Waivers of compliance void.** ~~Except as provided in sub. (2),~~  
24 ~~any~~ Any condition, stipulation or provision purporting to bind any person acquiring  
25 any franchise to waive compliance with any provision of this chapter or any rule or



1 order ~~hereunder~~ under this chapter is void. This section does not affect the  
2 settlement of disputes, claims or civil lawsuits arising or brought under this chapter.

3 **SECTION 72.** 553.76 (2) of the statutes is repealed.

4 **SECTION 73. Nonstatutory provisions.**

5 (1) TRANSITION. A franchisor who has an effective registration or exemption on  
6 July 1, 1996, is considered to have filed the notification under section 553.26 of the  
7 statutes, as affected by this act, on the most recent effective date of that registration  
8 or exemption. That registration or exemption is valid for one year after its most  
9 recent effective date.

10 **SECTION 74. Effective date.**

11 (1) This act takes effect on July 1, 1996.

12 (END)