

State of Misconsin 2019 - 2020 LEGISLATURE

LRB-0450/1 SWB:klm

2019 SENATE BILL 41

February 15, 2019 – Introduced by Senators WIRCH, CARPENTER, HANSEN, RINGHAND and SMITH, cosponsored by Representatives SUBECK, ANDERSON, BROSTOFF, DOYLE, HEBL, OHNSTAD, SARGENT, SINICKI and VRUWINK. Referred to Committee on Judiciary and Public Safety.

1 AN ACT to create 895.033 of the statutes; relating to: civil cause of action for

financial exploitation.

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Analysis by the Legislative Reference Bureau

This bill creates a civil cause of action for financial exploitation of a vulnerable person. The bill defines the term "vulnerable person" to include persons who are elderly, financially incapable, incapacitated, or those with a disability who are susceptible to force, threat, duress, coercion, persuasion, or physical or emotional injury because of a physical or mental impairment. Under the bill, a court must award a person who brings a successful action enhanced damages, attorney fees, and reasonable fees for any necessary services of a conservator or guardian ad litem.

For further information see the *state and local* 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:

- 3 **SECTION 1.** 895.033 of the statutes is created to read:
- 4 **895.033 Financial exploitation of a vulnerable person. (1)** In this
- 5 section:

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(a) "Elderly person" means a person 65 years of age or older.

2019 - 2020 Legislature - 2 -

SENATE BILL 41

| 1 | (b) "Financially incapable person" means a person who is unable to manage his |
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| 2 | or her financial resources effectively for reasons including mental illness, |
| 3 | intellectual disability, physical illness or disability, chronic use of drugs or controlled |
| 4 | substances, chronic intoxication, confinement, detention by a foreign power, or |
| 5 | disappearance. |
| 6 | (c) "Incapacitated" has the meaning given in s. 701.0103 (12). |
| 7 | (d) "Noneconomic damages" has the meaning given in s. 893.55 (4) (a). |
| 8 | (e) "Person with a disability" means a person with a physical or mental |
| 9 | impairment that has all of the following characteristics: |
| 10 | 1. Is likely to continue without substantial improvement for no fewer than 12 |
| 11 | months or to result in death. |
| 12 | 2. Prevents performance of substantially all of the ordinary duties of |
| 13 | occupations in which an individual not having the physical or mental impairment is |
| 14 | capable of engaging, having due regard for the training, experience, and |
| 15 | circumstances of the person with the physical or mental impairment. |
| 16 | (f) "Vulnerable person" means any of the following: |
| 17 | 1. An elderly person. |
| 18 | 2. A financially incapable person. |
| 19 | 3. An incapacitated person. |
| 20 | 4. A person with a disability who is susceptible to force, threat, duress, coercion, |
| 21 | persuasion, or physical or emotional injury because of the person's physical or mental |
| 22 | impairment. |
| 23 | (2) Any of the following persons may, on behalf of a vulnerable person who |
| 24 | suffers injury or damage by reason of financial exploitation, bring an action under |

2019 - 2020 Legislature

| 1 | this section against a person who has caused the financial exploitation or has |
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| 2 | permitted another person to engage in financial exploitation: |
| 3 | (a) A vulnerable person. |
| 4 | (b) A guardian or conservator for a vulnerable person. |
| 5 | (c) A personal representative for the estate of a decedent who was a vulnerable |
| 6 | person at the time the cause of action arose. |
| 7 | (d) A trustee for a trust on behalf of any of the following: |
| 8 | 1. A trustor who is a vulnerable person. |
| 9 | 2. The spouse of a trustor who is a vulnerable person. |
| 10 | (3) An action may be brought under this section for financial exploitation of a |
| 11 | vulnerable person if any of the following circumstances exist: |
| 12 | (a) A person wrongfully takes or appropriates money or property of a |
| 13 | vulnerable person, without regard to whether the person taking or appropriating the |
| 14 | money or property has a fiduciary relationship with the vulnerable person. |
| 15 | (b) A vulnerable person requests that another person transfer to the vulnerable |
| 16 | person any money or property that the other person holds or controls and that |
| 17 | belongs to or is held in express trust, constructive trust, or resulting trust for the |
| 18 | vulnerable person, and the other person, without good cause, either continues to hold |
| 19 | the money or property or fails to take reasonable steps to make the money or property |
| 20 | readily available to the vulnerable person when all of the following are true: |
| 21 | 1. The other person or someone acting in concert with the other person acquires |
| 22 | ownership or control of the money or property in whole or in part from the vulnerable |
| 23 | person. |
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- 3 -

2019 - 2020 Legislature

SENATE BILL 41

1 2. The other person acts in bad faith, or knew or should have known of the right $\mathbf{2}$ of the vulnerable person to have the money or property transferred as requested or 3 otherwise made available to the vulnerable person.

- 4 -

(4) A person may bring an action under this section against a person for 4 permitting another person to engage in financial exploitation of a vulnerable person $\mathbf{5}$ 6 if the person knowingly acts or fails to act under circumstances in which a reasonable 7 person should have known of the financial exploitation.

8 (5) A transfer of money or property that is made for the purpose of qualifying 9 a vulnerable person for Medical Assistance benefits or for any other state or federal assistance program, or the holding and exercise of control over money or property 10 11 after such a transfer, does not constitute a wrongful taking or appropriation under sub. (3) (a) or the holding of money or property without good cause under sub. (3) (b). 1213(6) The court shall award all of the following to a plaintiff who prevails in an

14action under this section:

15(a) An amount equal to 3 times all economic damages resulting from the 16 financial exploitation, or \$500, whichever amount is greater.

17(b) An amount equal to 3 times all noneconomic damages resulting from the 18 financial exploitation.

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(c) Reasonable attorney fees incurred by the plaintiff.

20(d) Reasonable fees for the services of any conservator or guardian ad litem 21incurred by reason of the litigation of a claim brought under this section.

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(END)