



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-5010/1
ARG:cjs

2021 ASSEMBLY BILL 1177

March 10, 2022 - Introduced by Representative HAYWOOD. Referred to Committee on Rules.

1 **AN ACT to renumber and amend 422.412; to amend 422.412 (title); and to**
2 **create 422.412 (2) of the statutes; relating to: consumer leases of mobile**
3 **telephones under the Wisconsin Consumer Act.**

Analysis by the Legislative Reference Bureau

This bill imposes a restriction under the Wisconsin Consumer Act (WCA) in the terms that may be included in certain consumer leases of mobile telephones.

Under current law, a consumer credit transaction that is entered into for personal, family, or household purposes is generally subject to the WCA. A “consumer credit transaction” includes a “consumer lease,” which is defined as a lease of goods which a merchant makes to a customer for a term exceeding four months. In a consumer lease, the obligation of a customer upon expiration of the lease may not exceed the average payment allocable to a monthly period under the lease.

The bill defines a “mobile telephone flex lease” as a consumer lease of a mobile telephone that includes all of the following terms: 1) the customer may purchase the mobile telephone during or upon expiration of the consumer lease at an agreed price; and 2) the customer may maintain possession of the mobile telephone after expiration of the consumer lease if the customer makes periodic payments to the merchant for use of the mobile telephone. Under the bill, a mobile telephone flex

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lease may not limit the period after expiration of the lease during which a customer may purchase the mobile telephone at the agreed price.

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

1 **SECTION 1.** 422.412 (title) of the statutes is amended to read:

2 **422.412** (title) **Restriction on liability, certain terms in consumer lease.**

3 **SECTION 2.** 422.412 of the statutes is renumbered 422.412 (1) and amended to
4 read:

5 422.412 (1) In a consumer lease, the obligation of a customer upon expiration
6 of the lease may not exceed the average payment allocable to a monthly period under
7 the lease. This limitation does not apply to charges for damages to the leased
8 property occasioned by other than normal use or for other default or to the purchase
9 of a mobile telephone as provided in sub. (2) (b).

10 **SECTION 3.** 422.412 (2) of the statutes is created to read:

11 422.412 (2) (a) In this subsection:

12 1. "Agreed price" means a price established, or calculated according to a
13 formula established, at the time a mobile telephone flex lease is entered into.

14 2. "Mobile telephone flex lease" means a consumer lease of a mobile telephone
15 that includes all of the following terms:

16 a. The customer may purchase the mobile telephone during or upon expiration
17 of the consumer lease at an agreed price.

18 b. The customer may maintain possession of the mobile telephone after
19 expiration of the consumer lease if the customer makes periodic payments to the
20 merchant for use of the mobile telephone.

