

State of Wisconsin



2005 Senate Bill 497

Date of enactment: **March 10, 2006**

Date of publication*: **March 24, 2006**

2005 WISCONSIN ACT 133

AN ACT to *renumber and amend* 218.0143 (1); and to *consolidate, renumber and amend* 218.0143 (2) and (3) of the statutes; **relating to:** insurance requirements for motor vehicle retail installment contracts (suggested as remedial legislation by the Department of Financial Institutions).

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

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the Department of Financial Institutions and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

SECTION 1. 218.0143 (1) of the statutes is renumbered 218.0143 (intro.) and amended to read:

218.0143 Notice of insurance to buyer under installment sales contract. (intro.) Whenever a person sells or agrees to sell any motor vehicle at retail under a retail installment contract that provides for insurance coverage, or a charge is made for insurance coverage, the seller shall do one of the following:

(1m) Ensure that the policy so issued or provided for ~~shall include~~ includes public liability coverage protecting the driver of the motor vehicle against damages resulting from the negligent use of the vehicle.

SECTION 2. 218.0143 (2) and (3) of the statutes are consolidated, renumbered 218.0143 (2) and amended to read:

218.0143 (2) ~~Whenever a person sells or agrees to sell any motor vehicle at retail under a retail installment~~

~~contract which does not provide for insurance coverage the seller shall, in writing, notify~~ Notify, in writing, the buyer at the time of making the retail installment contract that the motor vehicle is not covered by public liability insurance protecting the driver against damages resulting from the negligent use of the vehicle. ~~(3) The seller shall and obtain,~~ on a form separate from the retail installment contract, the signed acknowledgment of the buyer that he or she has been notified that the contract ~~does or does not~~ include public liability insurance protecting the driver against damages resulting from the negligent use of the vehicle.

NOTE: Before its treatment by [1999 Wisconsin Act 31](#), s. 218.01 (6m), 1997 stats., provided that, if insurance coverage was included with a motor vehicle retail installment contract, the policy must include public liability insurance (PLI) coverage or the seller was required to notify the buyer that the motor vehicle was not covered by PLI coverage.

Following its treatment by [1999 Wisconsin Act 31](#), renumbered s. 218.0143 (1) now provides that, if insurance coverage is part of a motor vehicle retail installment contract, the policy issued must include PLI coverage; and, under s. 218.0143 (2), only if insurance coverage is not included with a retail installment contract must the seller notify the buyer that the vehicle is not covered by PLI coverage.

It appears that [1999 Wisconsin Act 31](#) intended no substantive change (it was a revisor's revision bill). The change proposed by the department of financial institutions will restore the affected provisions to their pre-Act 99 status.

* Section 991.11, WISCONSIN STATUTES 2003-04 : Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].