

State of Wisconsin



1995 Assembly Bill 954

Date of enactment: **May 2, 1996**
Date of publication*: **May 16, 1996**

1995 WISCONSIN ACT 329

AN ACT to repeal 218.01 (6) (b) 1. to 8., 218.01 (6) (bm) and (bn), 218.01 (6) (j) and 422.201 (4); **to renumber** 218.01 (2) (bb); **to renumber and amend** 218.01 (3) (bf) 1. and 218.01 (6) (b) (intro.); **to amend** 138.05 (6), 218.01 (1) (n) 1. and 2., 218.01 (1) (p), 218.01 (1) (v), 218.01 (1a), 218.01 (2) (b), 218.01 (2) (d) 8. b., 218.01 (2) (dr), 218.01 (2) (h) 2., 218.01 (2) (k) 3., 218.01 (2) (k) 5., 218.01 (3) (a) 5., 218.01 (3) (a) 6., 218.01 (3) (a) 8., 218.01 (3) (a) 9., 218.01 (3) (a) 10., 218.01 (3) (a) 13., 218.01 (3) (a) 14., 218.01 (3) (a) 18., 218.01 (3) (a) 19., 218.01 (3) (a) 20., 218.01 (3) (a) 21., 218.01 (3) (a) 25., 218.01 (3) (a) 29., 218.01 (5) (a), 218.01 (6) (d), 218.01 (7b), 218.01 (9) (b), 218.04 (5) (a) 5., 341.145 (4), 344.51 (title), 344.51 (1), 344.51 (2), 409.201, 409.203 (5), 421.103 (2), 421.201 (5), 421.202 (6), 421.202 (7), 421.202 (8), 421.301 (20) (intro.), 421.301 (35), 422.201 (7) (intro.) and (a), 422.201 (8), (9) and (12), 422.202 (1) (b) (intro.), 422.207 (1), 422.208, 422.303 (3) (intro.), 422.413 (1), 422.417 (2), 424.201 (1) and (2), 424.301 (1) (intro.), 425.106 (1) (intro.), 425.107 (4), 426.104 (1), 426.104 (2) (intro.), 426.104 (2) (b) to (e), 426.104 (4) (a), 426.104 (4) (ab) 1., 426.104 (4) (b), 426.105, 426.107, 426.109, 426.110 (1), 426.110 (3), 426.110 (14), 426.111, 426.201 (2) (g), 426.202 (1m) (c) and 426.301; and **to create** 218.01 (1) (ar), 218.01 (1) (ct), 218.01 (1) (ji), 218.01 (1) (jj), 218.01 (1) (jk), 218.01 (1) (o) 5., 218.01 (1) (qm), 218.01 (1) (qr), 218.01 (1) (qt), 218.01 (2) (bb) 2., 218.01 (3) (bf) 1. b., 218.01 (6x), 421.202 (9), 421.301 (25m), 421.301 (43m), 422.202 (1) (e), 424.201 (3) and chapter 429 of the statutes; **relating to:** the leasing of motor vehicles, motor vehicle consumer leases, prelease agreements, financial responsibility for domestic rented or leased vehicles, allowing a motor vehicle lessee to reserve the right to continued use of a personalized registration plate and providing a penalty.

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

SECTION 1. 138.05 (6) of the statutes is amended to read:

138.05 (6) This section does not apply to transactions governed by chs. 421 to 427 and 429 or to discounts described in s. 422.201 (8) or (10) (e).

SECTION 2. 218.01 (1) (ar) of the statutes is created to read:

218.01 (1) (ar) "Capitalized cost" has the meaning given in s. 429.104 (5).

SECTION 3. 218.01 (1) (ct) of the statutes is created to read:

218.01 (1) (ct) "Consumer lease" has the meaning given in s. 429.104 (9).

SECTION 4. 218.01 (1) (ji) of the statutes is created to read:

218.01 (1) (ji) "Lease" or "leasing" means, with respect to a lessor, to enter into or offer to enter into a consumer lease with a lessee.

SECTION 5. 218.01 (1) (jj) of the statutes is created to read:

* Section 991.11, WISCONSIN STATUTES 1993-94: 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].

218.01 (1) (jj) "Lessee" has the meaning given in s. 429.104 (17).

SECTION 6. 218.01 (1) (jk) of the statutes is created to read:

218.01 (1) (jk) "Lessor" means a person who leases a motor vehicle to a lessee under a consumer lease, but does not include an assignee of a consumer lease.

SECTION 7. 218.01 (1) (n) 1. and 2. of the statutes are amended to read:

218.01 (1) (n) 1. For commission, money or other thing of value, sells, leases, exchanges, buys, ~~rents with the option of purchase~~, offers or attempts to negotiate a sale, consumer lease or exchange of an interest in motor vehicles; or;

2. Is engaged wholly or in part in the business of selling or leasing motor vehicles, including motorcycles, whether or not such motor vehicles are owned by such person, firm or corporation.

SECTION 8. 218.01 (1) (o) 5. of the statutes is created to read:

218.01 (1) (o) 5. Sales finance companies when engaged in purchasing or otherwise acquiring consumer leases from a motor vehicle dealer.

SECTION 9. 218.01 (1) (p) of the statutes is amended to read:

218.01 (1) (p) "Motor vehicle salesperson" means sales representative, sales manager, general manager or other person who is employed by a motor vehicle dealer for the purpose of selling or approving retail sales, or leasing or approving consumer leases, of motor vehicles. Any motor vehicle salesperson licensed hereunder shall be licensed to sell or lease only for one dealer at a time.

SECTION 10. 218.01 (1) (qm) of the statutes is created to read:

218.01 (1) (qm) "Prelease agreement" means an agreement to enter into a consumer lease whereby the motor vehicle will be available and ready to be delivered to the prospective lessee at a later time.

SECTION 11. 218.01 (1) (qr) of the statutes is created to read:

218.01 (1) (qr) "Prospective lessee" has the meaning given in s. 429.104 (21).

SECTION 12. 218.01 (1) (qt) of the statutes is created to read:

218.01 (1) (qt) "Prospective lessor" has the meaning given in s. 429.104 (21m).

SECTION 13. 218.01 (1) (v) of the statutes is amended to read:

218.01 (1) (v) "Sales finance company" means and includes any person, firm or corporation engaging in the business, in whole or in part, of acquiring by purchase or by loan on the security thereof, or otherwise, retail instalment contracts or consumer leases from retail sellers or lessors in this state, including any motor vehicle dealer who sells or leases any motor vehicle on an instalment contract or consumer lease or acquires any retail instal-

ment contracts in the dealer's retail sales or leases of motor vehicles.

SECTION 14. 218.01 (1a) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

218.01 (1a) AUTHORITY OF LICENSORS. The department of transportation shall issue the licenses provided for in sub. (2) (d) 1. to 6. and have supervision over the licensees thereunder in respect to all the provisions of this section, except only as to such matters as relate to the sale of motor vehicles on retail instalment contracts and the financing and servicing of such contracts and as to such matters as relate to prelease agreements under sub. (6x) and consumer leases under chs. 421 to 427 and 429, over which matter the division of banking shall have jurisdiction and control, and the division of banking shall issue the licenses to sales finance companies. Either licensor hereunder shall, upon request, furnish the other licensor with any information it may have in respect to any licensee or applicant for license or any transaction in which such licensee or applicant may be a party or be interested. No license shall be issued under sub. (2) (d) 1. and 8. until both licensors have approved the application. The suspension or revocation of either of such licenses shall automatically likewise suspend or revoke the other license; and such suspension or revocation shall be certified by the licensor ordering it to the other licensor.

SECTION 15. 218.01 (2) (b) of the statutes, as affected by 1995 Wisconsin Act 27, section 5843, is amended to read:

218.01 (2) (b) Application for license shall be made to the licensor, at such time, in such form and with such information as the licensor shall require and shall be accompanied by the required fees. An applicant for a sales finance company license, other than a motor vehicle dealer, shall pay to the division of banking a nonrefundable \$300 investigation fee in addition to the license fee under par. (dr). If the cost of an investigation exceeds \$300, the applicant shall, upon demand of the division of banking, pay the amount by which the cost of the investigation exceeds the nonrefundable fee. A licensee is not required to pay an investigation fee for the renewal of a license. The licensor may require the applicant to provide information relating to any pertinent matter that is commensurate with the safeguarding of the public interest in the locality in which the applicant proposes to engage in business, except that information relating to the applicant's solvency and financial standing may not be required for motor vehicle dealers except as provided in par. (h) 1. The information provided may be considered by the licensor in determining the fitness of the applicant to engage in business as set forth in this section.

SECTION 16. 218.01 (2) (bb) of the statutes, as affected by 1995 Wisconsin Act 27, is renumbered 218.01 (2) (bb) 1.

SECTION 17. 218.01 (2) (bb) 2. of the statutes is created to read:

218.01 (2) (bb) 2. A sales finance company or an applicant for a sales finance company license shall provide and maintain in force a bond or irrevocable letter of credit of not less than \$25,000 issued by a surety company licensed to do business in this state or a federally insured financial institution, as defined in s. 705.01 (3). The bond or letter of credit shall be payable to the state of Wisconsin for the use of the state and of any person who sustains a loss because of an act of a sales finance company that constitutes grounds for the suspension or revocation of a license under this section.

SECTION 18. 218.01 (2) (d) 8. b. of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

218.01 (2) (d) 8. b. For motor vehicle dealers that operate as a sales finance company or that carry or retain ~~time sales retail instalment~~ contracts or consumer leases for more than 30 days, to the division of banking, the same as for sales finance companies under par. (dr), ~~except for gross volume of \$100,000 or less, \$50.~~

SECTION 19. 218.01 (2) (dr) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

218.01 (2) (dr) The fee for licenses for sales finance companies, ~~except as provided in par. (d) 8.,~~ for each calendar year, or part of a calendar year, is based on the gross volume of purchases of retail sales instalment contracts and consumer leases of motor vehicles sold or leased in this state for the 12 months immediately preceding October 31 of the year in which the application for license is made, as follows: On a gross volume of \$100,000 or less, \$50; and on each \$100,000 or part thereof over \$100,000, an additional \$15. No extra charge shall be made for branch licenses for sales finance companies. Gross volume shall be based on the unpaid balance of the retail instalment contracts and the base lease payments, as defined in s. 429.104 (4), of the consumer leases.

SECTION 20. 218.01 (2) (h) 2. of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

218.01 (2) (h) 2. Provided the licensor has reasonable cause to doubt the financial responsibility of the applicant or licensee or the compliance by the applicant or licensee with this section, the licensor may require the applicant or licensee to furnish and maintain a bond in the form, amount and with the sureties it approves, but not less than \$5,000, nor more than \$100,000, conditioned upon the applicant or licensee complying with the statutes applicable to the licensee and as indemnity for any loss sustained by any person by reason of any acts of the licensee constituting grounds for suspension or revocation of the license under this section. The bonds shall be executed in the name of the department of transportation for the benefit of any aggrieved parties; provided that the aggregate liability of the surety to all such parties shall, in no event, exceed the amount of the bond. The bonding requirements in this subdivision shall not apply to manufacturers, factory branches, and their agents and is in

addition to the bond or letter of credit required of a motor vehicle dealer under par. (bb) 1.

SECTION 21. 218.01 (2) (k) 3. of the statutes is amended to read:

218.01 (2) (k) 3. Has had experience or training in, or is otherwise qualified for, selling or leasing motor vehicles.

SECTION 22. 218.01 (2) (k) 5. of the statutes is amended to read:

218.01 (2) (k) 5. Is reasonably familiar with the motor vehicle sales or consumer lease laws or contracts that the applicant is proposing to solicit, negotiate or effect.

SECTION 23. 218.01 (3) (a) 5. of the statutes is amended to read:

218.01 (3) (a) 5. Wilfully defrauding any retail buyer, lessee or prospective lessee to the buyer's, lessee's or prospective lessee's damage.

SECTION 24. 218.01 (3) (a) 6. of the statutes is amended to read:

218.01 (3) (a) 6. Wilful failure to perform any written agreement with any retail buyer, lessee or prospective lessee.

SECTION 25. 218.01 (3) (a) 8. of the statutes is amended to read:

218.01 (3) (a) 8. Having made a fraudulent sale, consumer lease, prelease agreement, transaction or repossession.

SECTION 26. 218.01 (3) (a) 9. of the statutes is amended to read:

218.01 (3) (a) 9. Fraudulent misrepresentation, circumvention or concealment through whatsoever subterfuge or device of any of the material particulars or the nature thereof required hereunder to be stated or furnished to the retail buyer, lessee or prospective lessee.

SECTION 27. 218.01 (3) (a) 10. of the statutes is amended to read:

218.01 (3) (a) 10. Employment of fraudulent devices, methods or practices in connection with compliance with the statutes with respect to the retaking of goods under retail instalment contracts or consumer leases and the redemption and resale or subsequent lease of such goods.

SECTION 28. 218.01 (3) (a) 13. of the statutes is amended to read:

218.01 (3) (a) 13. Having sold a retail instalment contract or consumer lease to a sales finance company not licensed hereunder.

SECTION 29. 218.01 (3) (a) 14. of the statutes is amended to read:

218.01 (3) (a) 14. Having violated any law relating to the sale, lease, distribution or financing of motor vehicles.

SECTION 30. 218.01 (3) (a) 18. of the statutes is amended to read:

218.01 (3) (a) 18. Having accepted an order or contract of purchase ~~or a contract~~ from a buyer or a consumer

lease or prelease agreement from a lessee or prospective lessee if such arrangement results in the practice of bushing. For the purpose of this section, “bushing” means, with respect to an order or contract of purchase, the practice of increasing the selling price of a motor vehicle above that originally quoted the purchaser as evidenced by a purchase order or contract which has been signed by both the purchaser and dealer licensee and, with respect to a consumer lease or prelease agreement, the practice of increasing the capitalized cost above that originally quoted the lessee or prospective lessee as evidenced by a consumer lease or prelease agreement which has been signed by both the lessee or prospective lessee and the dealer licensee.

SECTION 31. 218.01 (3) (a) 19. of the statutes is amended to read:

218.01 (3) (a) 19. Having advertised, printed, displayed, published, distributed, broadcast or televised or caused or permitted to be advertised, printed, displayed, published, distributed, broadcast or televised in any manner whatsoever, any statement or representation with regard to the sale, lease or financing of motor vehicles which is false, deceptive or misleading.

SECTION 32. 218.01 (3) (a) 20. of the statutes is amended to read:

218.01 (3) (a) 20. Having set up, promoted or aided in the promotion of a plan by which motor vehicles are sold or leased to a person for a consideration and upon the further consideration that the purchaser or lessee agrees to secure one or more persons to participate in the plan by respectively making a similar purchase or lease and in turn agreeing to secure one or more persons likewise to join in said plan, each purchaser or lessee being given the right to secure money, credits, goods or something of value, depending upon the number of persons joining in the plan.

SECTION 33. 218.01 (3) (a) 21. of the statutes is amended to read:

218.01 (3) (a) 21. Being a dealer who keeps open the dealer’s place of business on Sunday for the purpose of buying, leasing or selling motor vehicles; but nothing in this subdivision shall apply to any person who conscientiously believes that the 7th day of the week, from sunset Friday to sunset Saturday, should be observed as the Sabbath and who actually refrains from conducting or engaging in the business of buying, leasing, selling or offering for lease or sale motor vehicles, or performing other secular business on that day.

SECTION 34. 218.01 (3) (a) 25. of the statutes is amended to read:

218.01 (3) (a) 25. Having violated chs. 421 to 427 or 429.

SECTION 35. 218.01 (3) (a) 29. of the statutes is amended to read:

218.01 (3) (a) 29. Being an inactive business, as evidenced by 3 or less motor vehicle purchases and sales or consumer leases during the prior year licensing period.

SECTION 36. 218.01 (3) (bf) 1. of the statutes, as affected by 1995 Wisconsin Act 27, is renumbered 218.01 (3) (bf) 1. a. and amended to read:

218.01 (3) (bf) 1. a. The Except as provided in subd. 1. b., the department of transportation shall not license as a dealer an applicant for the sale or lease of motor vehicles at retail unless such applicant owns or leases a vehicle display lot and a permanent building wherein there are facilities to display ~~automobiles and motorcycles~~ motor vehicles and facilities to repair functional and non-functional parts of motor vehicles and where replacement parts, repair tools and equipment to service motor vehicles are kept, and at which place of business shall be kept and maintained the books, records and files necessary to conduct the business. A residence, tent or temporary stand is not a sufficiently permanent place of business within the meaning of this paragraph.

SECTION 37. 218.01 (3) (bf) 1. b. of the statutes is created to read:

218.01 (3) (bf) 1. b. The requirements in subd. 1. a. that an applicant own or lease a vehicle display lot and that the permanent building owned or leased by the applicant contain facilities to display motor vehicles do not apply to persons who are engaged only in the leasing of motor vehicles and who do not maintain an inventory of motor vehicles offered for lease.

SECTION 38. 218.01 (5) (a) of the statutes is amended to read:

218.01 (5) (a) The licensor shall promote the interests of retail buyers and lessees of motor vehicles relating to default, delinquency, repossession or collection charges and the refund of the finance charge and insurance premium on prepayment of the instalment contract or consumer lease. It may define unfair practices in the motor vehicle industry and trade between licensees or between any licensees and retail buyers, lessees or prospective lessees of motor vehicles, but may not limit the price at which licensees may sell, assign or transfer receivables, contracts or other evidence of any obligation arising out of an instalment sale or consumer lease made under this section.

SECTION 39. 218.01 (6) (b) (intro.) of the statutes, as affected by 1995 Wisconsin Act 27, is renumbered 218.01 (6) (b) and amended to read:

218.01 (6) (b) Prior to or concurrent with any instalment sale, the seller shall deliver to the buyer a written statement describing clearly the motor vehicle sold to the buyer, the cash sale price, the cash paid down by the buyer, the amount credited the buyer for any trade-in and a description of the trade-in, the cost to the retail buyer of any insurance, the amount financed which may include

the cost of insurance, sales and use taxes, the amount of the finance charge, the amount of any other charge specifying its purpose, the total of payments due from the buyer, the terms of the payment of such total, the amount and date of each payment necessary finally to pay the total and a summary of any insurance coverage to be effected. The division of banking may determine the form of the statement. If a written order is taken from a prospective purchaser in connection with any instalment sale, the written statement shall be given to the purchaser prior to or concurrent with the signing of the order by the purchaser. ~~The finance charge in a retail instalment sale made prior to April 6, 1980, however computed, excluding the cost of insurance shall not exceed the amount computed on the basis of the following annual percentage rates:~~

SECTION 40. 218.01 (6) (b) 1. to 8. of the statutes are repealed.

SECTION 41. 218.01 (6) (bm) and (bn) of the statutes are repealed.

SECTION 42. 218.01 (6) (d) of the statutes is amended to read:

218.01 (6) (d) A violation of par. (a), (b), ~~(bm), (bn), or (bp) or (k)~~ bars recovery of any finance charge by the seller, or an assignee of the seller who, at the time of the assignment, had knowledge of the violation, in any suit upon a sales contract arising from the sale where the violation occurred.

SECTION 43. 218.01 (6) (j) of the statutes is repealed.

SECTION 44. 218.01 (6x) of the statutes is created to read:

218.01 (6x) PRELEASE AGREEMENTS. (a) Every prelease agreement shall be in writing, which shall contain all of the agreements of the parties with respect to entering into a consumer lease and shall be signed by both parties.

(b) No prelease agreement shall be binding on a prospective lessee unless all of the following apply:

1. All of the information required to be disclosed in a consumer lease under s. 429.203 (3) and (4) is disclosed in writing to the prospective lessee before the execution of the prelease agreement by the prospective lessee.

2. The prelease agreement contains, directly above the place for the prospective lessee's signature, a notice in substantially the following language in bold-faced capital letters of not less than 10-point type:

NOTICE TO PROSPECTIVE LESSEE

a. THIS IS A BINDING PRELEASE AGREEMENT. BY SIGNING THIS PRELEASE AGREEMENT, YOU WILL BECOME OBLIGATED TO ENTER INTO AN AGREEMENT WITH THE PROSPECTIVE LESSOR TO LEASE THE MOTOR VEHICLE DESCRIBED IN THIS PRELEASE AGREEMENT WHEN IT IS AVAILABLE AND READY TO BE DELIVERED TO YOU, UPON LEASE TERMS DISCLOSED IN THIS PRELEASE AGREE-

MENT OR IN THE ATTACHED DISCLOSURE STATEMENT, IF ANY.

b. DO NOT SIGN THIS PRELEASE AGREEMENT BEFORE YOU READ IT, INCLUDING THE WRITING ON THE REVERSE SIDE.

c. DO NOT SIGN THIS IF IT CONTAINS ANY BLANK SPACES.

d. YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN.

(c) An exact copy of the prelease agreement shall be furnished by the prospective lessor to the prospective lessee at the time that the prospective lessee signs the prelease agreement. The prospective lessee's copy of the prelease agreement shall contain the signature of the prospective lessor identical with the signature on the original prelease agreement. No prelease agreement shall be signed in blank except that a detailed description of the motor vehicle, including the serial or identification number, that is not available at the time of execution of the prelease agreement may be omitted.

(d) A prospective lessor may cancel a prelease agreement that, with regard to the lease terms disclosed in the prelease agreement, is contingent upon approval of the prospective lessee's credit by a sales finance company to whom the prospective lessor intends to assign the consumer lease, if the prelease agreement contains a provision requiring the prospective lessor to give the prospective lessee written notice of such cancellation within 10 business days of execution of the prelease agreement and the notice is given to the prospective lessee.

(e) No prelease agreement may contain a clause which, upon nonacceptance of the motor vehicle by the prospective lessee, would subject the prospective lessee to a penalty greater than 5% of the capitalized cost of the vehicle.

SECTION 45. 218.01 (7b) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

218.01 (7b) (title) PURCHASE OR LEASE OF MOTOR VEHICLE BY MINOR. No minor shall purchase or lease any motor vehicle unless the minor, at the time of purchase or lease, submits to the seller or lessor a statement verified before a person authorized to administer oaths and made and signed by either parent of the purchaser or lessee, if such parent has custody of the minor or, if neither parent has custody, then by the person having custody, setting forth that the purchaser or lessee has consent to purchase or lease the vehicle. The signature on the statement shall not impute any liability for the purchase price of the motor vehicle or for any payments under the consumer lease to the consenting person. The statement shall not adversely affect any other arrangement for the assumption of liability for the purchase price or any lease payments which the consenting person may make. ~~The If a motor vehicle is purchased by a minor, the~~ signed statement shall accompany the application for a certificate of title and shall be filed by the department of transportation

with the application. Failure to obtain the consent or to forward it, together with the application for a certificate of title in the event of the purchase of a motor vehicle, shall not void the contract of sale or consumer lease of a motor vehicle in the hands of an innocent holder, without notice, for value and in the ordinary course of business. Any person who sells or leases a motor vehicle to a minor with knowledge of such fact without procuring such a statement may be fined not more than \$200 or imprisoned not more than 6 months or both.

SECTION 46. 218.01 (9) (b) of the statutes is amended to read:

218.01 (9) (b) Any retail buyer, lessee or prospective lessee suffering pecuniary loss because of a violation by a licensee of sub. (3) (a) 4., 5., 6., 8., 9., 10., 11., 18., 25, or 31. may recover damages for the loss in any court of competent jurisdiction together with costs, including reasonable attorney fees.

SECTION 47. 218.04 (5) (a) 5. of the statutes is amended to read:

218.04 (5) (a) 5. The licensee or any officer or employe of it has violated chs. 421 to 427 and 429.

SECTION 47m. 341.145 (4) of the statutes is amended to read:

341.145 (4) Each personalized registration plate issued shall be reserved for the recipient or, in the case of a leased vehicle, for the lessee in succeeding registration periods and shall not be duplicated for issuance to any other person if the recipient or lessee maintains the plate, unless the recipient or, in the case of a leased vehicle, the lessee authorizes the issuance of the plate to another person. If the recipient or, in the case of a leased vehicle, the lessee does not maintain the plate for 2 successive years which are not plate issuance years or if the recipient or lessee does not specifically request reissuance of the personalized registration plate by the end of the month in which the plate expires in a plate issuance year, the department may issue the personalized registration plate to another applicant. ~~Registration plate numbers issued as special numbers prior to January 1, 1979, will be reserved for issuance as personalized registration plates in the same manner as prescribed for personalized registration plates in this section.~~

SECTION 48. 344.51 (title) of the statutes is amended to read:

344.51 (title) Financial responsibility for domestic rented or leased vehicles.

SECTION 49. 344.51 (1) of the statutes is amended to read:

344.51 (1) No person may for compensation rent or lease any motor vehicle to be operated by or with the consent of the person renting or leasing the vehicle unless there is filed with the department a good and sufficient bond or policy of insurance issued by an insurer authorized to do an automobile liability insurance or surety business in this state. The bond, policy or certificate shall

provide that the insurer which issued it will be liable for damages caused by the negligent operation of the motor vehicle in the amounts set forth in s. 344.01 (2) (d). No person complying with this subsection, and no person acquiring an interest in any contract for the rental or leasing of a motor vehicle for which any other person has complied with this subsection, is liable for damages caused by the negligent operation of the motor vehicle by another person.

SECTION 50. 344.51 (2) of the statutes is amended to read:

344.51 (2) Any person failing to comply with this section is directly liable for ~~all~~ damages caused by the negligence of the person operating such rented or leased vehicle ~~to the extent that such liability could have been established if this section had been complied with, but such liability may not exceed the limits set forth in s. 344.01 (2) (d) with respect to the acceptable limits of liability when furnishing proof of financial responsibility.~~

SECTION 51. 409.201 of the statutes is amended to read:

409.201 General validity of security interest. Except as otherwise provided by chs. 401 to 411 a security agreement is effective according to its terms between the parties, against purchasers of the collateral and against creditors. Nothing in this chapter validates any charge or practice illegal under any statute or regulation thereunder governing usury, small loans, retail instalment sales, or the like, or under chs. 421 to 427 and 429, or extends the application of any such statute or regulation to any transaction not otherwise subject thereto.

SECTION 52. 409.203 (5) of the statutes is amended to read:

409.203 (5) A transaction, although subject to this chapter, is also subject to chs. 138, 421 to 427, and 429 and s. 182.025, or any other similar statute which may be applicable to the particular transaction, and in the case of conflict between this chapter and any such statute, such statute controls. Failure to comply with any applicable statute has only the effect which is specified therein.

SECTION 53. 421.103 (2) of the statutes is amended to read:

421.103 (2) Unless terms used in chs. 421 to 427 are defined by particular provisions of chs. 421 to 427, they shall have the meaning given them in chs. 401 to 411 and 429, if they are defined in chs. 401 to 411 and 429.

SECTION 54. 421.201 (5) of the statutes is amended to read:

421.201 (5) Subchapters I and II of ch. 425, relating to creditors' remedies, including applicable penalties, apply to actions or other proceedings brought in this state to enforce rights arising from consumer transactions or extortionate extensions of credit, wherever made, but conduct, action or proceedings to recover collateral or goods subject to a motor vehicle consumer lease shall be governed by the law of the state where the collateral is or

goods subject to a motor vehicle consumer lease are located at the time of its recovery unless the collateral is or goods subject to a motor vehicle consumer lease are owned by a Wisconsin resident, who has removed it the collateral or goods from this state only for purposes of transportation to or use in the resident's employment or for temporary periods which do not exceed 15 days.

SECTION 55. 421.202 (6) of the statutes is amended to read:

421.202 (6) Consumer credit transactions in which the amount financed exceeds \$25,000, motor vehicle consumer leases in which the total lease obligation exceeds \$25,000 or other consumer transactions in which the cash price exceeds \$25,000;

SECTION 56. 421.202 (7) of the statutes is amended to read:

421.202 (7) Transactions subject to ch. 428; ~~or~~

SECTION 57. 421.202 (8) of the statutes is amended to read:

421.202 (8) Transactions in securities accounts or securities transactions by or with a broker-dealer, as defined in s. 551.02 (3), licensed under ch. 551; ~~or~~

SECTION 58. 421.202 (9) of the statutes is created to read:

421.202 (9) Leases of motor vehicles that are not motor vehicle consumer leases under s. 421.301 (25m).

SECTION 59. 421.301 (20) (intro.) of the statutes is amended to read:

421.301 (20) (intro.) "Finance charge" means the sum of all charges, payable directly or indirectly by the customer as an incident to or as a condition of the extension of credit, whether paid or payable by the customer, the creditor or any other person on behalf of the customer to the creditor or to a 3rd party unless the creditor had no notice or knowledge of the charges paid or payable to the 3rd party. The term does not include any charge with respect to a motor vehicle consumer lease. The term includes the following types of charges to the extent they are not permitted additional charges under s. 422.202 ~~or~~ delinquency charges (~~under~~ s. 422.203) or deferral charges (~~under~~ s. 422.204):

SECTION 60. 421.301 (25m) of the statutes is created to read:

421.301 (25m) "Motor vehicle consumer lease" has the meaning given for "consumer lease" in s. 429.104 (9).

SECTION 61. 421.301 (35) of the statutes is amended to read:

421.301 (35) "Precomputed" with respect to a consumer credit transaction means a consumer credit transaction, other than a motor vehicle consumer lease, in which debt is expressed as a single sum comprised of the amount financed and the finance charge computed in advance.

SECTION 62. 421.301 (43m) of the statutes is created to read:

421.301 (43m) "Total lease obligation" means the sum of all of the following with respect to a motor vehicle consumer lease:

(a) All scheduled periodic payments under the lease.

(b) Capitalized cost reduction, as defined in s. 429.104 (6).

SECTION 63. 422.201 (4) of the statutes is repealed.

SECTION 64. 422.201 (7) (intro.) and (a) of the statutes are amended to read:

422.201 (7) (intro.) Subject to classifications and differentiations the merchant may reasonably establish, the merchant may make the same finance charge on all amounts financed within a specified range. A finance charge so made does not violate sub. (2); ~~or~~ (3) ~~or~~ (4) as the case may be if:

(a) When applied to the median amount within each range, it does not exceed the maximum permitted by sub. (2); ~~or~~ (3) ~~or~~ (4) as the case may be; and

SECTION 65. 422.201 (8), (9) and (12) of the statutes are amended to read:

422.201 (8) That portion of the finance charge consisting of an amount equal to a discount of 5% or less of the stated price which is offered to induce payment in full within a stated period of time in connection with a sale for agricultural purposes or a sale of particular goods and services for which credit is not otherwise available from the merchant shall not be included in the finance charge for the purpose of determining the maximum rate of finance charge under sub. (2); ~~or~~ (3) ~~or~~ (4) with respect to a customer who does not pay in full within such time.

(9) Notwithstanding sub. (2); ~~or~~ (3) ~~or~~ (4), a merchant may contract for and receive a minimum finance charge with respect to a transaction other than one pursuant to an open-end credit plan, of not more than \$5 when the amount financed does not exceed \$75, or \$7.50 when the amount financed exceeds \$75.

(12) ~~Except as provided in sub. (4), this~~ This section does not apply to a consumer credit transaction primarily for an agricultural purpose if the transaction occurs on or after April 6, 1980.

SECTION 66. 422.202 (1) (b) (intro.) of the statutes is amended to read:

422.202 (1) (b) (intro.) Charges or premiums for insurance against loss of or damage to property in which the creditor takes a security interest or to property leased under a motor vehicle consumer lease or against liability arising out of the ownership or use of property in which the creditor takes a security interest or of property leased under a motor vehicle consumer lease, if all of the following conditions are met:

SECTION 67. 422.202 (1) (e) of the statutes is created to read:

422.202 (1) (e) With respect to a motor vehicle consumer lease, any reasonable fee or charge that is conspicuously disclosed in writing to the prospective lessee

before execution of the motor vehicle consumer lease, is agreed upon by the lessor and lessee and is not prohibited by chs. 421 to 427 and 429.

SECTION 68. 422.207 (1) of the statutes is amended to read:

422.207 (1) With respect to a consumer credit transaction the parties may, to the extent not prohibited by chs. 421 to 427 and 429, agree that the customer will perform certain duties with respect to preserving or insuring collateral or goods subject to a motor vehicle consumer lease, if such duties are reasonable in relation to the risk of loss of or damage to the collateral or goods. If the customer fails to so perform the creditor may, if authorized by the agreement, pay for the performance of such duties on behalf of the customer. The amount paid may be added to the unpaid balance of the customer's obligation, if, in the absence of performance, the merchant has made all expenditures on behalf of the customer in good faith and in a commercially reasonable manner and except in the case of a transaction for an agricultural purpose where the collateral is perishable and threatens to decline speedily in value, the merchant has given the customer written notice of the nonperformance and reasonable opportunity after such notice to so perform.

SECTION 69. 422.208 of the statutes is amended to read:

422.208 Right to prepay. Subject to s. 422.209 and, with respect to a motor vehicle consumer lease, s. 429.207, the customer may prepay in full or in any part, at any time without penalty, the unpaid balance of any consumer credit transaction other than a transaction secured by a first lien mortgage or equivalent security interest on real estate with an original term of 10 years or more and on which the annual percentage rate disclosed pursuant to subch. III is 10% or less.

SECTION 70. 422.303 (3) (intro.) of the statutes is amended to read:

422.303 (3) (intro.) Except as provided in sub. (4), every writing evidencing the customer's obligation to pay under a consumer credit transaction other than one pursuant to an open-end credit plan or a motor vehicle consumer lease, shall contain immediately above or adjacent to the place for the signature of the customer, a clear, conspicuous, printed or typewritten notice in substantially the following language:

SECTION 71. 422.413 (1) of the statutes is amended to read:

422.413 (1) Except as provided in subs. (2) and (2g), no term of a writing evidencing a consumer credit transaction may provide for any charges as a result of default by the customer other than reasonable expenses incurred in the disposition of collateral or goods subject to a motor vehicle consumer lease and such other charges as are specifically authorized by chs. 421 to 427 and 429.

SECTION 72. 422.417 (2) of the statutes is amended to read:

422.417 (2) With respect to a consumer lease, except as otherwise provided in s. 429.205 with respect to a motor vehicle consumer lease, a lessor may not take a security interest in any property of owned or leased by the customer other than the leased goods to secure the lessor's obligations under the lease. This subsection does not prohibit a security interest in a cash security deposit for a consumer lease of motor vehicles or agricultural equipment.

SECTION 73. 424.201 (1) and (2) of the statutes are amended to read:

424.201 (1) Insurance issued as an isolated transaction on the part of the insurer not related to an agreement or plan for insuring customers of the creditor; or

(2) Insurance indemnifying the creditor against loss due to the customer's default; or

SECTION 74. 424.201 (3) of the statutes is created to read:

424.201 (3) With respect to a motor vehicle consumer lease, a lessor's waiver of its contractual right to hold the lessee liable for any or all of the gap amount, as defined in s. 429.104 (12), if the waiver is granted without a separate charge.

SECTION 75. 424.301 (1) (intro.) of the statutes is amended to read:

424.301 (1) (intro.) A creditor may not contract for a separate charge or receive a separate charge for insurance against loss of or damage to property in which the creditor holds a security interest or to property leased under a motor vehicle consumer lease unless all of the following conditions are met:

SECTION 76. 425.106 (1) (intro.) of the statutes is amended to read:

425.106 (1) (intro.) Except to the extent that the merchant has a valid security interest which is permitted by chs. 421 to 427 and 429 or has a lien under ch. 779 in such property, or where the transaction is for medical or legal services and there has been no finance charge actually imposed, the following property of the customer shall be exempt from levy, execution, sale, and other similar process in satisfaction of a judgment for an obligation arising from a consumer credit transaction:

SECTION 77. 425.107 (4) of the statutes is amended to read:

425.107 (4) Any charge or practice expressly permitted by chs. 421 to 427 and 429 is not in itself unconscionable but even though a practice or charge is authorized by chs. 421 to 427 and 429, the totality of a creditor's conduct may show that such practice or charge is part of an unconscionable course of conduct.

SECTION 78. 426.104 (1) of the statutes is amended to read:

426.104 (1) In addition to other powers granted by chs. 421 to 427 and 429, the administrator within the limitations provided by law shall:

(a) Receive and act on complaints, take action designed to obtain voluntary compliance with chs. 421 to 427 and 429, commence administrative proceedings on his or her own initiative and commence civil actions solely through the department of justice;

(b) Counsel persons and groups on their rights and duties under chs. 421 to 427 and 429;

(c) Make studies appropriate to effectuate the purposes and policies of chs. 421 to 427 and 429 and make the results available to the public;

(d) Hold such public or private hearings as the administrator deems necessary or proper to effectuate the purposes and policies of chs. 421 to 427 and 429;

(e) Adopt, amend and repeal rules to carry out the purposes and policies of chs. 421 to 427 and 429, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.

SECTION 79. 426.104 (2) (intro.) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

426.104 (2) (intro.) The administrator shall report annually on practices in consumer transactions, on the use of consumer credit in the state, on problems attending the collection of debts, on the problems of persons of limited means in consumer transactions, and on the operation of chs. 421 to 427 and 429. For the purpose of making the report, the administrator may conduct research and make appropriate studies. The report shall be included in the report of the division of banking under s. 220.14 and shall include:

SECTION 80. 426.104 (2) (b) to (e) of the statutes are amended to read:

426.104 (2) (b) A statement of policies followed in deciding whether to investigate or examine the offices of persons subject to chs. 421 to 427 and 429;

(c) A statement of policies followed in deciding whether to bring any action authorized under chs. 421 to 427 and 429;

(d) Such recommendations for modifications or additions to chs. 421 to 427 and 429 as in the experience and judgment of the administrator are necessary; and

(e) Such other statements as are necessary or proper to achieve the purposes or policies of this section or to effectuate the purposes or policies of chs. 421 to 427 and 429.

SECTION 81. 426.104 (4) (a) of the statutes is amended to read:

426.104 (4) (a) No provision of chs. 421 to 427 and 429 or of any statute to which chs. 421 to 427 and 429 refer which imposes any penalty shall apply to any act done or omitted to be done in conformity with any rule or order of the administrator or any written opinion, interpretation or statement of the administrator, notwithstanding that such rule, order, opinion, interpretation or statement may, after such act or omission, be amended or rescinded or be determined by judicial or other authority to be invalid for any reason.

SECTION 82. 426.104 (4) (ab) 1. of the statutes, as created by 1995 Wisconsin Act 27, is amended to read:

426.104 (4) (ab) 1. Upon the request of any person, the administrator shall review any act, practice, procedure or form that has been submitted to the administrator in writing to determine whether the act, practice, procedure or form is consistent with chs. 421 to 427 and 429.

SECTION 83. 426.104 (4) (b) of the statutes is amended to read:

426.104 (4) (b) Any act, practice or procedure which has been submitted to the administrator in writing and either approved in writing by the administrator or not disapproved by the administrator within 60 days after its submission to the administrator shall not be deemed to be a violation of chs. 421 to 427 and 429 or any other statute to which chs. 421 to 427 and 429 refer notwithstanding that the approval of the administrator or nondisapproval by the administrator may be subsequently amended or rescinded or be determined by judicial or other authority to be invalid for any reason.

SECTION 84. 426.105 of the statutes is amended to read:

426.105 Administrative powers with respect to supervised financial organizations. (1) All powers and duties of the administrator under chs. 421 to 427 and 429 shall be exercised by the administrator with respect to a supervised financial organization.

(2) If the administrator receives a complaint or other information concerning noncompliance with chs. 421 to 427 and 429 by a supervised financial organization, the administrator shall inform the official or agency having supervisory authority over the organization concerned. The administrator may request information about supervised financial organizations from the officials or agencies supervising them.

(3) The administrator and any official or agency of this state having supervisory authority over a supervised financial organization shall consult and assist one another in maintaining compliance with chs. 421 to 427 and 429. They may jointly pursue investigations, prosecute suits and take other official action, as they deem appropriate, if either of them otherwise is empowered to take the action.

SECTION 85. 426.107 of the statutes is amended to read:

426.107 Application of chapter 227. Except as otherwise provided, ch. 227 applies to and governs all administrative action taken by the administrator pursuant to chs. 421 to 427 and 429. Notwithstanding s. 227.52, the decisions of the administrator are subject to judicial review as provided in ch. 227.

SECTION 86. 426.109 of the statutes is amended to read:

426.109 Temporary relief; injunctions. (1) The administrator or any customer may bring a civil action to restrain by temporary or permanent injunction a person

from violating chs. 421 to 427 and 429 or the rules promulgated pursuant thereto, or to so restrain a merchant or a person acting on behalf of a merchant from engaging in false, misleading, deceptive, or unconscionable conduct in consumer credit transactions. It shall not be a defense to an action brought under this section that there exists an adequate remedy at law.

(2) The administrator or customer may seek a temporary restraining order without written or oral notice to the adverse party or his or her attorney. If the court finds that there is reasonable cause to believe that the respondent is engaged in the conduct sought to be restrained and that such conduct violates chs. 421 to 427 and 429 or rules promulgated under chs. 421 to 427 and 429, it may grant a temporary restraining order or any temporary relief it deems appropriate. A temporary restraining order granted without notice shall expire by its terms within a stated time after entry, not to exceed 30 days, as the court fixes, unless within this time it is extended by the court, or unless the party against whom the order is directed consents that it may be extended for a longer period. When a temporary restraining order is granted without notice, the motion for a preliminary injunction shall be set down for a hearing at the earliest possible time. Upon notice to the party who obtained the temporary restraining order without notice, the adverse party may appear and move its dissolution or modification, and in this event the court shall proceed to hear and determine such motion as expeditiously as the ends of justice require.

SECTION 87. 426.110 (1) of the statutes is amended to read:

426.110 (1) Either the administrator, or any customer affected by a violation of chs. 421 to 427 and 429 or of the rules promulgated pursuant thereto or by a violation of the federal consumer credit protection act, or by conduct of a kind described in sub. (2), may bring a civil action on behalf of himself or herself and all persons similarly situated, for actual damages by reason of such conduct or violation, together with penalties as provided in sub. (14), reasonable attorney fees and other relief to which such persons are entitled under chs. 421 to 427 and 429. The customer filing the action must give prompt notice thereof to the administrator, who shall be permitted, upon application within 30 days, to join as a party plaintiff. For purposes of apportionment of cost, the administrator need not be a party to the action.

SECTION 88. 426.110 (3) of the statutes is amended to read:

426.110 (3) Notwithstanding this chapter, no class action may be maintained for conduct proscribed in sub. (2) or for a violation of s. 423.301, 424.501, 425.107, 426.108 or 427.104 (1) (h) unless the conduct has been found to constitute a violation of chs. 421 to 427 and 429 at least 30 days prior to the occurrence of the conduct involved in the class action by an appellate court of this

state or by a rule promulgated by the administrator as provided in ss. 426.104 (1) (e) and 426.108 specifying with particularity the act or practice in question.

SECTION 89. 426.110 (14) of the statutes is amended to read:

426.110 (14) A merchant shall not be liable in a class action for specific penalties ~~(ss. under s. 425.302 (1) (a), 425.303 (1), 425.304 (1), 425.305 (1))~~ or 429.301 (1) for which it would be liable in individual actions by reason of violations of chs. 421 to 427 and 429 or of conduct prescribed in sub. (2) unless it is shown by a preponderance of the evidence that the violation was a wilful and knowing violation of chs. 421 to 427 and 429. No recovery in an action under this subsection may exceed \$100,000.

SECTION 90. 426.111 of the statutes is amended to read:

426.111 Debtors' remedies not affected. The grant of powers to the administrator in this chapter does not affect remedies available to customers under chs. 421 to 427 and 429 or under other principles of law or equity.

SECTION 91. 426.201 (2) (g) of the statutes, as affected by 1995 Wisconsin Act 27, is amended to read:

426.201 (2) (g) Such other similar information as the administrator may require to effectuate the purposes and policies of chs. 421 to 427 and 429.

SECTION 92. 426.202 (1m) (c) of the statutes, as created by 1995 Wisconsin Act 27, is amended to read:

426.202 (1m) (c) *Amount of registration fee.* The amount of the registration fee shall be determined in accordance with rates set by the administrator, subject to the maximum and minimum fees under pars. (d) and (e). In setting these rates, the administrator shall consider the costs of administering chs. 421 to 427 and 429, including the costs of enforcement, education and seeking voluntary compliance with chs. 421 to 427 and 429. Subject to pars. (d) and (e), the registration fee for a person shall be based on the person's average monthly outstanding balance during the reporting period.

SECTION 93. 426.301 of the statutes is amended to read:

426.301 Violations and enforcement. (1) The administrator may recover in a civil action from a person who violates chs. 421 to 427 and 429 or any rule made pursuant to any authority granted in chs. 421 to 427 and 429, a civil penalty of not less than \$100 and not more than \$1,000 for each violation.

(2) In addition to the amount to which the administrator shall be entitled under sub. (1), the administrator may recover in a civil action from a person who knowingly or wilfully violates chs. 421 to 427 and 429 or any rule made pursuant to any authority granted in chs. 421 to 427 and 429, a civil penalty of not less than \$1,000 and not more than \$10,000 for each violation.

SECTION 94. Chapter 429 of the statutes is created to read:

CHAPTER 429
MOTOR VEHICLE
CONSUMER LEASES
 SUBCHAPTER I
 GENERAL PROVISIONS

429.101 Title. This chapter may be cited as the Wisconsin motor vehicle consumer lease act.

429.102 Applicable law. (1) To the extent that s. 218.01 and chs. 411 and 421 to 427 are inconsistent with this chapter, the provisions of this chapter shall apply.

(2) Unless superseded by the particular provisions of this chapter, parties to a motor vehicle consumer lease have all of the obligations, duties, rights and remedies provided in s. 218.01 and chs. 411 and 421 to 427 that apply to the transaction.

429.103 Construction against implied repeal. This chapter being a general act intended as a unified coverage of its subject matter, no part of this chapter shall be construed to be impliedly repealed by subsequent legislation if such construction can reasonably be avoided.

429.104 Definitions. In this chapter:

(1) "Adjusted capitalized cost" means the amount computed by subtracting from capitalized cost any capitalized cost reduction, for the purpose of determining the base lease payment.

(2) "Average periodic depreciation" means the adjusted capitalized cost, after first subtracting the residual value, divided by the number of payment periods under the consumer lease or, for a single-payment lease, the number of months in the term of the lease.

(3) "Average periodic lease charge" means the lease charge for the scheduled term of the consumer lease divided by the number of payment periods under the consumer lease or, for a single-payment lease, the number of months in the term of the lease.

(3m) "Balance subject to a lease charge" means:

(a) In the case of a lease other than a single-payment lease, the amount calculated by subtracting from the adjusted capitalized cost the sum of the first base lease payment and all depreciation amounts accrued during any preceding payment periods.

(b) In the case of a single-payment lease, the amount calculated by subtracting the total lease charge from the sum of the residual value and all lease charges accrued during any preceding computational periods.

(4) "Base lease payment" means an amount determined as follows:

(a) With respect to a single-payment lease, the product of the number of months in the scheduled term of the lease multiplied by the sum of the average periodic lease charge and the average periodic depreciation.

(b) With respect to a lease other than a single-payment lease, the sum of the average periodic lease charge and the average periodic depreciation.

(5) "Capitalized cost" means the sum of all amounts capitalized in the consumer lease that, after subtracting

the capitalized cost reduction, amortizes to the residual value by the depreciation portion of the periodic lease payments over the scheduled term of the lease or, for a single-payment lease, the single payment. These amounts may include taxes; fees for registration, license, acquisition, administration and assignment; other fees; charges for insurance, service contracts and extended warranties; and charges for a waiver of the contractual obligation to pay the gap amount, for accessories and their installation, for other services and benefits incidental to the consumer lease, and for delivering, servicing, repairing or improving the vehicle. With respect to a vehicle or other property traded in connection with a consumer lease, the term may include the outstanding unpaid balance of the amount financed under a consumer loan, as defined in s. 421.301 (12), or a retail instalment contract, as defined in s. 218.01 (1) (t), or the unpaid balance of any early termination costs under a lease or other obligation of the lessee. The term does not include any lease charge.

(6) "Capitalized cost reduction" means the sum, at the time of inception of the consumer lease, of any payments made by cash, check, rebates or the like that constitute a downpayment made by the lessee and the net amount credited by the lessor for any trade-in. The term does not include any base lease payments due at the inception of the consumer lease.

(7) "Conspicuous" means that the term or clause is so written as to be distinguished from other terms or clauses by type size or in some other manner. The term includes any writing in at least 10-point boldface type.

(9) "Consumer lease" or "lease" means a lease entered into in this state that transfers the right of possession and use by a natural person of a motor vehicle primarily for a personal, family, household or agricultural purpose, for a period of time exceeding 4 months, if the total lease obligation, excluding any option to purchase or otherwise become owner of the motor vehicle at the expiration of the consumer lease, does not exceed \$25,000. The term does not include a credit sale, as defined under 12 CFR 226.2 (a) (16).

(10) "Early termination" means termination of a consumer lease before the termination date set forth in the consumer lease.

(11) "Federal consumer leasing act" means the federal consumer leasing act, as amended, 15 USC 1667-1667e, and regulations issued under that act.

(12) "Gap amount" means the difference between the amount to be paid by the lessee under the consumer lease in the event of total loss or destruction of the leased vehicle prior to expiration of the lease term by theft, physical damage, or other occurrence specified in the lease, and the actual cash value or portion thereof received by the lessor from insurance proceeds or from any other person on account of the total loss or destruction of the motor vehicle. The term does not include any deductible

amount under any applicable insurance policy maintained by the lessee, any past-due payments owed by the lessee at the time of receipt by the lessor of the actual cash value or portion thereof from insurance proceeds or from any other person, or any other amount due under the lease resulting from default by the lessee.

(13) “Gap protection” means any of the following:

(a) A provision in a consumer lease under which the lessor agrees, for a charge, to waive the gap amount.

(b) Insurance coverage that provides that another person is liable for the gap amount.

(14) “Group credit insurance” means group credit life insurance, group credit accident insurance, group credit accident and health insurance, group disability insurance or group credit unemployment insurance.

(15) “Holder” means, with respect to a consumer lease, the lessor and, upon assignment of the lease, the assignee for the period of assignment. The term does not include a pledgee of a consumer lease or the owner or beneficiary of an interest in a trust that owns consumer leases.

(16) “Lease charge” means the sum of all charges payable by the lessee for the privilege of making the scheduled lease payments under a consumer lease. The term does not include capitalized cost.

(17) “Lessee” means a natural person who leases a motor vehicle from a lessor under a consumer lease.

(18) “Lessor” means a person regularly engaged in the business of leasing or selling vehicles who leases a motor vehicle to a lessee under a consumer lease.

(19) “Motor vehicle” has the meaning given in s. 218.01 (1) (m).

(20) “Periodic” means weekly, monthly, quarterly or any other period of time specified in a consumer lease.

(21) “Prospective lessee” means a natural person who enters into a prelease agreement under s. 218.01 (6x) with a prospective lessor, or who otherwise intends to become a lessee.

(21m) “Prospective lessor” means a person regularly engaged in the business of leasing or selling vehicles who enters into a prelease agreement under s. 218.01 (6x) with a prospective lessee, or who otherwise intends to become a lessor.

(22) “Realized value” means, with respect to any motor vehicle leased under a consumer lease that is terminated before the expiration date, the value determined under s. 429.206.

(23) “Renegotiation” means the satisfaction and replacement of an existing consumer lease by a new consumer lease between the same parties, including an assignee of the lessor. The term does not include a deferral or extension of any periodic lease payments or portions thereof not exceeding 6 months in the aggregate, a satisfaction and replacement of a consumer lease involving a court proceeding or the settlement of a dispute, or any

other action that does not constitute a renegotiation under the federal consumer leasing act.

(24) “Residual value” means the estimated value of the leased vehicle at the expiration of the lease term that is used in the consumer lease to determine the depreciation portion of the base lease payment.

(25) “Single-payment lease” means a consumer lease that requires only one payment, to be paid at the time of consummation of the lease.

(26) “Total lease obligation” means the sum of all of the following:

(a) All scheduled periodic payments under the lease.

(b) Capitalized cost reduction.

SUBCHAPTER II

DISCLOSURES; LIMITATIONS ON AGREEMENTS AND PRACTICES

429.201 Prelease availability of consumer lease form. A lessor shall, upon request of a prospective lessee, make readily available a blank sample of its current consumer lease form for examination by the prospective lessee before execution of the consumer lease.

429.202 Advance payment or trade-in; refund or return. (1) If a prospective lessee has made an advance payment or surrendered possession of a vehicle to a prospective lessor as a trade-in pending the execution of a consumer lease, the prospective lessee shall have the right, if the application for the consumer lease is not approved, to receive a prompt refund of the advance payment and, if applicable, to have the trade-in vehicle promptly returned. If a prospective lessor takes possession of a trade-in vehicle under this subsection, the prospective lessor may not sell, offer for sale, lease, transfer or otherwise dispose of the vehicle in any manner until execution of the consumer lease or, except for return of the vehicle to the prospective lessee, disapproval of the consumer lease application.

(2) This section does not apply to the sale of a vehicle by a prospective lessee to a prospective lessor under a separate contract of sale if the contract of sale is executed prior to execution of the consumer lease between the parties, gives the date of sale and is signed by both parties. Any contract of sale under this subsection shall provide for all of the following:

(a) That the contract price establishes the value of the vehicle to be credited against the amount due from the lessee at the consummation of the lease or, if the parties fail to execute a consumer lease, the amount due the prospective lessee for the vehicle.

(b) That the prospective lessee agrees to leave the contract price on deposit with the prospective lessor pending the execution of a consumer lease between the parties with respect to a motor vehicle to be ordered from a manufacturer, including a motor vehicle not yet in production as of the date of sale.

(c) That the prospective lessee shall be entitled to payment of the contract price from the prospective lessor no later than 75 days after the date of sale, unless the parties have executed a consumer lease or the prospective lessee has already received such payment.

429.203 Requirements of a consumer lease. (1) A consumer lease shall be in writing and signed by the lessor and the lessee.

(2) Except as otherwise provided in this subsection, the printed portion of a consumer lease, other than instructions for its completion, shall be in at least 8-point type. The consumer lease shall contain all of the following printed in a conspicuous manner:

(a) At the top of the consumer lease, the words "MOTOR VEHICLE LEASE AGREEMENT" in at least 10-point type.

(b) 1. Except as provided in subd. 2., if no liability insurance for bodily injury or property damage is provided for under the consumer lease, a notice in substantially the following language in bold-faced capital letters of not less than 10-point type: "NO LIABILITY INSURANCE FOR BODILY INJURY OR PROPERTY DAMAGE IS INCLUDED IN THIS LEASE."

2. The notice required under subd. 1. may be provided on a separate document delivered to the prospective lessee not later than the time of execution of the consumer lease.

(2m) Every writing evidencing the customer's obligation to pay under a motor vehicle consumer lease shall contain immediately above or adjacent to the place for the signature of the customer, a conspicuous, printed or typewritten notice in substantially the following language:

NOTICE TO LESSEE

(a) THIS IS A MOTOR VEHICLE LEASE AGREEMENT. YOU HAVE NO OWNERSHIP RIGHTS IN THE MOTOR VEHICLE UNLESS THIS LEASE CONTAINS A PURCHASE OPTION AND YOU EXERCISE YOUR OPTION TO PURCHASE THE MOTOR VEHICLE.

(b) DO NOT SIGN THIS LEASE BEFORE YOU READ IT, INCLUDING ANY WRITING ON THE REVERSE SIDE.

(c) DO NOT SIGN THIS IF IT CONTAINS ANY BLANK SPACES.

(d) EARLY TERMINATION OF THIS LEASE MAY REQUIRE YOU TO PAY A SUBSTANTIAL AMOUNT.

(e) YOU ARE ENTITLED TO A COMPLETED COPY OF THIS LEASE WHEN YOU SIGN IT.

(3) The consumer lease shall contain all disclosures required by the federal consumer leasing act and any of the following disclosures that are not disclosed in the same or substantially similar disclosures under the federal consumer leasing act:

(a) The capitalized cost, using the term "capitalized cost", and an explanation of the term in substantially the following language: "The capitalized cost is the agreed-upon amount determined at the inception of the consumer lease for all items and services included in the lease other than the charges you pay for the privilege of making the scheduled lease payments."

(b) Any capitalized cost reduction, using the term "capitalized cost reduction", and an explanation of the term in substantially the following language: "The capitalized cost reduction is any cash, check, rebate or the like and, if applicable, net trade-in allowance that reduces the capitalized cost."

(c) The adjusted capitalized cost, using the term "adjusted capitalized cost", and an explanation of the term, as applicable, in substantially the following language: "The adjusted capitalized cost is the agreed-upon amount that serves as the basis for determining the base lease payment. If you are not in default on the consumer lease, this amount (plus any applicable early termination charges) determines your maximum early termination obligation."

(d) The residual value of the leased vehicle, using the term "residual value", and an explanation of the term in substantially the following language: "The residual value is the estimated value of the leased vehicle at the end of the lease term that is used in determining the depreciation portion of the base lease payment. Your purchase option price, if any, may be a different amount."

(e) A statement determined as follows:

1. With respect to a single-payment lease, a statement of the lease charge included in the single payment and a separate statement of the depreciation portion of the single payment.

2. With respect to a lease other than a single-payment lease, a statement of the lease charge included in the total of the periodic payments and a separate statement of the depreciation portion of the total of the periodic payments.

(f) A statement determined as follows:

1. With respect to a single-payment lease, the sum of the single payment, the capitalized cost reduction and the total of any other nonrefundable payments due at execution of the consumer lease.

2. With respect to a lease other than a single-payment lease, the sum of the total of the periodic payments, the capitalized cost reduction and the total of any other nonrefundable payments due at execution of the consumer lease.

(g) The standards to be applied by the holder in determining the excess wear and damage to the leased vehicle for which the lessee shall be held liable. These standards shall comply with the federal consumer leasing act.

(h) Any disclosure required under sub. (2m).

(4) The consumer lease shall contain the names of the lessor and the lessee; the place of business of the lessor;

the place of business or residence of the lessee, as specified by the lessee; and the year, make, model and, if known, serial or identification number of the motor vehicle.

(5) The lessor shall deliver to the lessee a completed copy of the consumer lease signed by both parties. Any acknowledgement of delivery of a copy of the consumer lease by the lessee shall be conspicuous and appear above the space reserved for the signature of the lessee.

(6) (a) Any motor vehicle insurance policy covering the leased vehicle for which a charge is included in the consumer lease shall be issued by an insurer authorized to transact business in this state.

(b) 1. The lessor shall advise the lessee in writing at the time the lease is entered into that the lessee has the right to do any of the following:

a. Purchase a motor vehicle insurance policy covering the loss of or damage to the leased vehicle and liability arising out of the ownership, maintenance or use of the leased vehicle from any insurer authorized to issue motor vehicle insurance policies in this state and through any agent currently licensed under ch. 628.

b. Substitute for an existing motor vehicle insurance policy any other policy with similar coverage issued by any other insurer or sold by any other agent meeting the qualifications specified in subd. 1. a. at any time during the lease term.

2. If the lessee purchases a motor vehicle insurance policy under subd. 1., the lessor may agree to pay the premiums and to amortize the cost of the premiums over the lease term, or over such portion of the lease term as the parties may agree.

3. If the lessee provides to the lessor satisfactory proof that the lessee has purchased a motor vehicle insurance policy that includes the coverages and limits required by the lease, the lessor may not charge the lessee for insurance covering the leased vehicle except as the parties have agreed under subd. 2.

4. The lessor may require the lessee to have the lessor included on the policy as an additional insured and loss payee and to provide the lessor with a copy of the policy.

(c) If the lessee does not purchase, maintain in force and provide satisfactory proof of insurance against loss of or damage to the leased vehicle and against liability arising out of the ownership, maintenance or use of the leased vehicle, the lessor may purchase motor vehicle insurance to protect the lessor's interest in the leased vehicle and against the lessor's liability arising out of the ownership, maintenance or use of the leased vehicle. The lessor may include the cost of such insurance in the lease charge.

(7) A holder may purchase or sell, or otherwise acquire or transfer, an interest in a consumer lease or a motor vehicle subject to a consumer lease, on such terms and conditions as may be mutually agreed upon by the parties to the sale, transfer or acquisition. No filing of the sale,

transfer or acquisition, or any requirement that the holder be deprived of any payments due with respect to the consumer lease or, if subject to replevin or otherwise returned to the holder, the motor vehicle, shall be necessary to the validity of any written bill of sale or other instrument of transfer of the interest in a consumer lease as against creditors, subsequent purchasers, pledges, encumbrancers, mortgagees, successors or assigns.

(8) (a) Upon written request from a lessee, the holder shall give or forward to the lessee a written statement that specifies, without regard to realized value, the projected obligation that the lessee will incur in the event of early termination of the consumer lease.

(b) No charge may be imposed for the preparation of one statement under par. (a) in a 12-month period. A holder may impose a reasonable charge, not exceeding \$20 per statement, for the preparation of a 2nd or subsequent statement under par. (a) in a 12-month period, if the charge has been disclosed to the lessee either orally or in writing prior to preparation of a statement under this paragraph.

(9) A holder is not required to pay interest on any security deposit under the consumer lease.

(10) Any provision of a consumer lease in violation of this chapter is void and unenforceable, but shall not affect the validity of any other provision of the consumer lease.

429.204 Gap amount; notice; waiver. (1) If a consumer lease provides that the lessee is responsible for any or all of the gap amount, the consumer lease shall conspicuously disclose this fact, using the term "gap amount". The acceptance of a consumer lease may not be conditioned upon the lessee's agreement to gap protection.

(2) A lessor may waive any right under the consumer lease to hold a lessee liable for any or all of the gap amount. The consumer lease may contain a separate charge for the waiver under this subsection if the charge is conspicuously disclosed to the lessee, and the consumer lease also contains a conspicuous notice stating that, for such separate charge, the lessor agrees to waive such contractual right and that, in lieu of such separate charge, the lessee may purchase insurance from an insurer authorized to transact business in this state insuring the lessee for any or all of the gap amount. A waiver under this subsection without a separate charge may not be considered insurance on property.

(3) A lessor's waiver under sub. (2) may be conditioned upon payment of any of the following:

(a) The separate charge, if any, for the waiver.

(b) All amounts due under the consumer lease as of the date of total loss or destruction of the leased vehicle or, if specified in the consumer lease, as of the date of receipt by the lessor of insurance proceeds.

(c) An amount from the lessee equal to any deductible amount under an applicable insurance policy and any

other subtractions made by the insurance company under the insurance policy.

(d) Insurance proceeds from the applicable insurance policy required under the consumer lease or the equivalent amount with respect to the value of the motor vehicle.

429.205 Security interest. (1) No consumer lease, or any other document executed by a lessee in connection with a consumer lease, shall create a security interest in any real or personal property of the lessee to secure payment of any obligations assumed by the lessee under the consumer lease. This subsection does not apply to any of the following:

(a) The taking of a security deposit, advance lease payment or other prepayment by cash, check, credit card or other device.

(b) Any right of setoff.

(c) Any security interest in the leased vehicle or in any proceeds, refunds for cancellation or any other rights of the lessee with respect to the consumer lease or the leased vehicle, including any insurance contracts, gap protection contracts, repair contracts and extended warranty or maintenance service contracts.

(2) Any security interest taken in violation of this section is void and unenforceable, but shall not otherwise affect the validity of the consumer lease.

429.206 Determination of realized value upon early termination. If a consumer lease is terminated before the expiration date set forth in the lease, the realized value of the motor vehicle leased under the consumer lease shall be determined as follows:

(1) If the lessee and the lessor mutually agree upon the motor vehicle's realized value, the realized value is the mutually agreed-upon amount.

(2) If there is a total loss or destruction of the vehicle occasioned by its theft, physical damage or other occurrence specified in the consumer lease and no amount is agreed upon under sub. (1), the realized value equals the sum of any insurance proceeds received by the holder under an applicable insurance policy required under the consumer lease and any amounts received by the holder from any other party in payment for the loss or destruction of the leased vehicle.

(3) If the realized value has not been determined under sub. (1) or (2) and an appraisal is obtained under this subsection, the realized value is the amount established by the appraisal. An appraisal may be obtained under this subsection if, within 7 business days of the early termination of the consumer lease, a lessee who is not in default obtains at his or her own expense a professional appraisal of the current wholesale value of the vehicle by an appraiser agreed to by the holder, with such agreement not to be unreasonably withheld by the holder. An appraisal under this subsection is final and binding and establishes the realized value for purposes of determining the liability of the lessee under the consumer lease.

(4) If the realized value has not been determined under sub. (1), (2) or (3), the realized value equals the greater of the following:

(a) The price obtained by the holder for the commercially reasonable disposition of the motor vehicle, after subtracting all actual and reasonable expenses incurred by the lessor in connection with the disposition of the vehicle.

(b) The highest bona fide offer received by the holder for the commercially reasonable disposition of the motor vehicle.

429.207 Restrictions on early termination obligation. (1) The lessee has the right to terminate the consumer lease at any time.

(2) If a consumer lease is terminated before the expiration date set forth in the consumer lease and no applicable option to purchase is exercised by the lessee, the early termination obligation of the lessee may not exceed an amount equal to the sum of the following amounts:

(a) Any unpaid lease payments that have accrued as of the date of termination of the consumer lease.

(b) Any other amounts unpaid by the lessee, other than excess mileage charges, arising under the terms of the consumer lease or not prohibited by this chapter or chs. 421 to 427.

(c) Any official fees and taxes imposed in connection with termination of the consumer lease.

(d) The amount set forth in the consumer lease as a disposition or other early termination fee, not to exceed the average payment allocable to a monthly period under the consumer lease.

(e) The reasonable costs of retaking, storing, preparing for sale and selling the motor vehicle, except that a cost may not be imposed under this paragraph if, in the event of a default, the cost could not be charged under s. 422.413.

(f) Any positive amount determined by subtracting the realized value from any of the following:

1. The sum of the balance subject to a lease charge and the lease charge earned in advance for the computational period in which the early termination occurs, calculated in accordance with the constant yield method or any other generally accepted accounting principle.

2. An amount determined in accordance with generally accepted actuarial principles under which the lease charge is calculated on the adjusted capitalized cost for the time outstanding.

(3) A holder may credit against the balance of the lessee's early termination obligation any refundable security deposit or advance lease payments held by the holder. The excess of any refundable security deposit or advance lease payment over the amount of the lessee's early termination obligation shall be promptly returned to the lessee.

(4) This section does not limit or restrict the manner of calculating the lessee's early termination obligation, if

such obligation does not exceed the amount calculated under sub. (2). Such manner may include calculation of the unamortized capitalized cost, or the discounted present value of remaining lease payments, multiples of monthly lease payments or payments on another periodic basis.

429.208 Assessment of excess wear and damage.

(1) (a) Except as provided in par. (b), a holder shall, upon return of a leased vehicle, conduct an inspection to determine excess wear and damage to the leased vehicle for which the lessee may be held liable. A holder may not prohibit the lessee from being present at such inspection.

(b) If a lessee exercises an option to purchase in the consumer lease, the holder may not demand, collect or receive a charge for excess wear and damage to the leased vehicle and is not required to conduct the inspection under par. (a).

(2) For any inspection at or after the return of a leased vehicle, a holder shall do all of the following not later than 50 days after return of the vehicle:

(b) Provide to the lessee an itemized bill meeting the requirements under sub. (3).

(c) Provide to the lessee a statement in substantially the following language: “You are being asked to pay this amount for excess wear and damage to the leased vehicle. If you do not agree with this amount and wish to preserve valuable rights, you must obtain and deliver to us, within 7 days after hand delivery or 9 days after mailing of this bill, an itemized inspection report and estimate of the cost of repairing such excess wear and damage from an appraiser agreed to by us and, if your lease has ended, payment of any charges due under the inspection you obtained. If you properly obtain and deliver such appraisal and tender any amounts due, such appraisal shall be binding on the holder. If you fail to do so, the holder’s inspection shall be conclusive.”

(d) For the purpose of obtaining a counter-inspection under sub. (5), allow the lessee access to the motor vehicle, at a reasonable time and place designated by the holder, for the applicable time period specified in the statement under par. (c). A holder is not required to deliver the motor vehicle to, or produce the motor vehicle at, a place designated by the lessee for the purpose of the counter-inspection.

(3) (a) The itemized bill specified in sub. (2) (b) shall be based on the inspection for excess wear and damage to the leased vehicle, and shall consist of a listing of items of excess wear and damage, together with a charge for each item. The itemized bill may be comprised of separate documents delivered or mailed separately, and may include identified charges for other amounts due under the consumer lease, such as excess mileage charges. Acknowledgement of receipt of an itemized bill by a lessee is not an admission by the lessee of the existence, nature, obligation to pay or amount of any item of excess wear and damage specified in an itemized bill.

(b) A holder is not required to provide to the lessee an itemized bill under sub. (2) with respect to a counter-inspection under sub. (5).

(4) (a) If a lessee is required under the consumer lease, or given the option by the lessor, to have a pretermination inspection by the holder of the leased vehicle for excess wear and damage, the holder shall provide at least 15 days’ notice of such inspection to the lessee. A pretermination inspection under this paragraph may not be earlier than 15 days before the termination date set forth in the consumer lease. The notice under this paragraph shall specify that the holder’s inspection after the termination of the lease shall be conclusive unless the lessee obtains a counter-inspection under sub. (5).

(b) A pretermination inspection under par. (a) shall be reasonable as to time and place. In addition to the statement under sub. (2) (c), any itemized bill of excess wear and damage prepared under par. (a) shall include a statement in substantially the following language: “If this inspection report was prepared prior to the termination date of the consumer lease, you may avoid any excess wear and damage charges by having such items satisfactorily repaired prior to the return of the vehicle. The holder may inspect the vehicle at or after its return and may seek additional charges for excess wear and damage only by written notice to you, and only for excess wear and damage incurred after the date of that inspection. Any charges for excess wear and damage under this inspection or your own inspection shall be due when the lease terminates.”

(5) (a) A lessee may, at his or her own expense, obtain a counter-inspection for excess wear and damage to the leased vehicle, within the applicable time period specified in the statement under sub. (2) (c). A counter-inspection is not valid under this section unless it satisfies all of the following requirements:

1. Is conducted by an inspector agreed to by the holder, with such agreement not to be unreasonably withheld by the holder.

2. Is in writing in a form provided by, or acceptable to, the holder, listing any items of excess wear and damage to the leased vehicle and, according to standards set forth in the consumer lease, the estimated cost of repair of such items.

3. Is delivered to the holder within the applicable time period.

4. If conducted after the leased vehicle is returned to the lessee, is accompanied by payment of the amount of such excess wear and damage charges listed on the counter-inspection.

(b) Absent a mathematical mistake or other obvious error, a holder shall accept the counter-inspection as conclusive of the lessee’s excess wear and damage obligations under the consumer lease.

(c) The total amount of the excess wear and damage charges specified in a counter-inspection under par. (a)

may not be increased at or after the termination of the lease, except to increase the lessee's excess wear and damage obligation to the extent that any excess wear and damage was obscured or concealed or is reasonably believed by the holder to have occurred after such inspection. Any increase under this paragraph is not valid unless the holder gives the lessee another itemized bill and statement meeting the requirements of subs. (2) and (3).

(6) A lessee shall not be in default on the consumer lease for failing to obtain a pretermination inspection or counter-inspection under this section, notwithstanding any contrary provision of the consumer lease. If a lessee does not obtain a pretermination inspection or counter-inspection, the itemized bill with respect to the inspection under sub. (1) shall be conclusive.

(7) (a) A holder may not demand, receive or collect a charge for excess wear and damage to the leased vehicle unless the holder substantially complies with this section. The exclusive penalty for failure to substantially comply with this section is a waiver of the right to collect all contested excess wear and damage charges from the lessee.

(b) A holder is not required to send any notice under this section if the holder does not wish to demand, receive or collect any excess wear and damage charges.

(c) Nothing in this section shall limit a lessee's obligation for excess mileage charges or prohibit any agreement between the lessee and the holder relating to excess wear and damage, if the agreement does not conflict with any of the lessee's rights under this section, or limit a lessee's liability to the holder for odometer tampering or for obscured or concealed structural or safety-related damage discovered by the holder after the return of the motor vehicle or the receipt of an itemized bill by the lessee.

(8) Except for sub. (1) (b), this section applies only to leased vehicles that are returned to an authorized representative, who is located in this state, of the holder.

429.209 Renegotiations and extensions. (1) All of the disclosure requirements specified in s. 429.203 apply to the renegotiation of a consumer lease. A renegotiation of a consumer lease does not create a warranty or subject the transaction to any laws of this state relating to the sale of used motor vehicles.

(2) The disclosure requirements specified in s. 429.203 do not apply to any extension of a consumer lease not exceeding 6 months in the aggregate.

SUBCHAPTER III

PENALTIES AND REMEDIES

429.301 Penalties and remedies. (1) Except as provided in s. 429.208 (7) (a), a person who commits a violation of this chapter is liable to the lessee in an amount equal to the sum of the following amounts:

(a) One hundred dollars.

(b) The actual damages, including any incidental and consequential damages, sustained by the lessee by reason of the violation.

(c) Reasonable costs, expenses and attorney fees, as determined under s. 425.308.

(2) If a party to a consumer lease recovers damages or penalties under this chapter for an act or omission, the party may not recover any damages or penalties for the same act or omission under s. 218.01 or chs. 411 and 421 to 427.

SECTION 95. Initial applicability.

(1) This act first applies to leases entered into on the effective date of this subsection.

SECTION 96. Effective date.

(1) This act takes effect on the first day of the 5th month beginning after publication.