



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

<b>2005 Senate Bill 268</b>	<b>Senate Amendments 1 and 2 and Senate Amendment 1 to Senate Amendment 2</b>
<i>Memo published: October 27, 2005</i>	<i>Contact: Dan Schmidt, Senior Analyst (267-7251)</i>

Senate Bill 268 creates regulations relating to rental-purchase agreements.

### **Senate Amendment 1**

Senate Amendment 1 does the following:

1. Provides that an applicant for a license to operate a rental-purchase company who is an individual who does not have a social security number must submit a statement made or subscribed under oath or affirmation that the applicant does not have a social security number. If an applicant submits a false statement that he or she does not have a social security number and is issued a license, the license is invalid.
2. Deletes a provision that requires the Division of Banking in the Department of Financial Institutions to immediately commence an investigation of a rental-purchase company if five or more persons file a verified complaint with the division alleging that the rental-purchase company has engaged in an act that is subject to action by the division.
3. Makes several changes to clarify that the rental-purchase companies are subject to the provisions of the subchapter regulating such companies, as created in the bill, as well as certain provisions of the Wisconsin Consumer Act.

### **Senate Amendment 2**

Senate Amendment 2 does the following:

1. Deletes the provision of the bill that permits a rental-purchase company to give or offer a rebate or discount to a lessee under a rental-purchase agreement in consideration for names of prospective lessees. No referral discounts may be given under the amendment.

2. Deletes the provision of the bill which excludes a rental-purchase agreement from the definition of a consumer approval transaction. Thus, under the amendment, a rental-purchase agreement is subject to the notification and cancellation requirements of ch. 423, Stats., including the customer right to cancel a transaction until midnight of the third business day after the merchant has notified the customer of his or her right to cancel.

3. Prohibits a rental purchase company from committing a breach of the peace or entering a customer's residence, except at the voluntary request of that customer, when attempting to repossess rental property.

### **Senate Amendment 1 to Senate Amendment 2**

Senate Amendment 1 to Senate Amendment 2 deletes the provision of Senate Amendment 2 that permits a rental purchase company to enter a customer's residence at the voluntary request of the customer when repossessing rental property. The amendment then substitutes the requirement that a rental purchase company may only enter a customer's residence with the *contemporaneous permission* of the customer.

### **Legislative History**

Senator Brown offered Senate Amendment 1 on August 10, 2005, and offered Senate Amendment 2 on September 19, 2005. The Senate Committee on Housing and Financial Institutions recommended adoption of the amendments on votes of Ayes, 7; Noes, 0, and recommended passage of the bill, as amended, on a vote of Ayes, 6; Noes, 1 on October 3, 2005.

The Joint Committee on Finance recommended adoption of Senate Amendment 1 by a vote of Ayes, 15; Noes, 1 on October 26, 2005. Senate Amendment 1 to Senate Amendment 2 was introduced and recommended for adoption by a vote of Ayes, 16; Noes, 0, and Senate Amendment 2 was recommended for adoption by the Joint Committee on Finance by a vote of Ayes, 16; Noes, 0, on October 26, 2005. The Joint Committee on Finance recommended passage of Senate Bill 268, as amended, by a vote of Ayes, 10; Noes, 6, on October 26, 2005.

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