



2005 ASSEMBLY BILL 1050

February 20, 2006 - Introduced by Representatives TRAVIS, AINSWORTH, TURNER, NASS, LEHMAN, MUSSER, HEBL and YOUNG, cosponsored by Senator HANSEN. Referred to Committee on Financial Institutions.

- 1 **AN ACT** *to create* 421.110 of the statutes; **relating to:** use of debit cards and
2 providing a penalty.

Analysis by the Legislative Reference Bureau

Under this bill, if a customer uses a debit card to initiate a transaction with a merchant for the sale of goods or services, the merchant may not place a hold on funds in the customer's debit card account to cover the anticipated cost of the transaction unless the merchant releases the hold as soon as the cost of the transaction is known. The bill includes this prohibition in the Wisconsin Consumer Act (WCA), which regulates transactions that are entered into for personal, family, or household purposes and that involve an amount of \$25,000 or less. Therefore, the bill's prohibition applies to sales of goods and services for such purposes that involve such an amount.

A merchant who violates the prohibition may be subject to a civil forfeiture of between \$100 and \$1,000, except that if the violation is knowing or willful, the merchant may be subject to a civil forfeiture of between \$1,000 and \$10,000. In addition, a merchant who violates the prohibition is liable to the customer in an amount equal to \$100 and actual damages. The bill's penalties are the same that apply under current law to certain other violations of the WCA.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

