

State of Misconsin 2019 - 2020 LEGISLATURE

LRB-2695/1 ZDW:kjf

# 2019 ASSEMBLY BILL 631

December 2, 2019 – Introduced by Representatives TITL, EDMING, HORLACHER, MAGNAFICI, MURSAU, RAMTHUN, SKOWRONSKI, TAUCHEN, TUSLER and WICHGERS, cosponsored by Senators PETROWSKI and OLSEN. Referred to Committee on Consumer Protection.

1 AN ACT *to create* subchapter XI of chapter 218 [precedes 218.60] of the statutes; 2 **relating to:** repair and replacement of implements of husbandry under 3 warranty.

#### Analysis by the Legislative Reference Bureau

This bill creates requirements, commonly known as a "lemon law," for the repair and replacement of an implement of husbandry that has a condition or defect ("nonconformity") that substantially impairs the use, value, or safety of the implement of husbandry and that is covered by an express warranty.

Under the bill, if an implement of husbandry does not conform to an applicable express warranty and the consumer reports the nonconformity to the manufacturer, the lessor, or any of the manufacturer's authorized dealers and makes the implement of husbandry available for repair, the manufacturer, lessor, or authorized dealer must repair the nonconformity. If the same nonconformity has been subject to repair at least four times and the nonconformity continues or if the implement of husbandry is out of service for an aggregate of at least 30 days because of warranty nonconformities, the consumer is entitled to a replacement implement of husbandry or a full refund.

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

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1	<b>SECTION 1.</b> Subchapter XI of chapter 218 [precedes 218.60] of the statutes is
2	created to read:
3	CHAPTER 218
4	SUBCHAPTER XI
5	IMPLEMENTS OF HUSBANDRY
6	218.60 Repair and replacement of implements of husbandry under
7	warranty. (1) In this section:
8	(a) "Collateral costs" means expenses incurred by a consumer in connection
9	with the repair of a nonconformity, including the costs of obtaining an alternative
10	vehicle.
11	(b) "Consumer" means any of the following:
12	1. The purchaser of a new implement of husbandry, if the implement of
13	husbandry was purchased from an authorized dealer for purposes other than resale.
14	2. A person to whom an implement of husbandry is transferred for purposes
15	other than resale if the transfer occurs before the expiration of an express warranty
16	applicable to the implement of husbandry.
17	3. A person who may enforce a warranty applicable to an implement of
18	husbandry.
19	4. A person who leases an implement of husbandry from a lessor under a
20	written lease.
21	(c) "Implement of husbandry" has the meaning given in s. 340.01 (24).
22	(d) "Nonconformity" means a condition or defect that substantially impairs the
23	use, value, or safety of an implement of husbandry and that is covered by an express
24	warranty applicable to the implement of husbandry or to a component of the
25	implement of husbandry. "Nonconformity" does not include a condition or defect that

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is the result of abuse, neglect, or unauthorized modification or alteration of the
 implement of husbandry by a consumer.

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(e) "Out of service" means that the implement of husbandry is unable to be used
by the consumer either because of a nonconformity for which at least 2 repair
attempts have been made or because the implement of husbandry is in the possession
of the manufacturer, lessor, or any of the manufacturer's authorized dealers for the
purpose of performing repairs to correct a nonconformity.

8 (2) If an implement of husbandry does not conform to an applicable express 9 warranty and the consumer reports the nonconformity to the manufacturer, the 10 lessor, or any of the manufacturer's authorized dealers and makes the implement of 11 husbandry available for repair before the expiration of the warranty or one year after 12 first delivery of the implement of husbandry to a consumer, whichever is sooner, the 13 manufacturer, lessor, or authorized dealer shall repair the nonconformity.

14 (3) If a manufacturer, lessor, or authorized dealer attempts to repair a 15 nonconformity not less than 4 times and the nonconformity is not repaired or if an 16 implement of husbandry is out of service for an aggregate of not less than 30 days, 17 the consumer is entitled to a replacement or refund and the manufacturer shall do 18 one of the following as directed by the consumer:

(a) Accept return of the implement of husbandry and replace the implement of
husbandry with a comparable new implement of husbandry and refund any
collateral costs.

(b) Accept return of the implement of husbandry and refund to the consumer
and to any holder of a perfected security interest in the consumer's implement of
husbandry, as their interest may appear, the full purchase price plus any sales tax,

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finance charge, amount paid by the consumer at the point of sale, and collateral costs,
 less a reasonable allowance for use.

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(c) If the implement of husbandry is leased, accept return of the implement of
husbandry, refund to the lessor and to any holder of a perfected security interest in
the implement of husbandry, as their interest may appear, the current value of the
written lease, and refund to the consumer the amount the consumer paid under the
written lease plus any sales tax and collateral costs, less a reasonable allowance for
use.

9 (4) A consumer who elects to receive a refund under sub. (3) shall notify the 10 manufacturer. Not later that 30 days after receiving notice from a consumer, the manufacturer shall provide the consumer with the refund. Upon receipt of the 11 12refund, the consumer shall return the implement of husbandry having the 13nonconformity to the manufacturer and provide the manufacturer with the 14certificate of title and all endorsements necessary to transfer title to the 15manufacturer. If another person is in possession of the certificate of title, as shown 16 by the records of the department of transportation, that person shall, upon request 17of the consumer, provide the certificate of title to the manufacturer upon satisfaction 18 of any security interest in the implement of husbandry.

(5) A consumer who elects to receive a comparable new implement of husbandry under sub. (3) shall notify the manufacturer. Not later than 45 days after receiving notice from a consumer, the manufacturer shall provide either a comparable new implement of husbandry or, if a comparable new implement of husbandry does not exist or cannot be delivered within the 45-day period, a refund. Upon receipt of the new implement of husbandry or a refund, the consumer shall return the implement of husbandry having the nonconformity to the manufacturer 2019 - 2020 Legislature

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and provide the manufacturer with the certificate of title and all endorsements
necessary to transfer title to the manufacturer. If another person is in possession of
the certificate of title, as shown by the records of the department of transportation,
that person shall, upon request of the consumer, provide the certificate of title to the
manufacturer upon satisfaction of any security interest in the implement of
husbandry.

(6) A manufacturer, lessor, or manufacturer's authorized dealer may not sell
or lease any nonconforming implement of husbandry returned to the manufacturer
by a consumer unless the manufacturer, lessor, or manufacturer's authorized dealer
discloses the reasons the implement of husbandry was returned to any prospective
buyer or lessee.

12 (7) The department of revenue shall refund to a manufacturer any sales tax 13 the manufacturer refunded to a consumer under sub. (3) if the manufacturer 14 provides to the department of revenue a written request for a refund along with 15 evidence that the sales tax was paid when the implement of husbandry was 16 purchased and that the manufacturer refunded the sales tax to the consumer.

17 (8) This section does not limit rights or remedies available to a consumer under18 any other law.

(9) (a) In addition to pursuing any other remedy, a consumer may bring an
action to recover for any damages caused by a violation of this section if the action
is commenced within 36 months after first delivery of the implement of husbandry
to a consumer. The court shall award a consumer who prevails in such an action the
amount of any pecuniary loss, together with costs, disbursements, and reasonable
attorney fees, and may award any equitable relief the court determines appropriate.

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1	(b) Notwithstanding any other provision of this section or ch. 802, 804, or 806,
2	in an action for a violation under this section, if a court finds that any party to the
3	action has failed to reasonably cooperate with another party's efforts to comply with
4	obligations under this section, which hinders the other party's ability to comply with
5	or seek recovery under this section, the court may extend any deadlines specified in
6	this section, reduce any damages, attorney fees, or costs that may be awarded under
7	par. (a), strike pleadings, or enter default judgment against the offending party.

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### (END)