# Wisconsin Legislative Council

# AMENDMENT MEMO

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2023 Assembly Bill 14

Assembly Amendment 1 to Assembly Amendment 1 and Assembly Amendment 1

#### 2023 ASSEMBLY BILL 14

2023 Assembly Bill 14 creates requirements for the repair and replacement of an implement of husbandry that has a condition or defect that substantially impairs the use, value, or safety of the implement of husbandry and is covered by an express warranty. These requirements are commonly referred to as a "lemon law." Generally, an implement of husbandry is a self-propelled or towed vehicle that is manufactured, designed, or reconstructed to be used and that is exclusively used in the conduct of agricultural operations, but that is not an agricultural commercial motor vehicle or commercial motor vehicle.

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, lessor, or any of the manufacturer's authorized dealers and makes the implement of husbandry available for repair before the expiration of the warranty or one year after first delivery of the implement, whichever is sooner, the manufacturer, lessor, or authorized dealer must repair the nonconformity. For these purposes, "nonconformity" means a condition or defect that substantially impairs the use, value, or safety of an implement of husbandry and that is covered by an express warranty applicable to the implement of husbandry or to a component of the implement. It does not include a condition or defect that is the result of abuse, neglect, or unauthorized modification or alteration of the implement of husbandry by a consumer.

If a manufacturer, lessor, or authorized dealer attempts to repair a nonconformity not fewer than four times and the nonconformity is not repaired, or if an implement of husbandry is out of service for an aggregate of not less than 30 days, the consumer is entitled to a replacement or a refund. For these purposes, an implement of husbandry is out of service when it is unable to be used for either of two reasons. The first is that it cannot be used because of a nonconformity for which one or more unsuccessful attempts to repair have been made and the implement of husbandry has been returned to the consumer or remains with the consumer awaiting further repair attempts. The second is that 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.

Under the bill, if the manufacturer attempts to repair a nonconformity not fewer than four times and the nonconformity is not repaired or if the implement of husbandry is out of service for an aggregate of not less than 30 days, in addition to providing the consumer with a refund or replacement, the manufacturer must also reimburse the consumer's collateral costs. The bill defines "collateral costs" to mean expenses incurred by a consumer in connection with the repair of a nonconformity, including the costs of obtaining an alternative implement of husbandry.

The bill also creates a cause of action that allows a consumer, in addition to pursuing any other remedy, to bring an action to recover for any damages caused by a violation of the bill's provisions if the action is commenced within 36 months after first delivery of the implement of husbandry to a consumer. The bill

requires a court to award a consumer who prevails in such an action the amount of any pecuniary loss, together with costs, disbursements, and reasonable attorney fees. The court may also award any equitable relief it determines is appropriate.

#### **ASSEMBLY AMENDMENT 1**

Assembly Amendment 1 makes the following changes to the bill. The amendment:

- Modifies the definition of "collateral costs" to specify that these costs do not include incidental or consequential damages, including loss of profits as a result of a nonoperational implement of husbandry.
- Specifies that a nonconformity does not include a condition or defect that is the result of the failure
  to operate and maintain an implement of husbandry in accordance with the manufacturer's
  operator's manual and recommended maintenance schedule.
- Provides that if an implement of husbandry has been returned to the consumer or remains with the
  consumer awaiting further attempts, at least two unsuccessful repair attempts must have been made
  for the implement of husbandry to be considered out of service.
- Clarifies that the four or more times a manufacturer, lessor, or dealer must have attempted to repair a nonconformity must have been before the expiration of the warranty or one year after first delivery of the implement of husbandry, whichever is earlier.
- Specifies that when a manufacturer accepts return of an implement of husbandry, the manufacturer's obligation to refund the consumer's collateral costs is to the extent that the manufacturer, lessor, or dealer does not mitigate collateral costs.
- Requires a consumer who returns an implement of husbandry to a manufacturer under the bill's provisions to provide the manufacturer with the certificate of title for the implement of husbandry and all endorsements necessary to transfer the title to the manufacturer.
- Eliminates the specific cause of action for violations of the bill's requirements, along with the
  provisions that require a court to award a consumer who prevails in such an action certain damages
  and costs.

## ASSEMBLY AMENDMENT 1 TO ASSEMBLY AMENDMENT 1

Assembly Amendment 1 to Assembly Amendment 1 modifies the provision requiring a consumer who returns an implement of husbandry to a manufacturer to provide the manufacturer with the certificate of title for the implement of husbandry and all endorsements necessary to transfer the title. The amendment requires a consumer to provide the manufacturer with the certificate of title for the implement of husbandry **or** all endorsements necessary to transfer the title. The amendment also deletes language referring to title records of the Department of Transportation.

### **BILL HISTORY**

Representative Tittl offered Assembly Amendment 1 to Assembly Bill 14 on May 26, 2023, and Assembly Amendment 1 to Assembly Amendment 1 on June 6, 2023. On June 7, 2023, the Assembly adopted both amendments and passed the bill, as amended, all on voice votes.

For a full history of the bill, visit the Legislature's bill history page.

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