



2013 ASSEMBLY BILL 823

February 27, 2014 – Introduced by Representatives GENRICH, SARGENT, BARNES, BERCEAU, BERNARD SCHABER, BILLINGS, HEBL, HULSEY, KESSLER, OHNSTAD, POPE, RINGHAND, C. TAYLOR, WACHS, WRIGHT, YOUNG, ZAMARRIPA and ZEPNICK, cosponsored by Senators LASSA, SCHULTZ, HARRIS and WIRCH. Referred to Committee on Consumer Protection.

AUTHORS SUBJECT TO CHANGE

1 **AN ACT to create** 224.28 of the statutes; **relating to:** agreements relating to
2 liability for unauthorized use of credit cards or debit cards.

Analysis by the Legislative Reference Bureau

Under this bill, any agreement between a credit card issuer and a credit card holder, or between an individual and a financial institution holding an account of the individual (account holder), that imposes liability on the credit card holder or account holder for the unauthorized use of a credit card or debit card is not enforceable to the extent that it imposes greater liability on the credit card holder or account holder than is imposed on a credit card holder under the federal Truth in Lending Act (TILA). Under TILA, a credit card holder's liability for unauthorized use of a credit card is limited to a maximum of \$50.

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

3 **SECTION 1.** 224.28 of the statutes is created to read:
4 **224.28 Agreements relating to liability for unauthorized use of credit**
5 **cards or debit cards. (1)** In this section:
6 (a) "Account" has the meaning given in 15 USC 1693a (2).

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1 (b) "Agreement" means any of the following:

2 1. Any agreement between a card issuer and a cardholder relating to a credit
3 card.

4 2. Any agreement between a financial institution and a consumer whose
5 account is held by the financial institution.

6 (c) "Cardholder" has the meaning given in 15 USC 1602 (n).

7 (d) "Card issuer" has the meaning given in 15 USC 1602 (o).

8 (e) "Consumer" has the meaning given in 15 USC 1693a (6).

9 (f) "Credit card" has the meaning given in 15 USC 1602 (l).

10 (g) "Debit card" has the meaning given in 15 USC 1693a (1) for "accepted card
11 or other means of access."

12 (h) "Financial institution" has the meaning given in 15 USC 1693a (9).

13 (i) "Unauthorized electronic fund transfer" has the meaning given in 15 USC
14 1693a (12).

15 (j) "Unauthorized use" has the meaning given in 15 USC 1602 (p).

16 (2) Any provision of an agreement that imposes liability on the cardholder or
17 consumer for a cash advance or loan or for the purchase or lease of property or
18 services obtained by the unauthorized use of a credit card or by an unauthorized
19 electronic fund transfer involving a debit card is not enforceable to the extent that
20 it imposes greater liability on the cardholder or consumer than is imposed on a
21 cardholder under the federal Truth in Lending Act, 15 USC 1643, and Regulation Z,
22 12 CFR 226, adopted under that act.

23 **SECTION 2. Initial applicability.**

