



## 2005 ASSEMBLY BILL 1118

March 14, 2006 - Introduced by Representatives KREUSER, TURNER, ZEPNICK and BERCEAU. Referred to Committee on Small Business.

1     **AN ACT to create** 134.49 of the statutes; **relating to:** renewals and extensions  
2     of business contracts.

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### *Analysis by the Legislative Reference Bureau*

Under current law, if a landlord-tenant lease provides that the lease will be automatically renewed or extended unless the tenant or landlord gives notice to the contrary, that provision is not enforceable against the tenant unless the landlord gives the tenant a written reminder of that provision at least 15 but not more than 30 days before the notice to terminate the lease is due. This bill creates a similar limitation for certain contracts to lease business equipment or to provide business services. Under the bill, the reminder notice must contain the deadline for declining renewal or extension and the steps the customer must take to decline renewal or extension. The bill also requires that the reminder disclose any price increases that will apply after renewal or extension. The bill does not apply to contracts for employment or to contracts to provide business services or to lease business equipment to this state or to the United States.

Current law also specifies the methods a landlord may use to provide the reminder notice. This bill specifies that a provider of business services or lessor of business equipment may give notice to a purchaser of business services or lessee of business equipment (customer) by sending the notice by registered or certified mail to the customer's last-known address.

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

**ASSEMBLY BILL 1118****SECTION 1**

1           **SECTION 1.** 134.49 of the statutes is created to read:

2           **134.49 Renewals and extensions of business contracts. (1) DEFINITIONS.**

3           In this section:

4           (a) "Business contract" means a contract entered into for the lease of business  
5           equipment or for providing business services, except that "business contract" does  
6           not include a contract for employment.

7           (c) "Customer" means the lessee under a business contract that is entered into  
8           for the lease of business equipment or the purchaser under a business contract that  
9           is entered into for the purchase of business services.

10          (d) "Seller" means the provider of a business service or the lessor of business  
11          equipment under a business contract.

12          **(2) NOTICE REQUIRED.** If a business contract provides that the contract will be  
13          automatically renewed or extended unless the customer declines renewal or  
14          extension, the provision is not enforceable against the customer unless the seller, at  
15          least 15 days but not more than 30 days before the deadline for the customer to  
16          decline renewal or extension, provides a written notice to the customer containing  
17          all of the following:

18          (a) A statement that the contract will be renewed or extended unless the  
19          customer declines renewal or extension.

20          (b) The deadline for the customer to decline renewal or extension.

21          (c) A description of any increase in charges to the customer that will apply after  
22          renewal or extension.

23          (d) A description of action that the customer must take to decline renewal or  
24          extension.

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1 (3) MANNER OF GIVING NOTICE. A seller or a person acting on behalf of the seller  
2 shall give the written notice required under sub. (2) by mailing a copy of the notice  
3 by registered or certified mail to the customer at the customer’s last-known business  
4 address.

5 (4) EXCEPTION. This section does not apply to a contract to provide business  
6 services or to lease business equipment to this state or to the United States.

7 **SECTION 2. Initial applicability.**

8 (1) This act first applies to contracts for the lease of business equipment or for  
9 providing business services that are entered into, modified, or renewed on the  
10 effective date of this subsection.

11 **SECTION 3. Effective date.**

12 (1) This act takes effect on the first day of the 7th month beginning after  
13 publication.

14 (END)