2009 DRAFTING REQUEST

Bill

Received: **11/24/2008**

Received By: **csundber**

Wanted: **As time permits**

Identical to LRB:

For: **Robert Wirch (608) 267-8979**

By/Representing: **Mike Tierney**

This file may be shown to any legislator: **NO**

Drafter: **csundber**

May Contact:

Addl. Drafters:

Subject: **Trade Regulation - other**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Wirch@legis.wisconsin.gov**

Carbon copy (CC:) to: **christopher.sundberg@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Automatic renewal clauses in contracts for business services or business equipment

---

Instructions:

Redraft 2007 SB 212, plus changes per email

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	csundber 01/08/2009	nnatzke 01/09/2009		_____ _____			
/1	csundber 02/11/2009	nnatzke 02/18/2009	jfrantze 01/09/2009	_____ _____	cduerst 01/09/2009		
/2	csundber 03/19/2009 agary 03/20/2009	nnatzke 03/23/2009	rschluet 02/20/2009	_____ _____ _____ _____	cduerst 02/20/2009		

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/3	csundber 04/30/2009	nnatzke 05/01/2009	rschluet 03/23/2009	_____ _____	lparisi 03/23/2009	sbasford 03/23/2009	
/4			rschluet 05/01/2009	_____ _____	sbasford 05/01/2009	sbasford 05/01/2009	

FE Sent For:

<END>

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	agary 03/20/2009	/4 nwn 5/1		_____ _____			

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Submit via email: **YES**

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Carbon copy (CC:) to: **christopher.sundberg@legis.wisconsin.gov**

See Wayne's email of 11/24/08.

Pre Topic:

No specific pre topic given

Topic:

Automatic renewal clauses in contracts for business services or business equipment

Instructions:

Redraft 2007 SB 212, plus changes per email

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	csundber	/1 nwn 1/8	1/9	1/9			

FE Sent For:

<END>

Sundberg, Christopher

From: Tierney, Michael
Sent: Monday, November 24, 2008 9:37 AM
To: Sundberg, Christopher
Subject: Redraft of SB 212

Hi Chris –

We need to have 2007 SB 212 re-drafted for introduction in the 2009-10 session.

We'd like it drafted as it was amended when it passed the Senate.

In addition, we would like to have a provision included that prohibits contract provisions that companies like Waste Management have that effectively make their contracts perpetual.

For example, if you are a small business person with a Waste Management contract that is about to expire, you can tell waste management that you don't want to renew with Waste Management. However, under their contract, if Waste Management says it will match the contract offer of a competitor – then the Waste Management contract renews under the terms offered by their competitor.

If you need to talk with anyone about the bill or what Waste Management does in their contracts – you can speak with Wayne Corey. His Madison number is 255-0373.

Thank you.

Mike Tierney
Office of Senator Wirch

wcorey @ wibiz. org

Sundberg, Christopher

From: Wayne Corey [wcorey@wibiz.org]
Sent: Thursday, January 08, 2009 9:10 AM
To: Sundberg, Christopher
Subject: amendment attachment
Attachments: 2007 Senate Bill 212 Amendments (A0758000).pdf

Chris, my outbox indicated the amendment language didn't get attached to yesterday's e-mail. Here it is.

Wayne Corey

2007 Senate Bill 212

Amend SB 212 as follows:

1. Add a new (5) under Section 1 to read as follows:

(5) Unenforceable Terms. Any term in a business contract prohibiting a customer from terminating or not renewing the business contract at the end of its stated term without first giving the Seller a right of first refusal to match any offer the Customer receives or makes for similar services after termination or nonrenewal is void and unenforceable.

2. Change (5) on Remedies to (6) and amend it to read as follows:

(6) Remedies. (a) Subject to par. (b), if a seller attempts to enforce a provision in a business contract to which subs. (3), (4) or (5) apply and for which subs. (3), (4) or (5) have not been complied with, the customer may commence an action or may file a counterclaim against the seller for either of the following:

1. An amount that equals twice the amount of the damages incurred by the customer.

2. An amount that equals twice the amount of the periodic payment specified in the contract or $1,000, whichever is less.

(b) A seller is not liable in an action or counterclaim under par. (a) if the court finds all of the following:

1. The seller has established and implemented written procedures for sales to customers in this state for complying with this section.

2. The seller's failure to comply with subs. (3), (4) or (5) was not willful or malicious.

3. The seller has refunded any amounts paid by the customer after the date of the renewal or extension until the date on which the business contract is terminated or until the date the seller provides a subsequent notice of renewal or extension, whichever is earlier.

(c) Notwithstanding any limitations in s. 814.04(1), the court shall award a customer who prevails in an action or counterclaim under this subsection costs, including reasonable attorney fees.

9 10

2007 – 2008 LEGISLATURE

-0915/1

LRB–~~2598/1~~

CTS:wlj:jf

RMNR

2009 BILL

d-note

~~2007 SENATE BILL 212~~

June 13, 2007 – Introduced by Senators WIRCH, LEHMAN, PLALE and BRESKE, cosponsored by Representatives KREUSER, GUNDERSON, PETROWSKI, SEIDEL, SCHNEIDER, TOWNSEND, A. WILLIAMS, FIELDS, KERKMAN, MUSSER, TURNER, HAHN and JESKEWITZ. Referred to Committee on Small Business, Emergency Preparedness, Workforce Development, Technical Colleges and Consumer Protection.

SA ✓
x-ref ✓

if the contracts have an initial term of more than one year

Regen.

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

2 of business contracts.

INS A-1

Analysis by the Legislative Reference Bureau

Under current law, a landlord may not enforce an automatic renewal or extension clause in a residential lease unless the landlord provides advance written notice of the renewal or extension. This bill creates similar requirements for certain contracts for the lease of business equipment or for providing business services (business contracts). The bill exempts contracts for the lease or purchase of real property, certain contracts that require the customer to make minimum annual payments of $250,000 or more, and contracts for the lease of motor vehicles or medical equipment.

Under the bill, if a business contract provides that the contract will be automatically renewed or extended for an additional contract period of more than 30 days unless the customer declines renewal or extension, the seller must provide the customer with a disclosure form. The form must contain certain information regarding a renewal or extension, including the duration of an additional contract period, whether increased charges to the customer would apply, and the deadline for the customer to act to prevent an additional contract period.

one month

INS A-2

Also under the bill, if a business contract provides that an automatic renewal or extension results in an additional contract period of more than one year, the seller must give the customer a reminder notice prior to renewal or extension. The reminder notice must contain specified information regarding a renewal or extension and generally must be provided by mail, by personal delivery, or in a monthly invoice.

INS A-3

If a seller fails to comply with the bill's disclosure or reminder notice requirements, the automatic renewal or extension provision is unenforceable and the contract terminates at the end of the current contract term. Also, if a seller fails to comply with the reminder notice requirements, the bill allows a customer to bring an action or counterclaim for damages. In such an action or counterclaim, a seller is not liable if: (1) the seller has established and implemented written procedures for complying with the reminder notice requirements; (2) the seller's conduct was not willful or malicious; and (3) the seller refunds amounts the customer paid after the contract was renewed or extended.

---

and the prohibition against right to match provisions

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

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

134.49 Renewals and extensions of business contracts. (1) DEFINITIONS. In this section:

(a) "Business contract" means a contract that is entered into for the lease of business equipment or for providing business services, if the contract is for the direct benefit of the end user of the business equipment or business services. "Business contract" does not include any of the following:

1. A contract in which a customer agrees to purchase from a seller an undetermined amount of business services or lease from the seller an undetermined amount of business equipment, and agrees to pay the seller based on the amount of business services received or business equipment leased, subject to a predetermined minimum payment in a 12–month period specified in the contract, if the predetermined minimum payment is $250,000 or more.

2. A contract for the lease or purchase of real property.

3. A contract for the lease of a motor vehicle.

4. A contract for the lease of medical equipment.

INS 2-16

INS 3-1A

(b) "Customer" means a person who is authorized to do business in this state and who is the lessee under a business contract that is entered into for the lease of business equipment or the purchaser under a business contract that is entered into for the purchase of business services.

conducts

INS 3-1C

INS 3-1B

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

(2) DISCLOSURE REQUIRED. (a) If a business contract provides that the contract will be automatically renewed or extended for an additional period unless the customer declines renewal or extension, and the duration of the additional period is more than 30 days, the seller shall, at the time the customer enters into the contract, present to the customer a copy of a disclosure form under par. (b) and obtain the customer's signature on the form.

one month

(b) A disclosure form required under par. (a) shall contain all of the following:

1. A statement that the contract will be renewed or extended unless the customer declines renewal or extension.

2. A statement indicating the duration of the additional contract period that would result from an automatic renewal or extension period.

3. A statement indicating whether an increase in charges to the customer will apply upon an automatic renewal or extension.

4. A description of action the customer must take to decline renewal or extension.

5. The date of the deadline for the customer to decline renewal or extension.

(c) If a seller fails to comply with par. (a), an automatic renewal or extension provision in the contract is not enforceable, and the contract terminates at the end of the current contract term.

1 **(3)** NOTICE REQUIRED. If a business contract that has an initial term of more
2 than one year provides that the contract will be automatically renewed or extended
3 for an additional term of more than one year, unless the customer declines renewal
4 or extension, the provision is not enforceable against the customer and the contract
5 will terminate at the end of the current contract term unless the seller provides to
6 the customer, at least 15 days but not more than 45 days before the deadline for the
7 customer to decline renewal or extension, a written notice containing all of the
8 following:

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

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

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

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

16 **(4)** MANNER OF GIVING NOTICE. A seller or a person acting on behalf of the seller
17 shall give the written notice required under sub. (3) by any of the following methods:

18 (a) By mailing a copy of the notice by registered or certified mail to the customer
19 at the customer's last–known business address.

20 (b) By giving a copy of the notice personally to an owner, officer, director, or
21 managing agent of the customer's business.

22 (c) By including the notice on the first page of a monthly invoice sent to the
23 customer. Notice under this paragraph shall be prominently displayed in bold face
24 type and in a type size no smaller than 12–point.

INS 4-24

and unenforceable

that is void under sub. (5), or

(5) REMEDIES. (a) Subject to par. (b), if a seller attempts to enforce a provision in a business contract to which subs. (3) and (4) apply and for which subs. (3) and (4) have not been complied with, the customer may commence an action or may file a counterclaim against the seller for either of the following:

1. An amount that equals twice the amount of the damages incurred by the customer.

2. An amount that equals twice the amount of the periodic payment specified in the contract or $1,000, whichever is less.

(b) A seller is not liable in an action or counterclaim under par. (a) if the court finds all of the following:

1. The seller has established and implemented written procedures for complying with this section.

2. The seller's failure to comply with subs. (3) and (4) was not willful or malicious.

and unenforceable

or the seller's attempt to enforce a provision that is void under sub. (5),

3. The seller has refunded any amounts paid by the customer after the date of the renewal or extension until the date on which the business contract is terminated or until the date the seller provides a subsequent notice of renewal or extension, whichever is earlier.

(c) Notwithstanding the limitations in s. 814.04 (1), the court shall award a customer who prevails in an action or counterclaim under this subsection costs, including reasonable attorney fees.

SECTION 2. Initial applicability.

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

SECTION 3. Effective date.

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

12th

(END)

D-note

Insert A-1:

, and certain energy and telecommunications contracts

Insert A-2:

no ¶ The bill also voids a business contract provision that requires a customer to permit the seller to match any offer the customer receives from, or makes to, another seller after the end of the contract's stated term (right to match provision).

Insert A-3:

or attempts to enforce a right to match provision

Insert 4-24:

(5) UNENFORCEABLE TERMS. No business contract between a seller and a customer may prohibit the customer from terminating or refusing to renew the business contract at the end of its stated term unless the customer permits the seller to match any offer the customer receives from, or makes to, another seller for similar services after the end of the stated term of the contract. A provision in a business contract that violates this subsection is void and unenforceable.

to be provided

SENATE AMENDMENT 1,

TO 2007 SENATE BILL 212

December 20, 2007 – Offered by Senator WIRCH.

INS 2-16

At the locations indicated, amend the bill as follows:

1. Page 2, line 16: after that line insert:

"5. A contract derived from a tariff issued by an energy utility, as defined in s. 196.027 (1) (c).".

(END)

SENATE AMENDMENT 2,

TO 2007 SENATE BILL 212

January 9, 2008 – Offered by Senator WIRCH.

INS. 3-1A

At the locations indicated, amend the bill as follows:

1. Page 3, line 1: before that line insert:

"6. A contract for the lease of equipment that is for personal, family, or household purposes.

7. A contract for the purchase of services that are for personal, family, or household purposes."

2. Page 3, line 1: delete "is authorized to do" and substitute "conducts".

(END)

SENATE AMENDMENT 3,

TO 2007 SENATE BILL 212

January 10, 2008 – Offered by Senator WIRCH.

At the locations indicated, amend the bill as follows:

1. Page 6, line 2: delete "7th" and substitute "12th".

(END)

SENATE AMENDMENT 4,

TO 2007 SENATE BILL 212

January 10, 2008 – Offered by Senator WIRCH.

INS 3-1B

At the locations indicated, amend the bill as follows:

1. Page 3, line 1: before that line insert:

"8. A contract for the lease or purchase of access service, as defined in s. 196.01 (1b).

9. An interconnection agreement, as defined in s. 196.01 (3b), or a contract or agreement offered by a telecommunications utility, as defined in s. 196.01 (10), to meet obligations imposed on the telecommunications utility under 47 USC 151 to 276.".

2. Page 3, line 10: delete "30 days" and substitute "one month".

(END)

SENATE AMENDMENT 5,

TO 2007 SENATE BILL 212

January 10, 2008 – Offered by Senator WIRCH.

INS 3-1C

At the locations indicated, amend the bill as follows:

1. Page 3, line 1: before that line insert:

"10. A contract for the lease or purchase of telecommunications service, as defined in s. 196.01 (9m), including commercial mobile service, as defined in s. 196.01 (2i), if the contract permits the lessee or purchaser to terminate the contract after an automatic renewal by giving written notice, permits the termination to take effect not more than one month after receipt of the written notice, and permits a termination without liability for fees or penalties other than a payment for services or equipment used during the period before the termination takes effect, if the amount of the payment is one of the following:

a. The amount of the periodic payment due under the contract multiplied by the number of periods during which the services or equipment are provided before the termination takes effect.

INS 3-1C continues →

INS 3-1C Continued:

1 b. If the contract does not provide for periodic payments, a portion of the
2 amount due under the contract that is proportional to the portion of the renewed
3 contract term that elapsed before the termination takes effect."
4 **(END)**

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0915/1dn
CTS:.1.:...
nwn

Date

Senator Wirch:

This is a redraft of 2007 Senate Bill 212, as modified per your instructions. Please review it carefully to ensure it is consistent with your intent.

right to match

Note that I have modified some of the proposed language pertaining to right-to-match provisions. For the sake of clarity, I have not used the term "right of first refusal," and have modified the additions to the remedies section of the bill. Are these changes okay?

Christopher T. Sundberg
Legislative Attorney
Phone: (608) 266-9739
E-mail:
christopher.sundberg@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0915/1dn
CTS:nwn:jf

January 9, 2009

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Christopher T. Sundberg
Legislative Attorney
Phone: (608) 266-9739
E-mail:
christopher.sundberg@legis.wisconsin.gov

Duerst, Christina

From: Tierney, Michael
Sent: Monday, January 12, 2009 12:20 PM
To: LRB.Legal
Subject: PDFs of bill drafts

Could you please email me PDF copies of bill drafts for LRB 0995/2 and LRB 0915/1dn that were prepared for Senator Wirch?

Thank you.

Mike Tierney
Office of Senator Wirch

Duerst, Christina

From: Duerst, Christina
Sent: Monday, January 12, 2009 1:17 PM
To: Tierney, Michael
Subject: LRB 09-0915/1 attached incl. D-note

Attachments: 09-0915/1; 09-0915/1dn

09-09151.pdf (27 KB)

09-09151dn.pdf (10 KB)

Sundberg, Christopher

From: Gary L. Antoniewicz [gantoni@boardmanlawfirm.com]
Sent: Monday, January 19, 2009 1:52 PM
To: Tierney, Michael
Cc: Sundberg, Christopher; mmetz@wibiz.org; wcorey@wibiz.org
Subject: LRB-0915-1 p. 6 - replace lines 4-9

Attachments: LRB-0915-1 p. 6 - replace lines 4-9 (A0762697).PDF

LRB-0915-1 p. 6 - replace line...

Mike,

Last week, the Wisconsin Independent Businesses forwarded me a copy of LRB - 0915/1, the new draft of the contracts bill, to review. I do have some concerns about the way the section on unenforceable terms (p. 6, lines 4 to 9) is drafted in that it is somewhat ambiguous. It can be read to say the opposite of what is intended, "No business contract...may prohibit the customer from terminating...unless the customer permits the seller to match...." Using this language could create an opposite result and at the very least, be confusing. I have taken another stab at this provision which is attached. I am also copying Christopher Sundberg with these comments. Wayne Corey is still out of the office in warm weather, but he has left most of the drafting issues for me to handle. If you or Christopher have any questions regarding these comments, please feel free to call me at 283-1759. Thanks.

Gary Antoniewicz

In: 2/11/09

State of Wisconsin
2009 - 2010 LEGISLATURE

2

LRB-0915/~~1~~ RMNR
CTS:nwn:jf

2009 BILL

Regen

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

Analysis by the Legislative Reference Bureau

Under current law, a landlord may not enforce an automatic renewal or extension clause in a residential lease unless the landlord provides advance written notice of the renewal or extension. This bill creates similar requirements for certain contracts for the lease of business equipment or for providing business services (business contracts), if the contracts have an initial term of more than one year. The bill exempts contracts for the lease or purchase of real property, certain contracts that require the customer to make minimum annual payments of $250,000 or more, contracts for the lease of motor vehicles or medical equipment, and certain energy and telecommunications contracts.

Under the bill, if a business contract provides that the contract will be automatically renewed or extended for an additional contract period of more than one month unless the customer declines renewal or extension, the seller must provide the customer with a disclosure form. The form must contain certain information regarding a renewal or extension, including the duration of an additional contract period, whether increased charges to the customer would apply, and the deadline for the customer to act to prevent an additional contract period.

Also under the bill, if a business contract provides that an automatic renewal or extension results in an additional contract period of more than one year, the seller must give the customer a reminder notice prior to renewal or extension. The reminder notice must contain specified information regarding a renewal or extension

and generally must be provided by mail, by personal delivery, or in a monthly invoice. The bill also voids a business contract provision that requires a customer to permit the seller to match any offer the customer receives from, or makes to, another seller after the end of the contract's stated term (right to match provision).

If a seller fails to comply with the bill's disclosure or reminder notice requirements, the automatic renewal or extension provision is unenforceable and the contract terminates at the end of the current contract term. Also, if a seller fails to comply with the reminder notice requirements or attempts to enforce a right to match provision, the bill allows a customer to bring an action or counterclaim for damages. In such an action or counterclaim, a seller is not liable if: 1) the seller has established and implemented written procedures for complying with the reminder notice requirements and the prohibition against right to match provisions; 2) the seller's conduct was not willful or malicious; and 3) the seller refunds amounts the customer paid after the contract was renewed or extended.

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

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 that is entered into for the lease of
5 business equipment or for providing business services, if the contract is for the direct
6 benefit of the end user of the business equipment or business services. "Business
7 contract" does not include any of the following:

8 1. A contract in which a customer agrees to purchase from a seller an
9 undetermined amount of business services or lease from the seller an undetermined
10 amount of business equipment, and agrees to pay the seller based on the amount of
11 business services received or business equipment leased, subject to a predetermined
12 minimum payment in a 12-month period specified in the contract, if the
13 predetermined minimum payment is $250,000 or more.

14 2. A contract for the lease or purchase of real property.

1 3. A contract for the lease of a motor vehicle.

2 4. A contract for the lease of medical equipment.

3 5. A contract derived from a tariff issued by an energy utility, as defined in s.
4 196.027 (1) (c).

5 6. A contract for the lease of equipment that is for personal, family, or household
6 purposes.

7 7. A contract for the purchase of services that are for personal, family, or
8 household purposes.

9 8. A contract for the lease or purchase of access service, as defined in s. 196.01
10 (1b).

11 9. An interconnection agreement, as defined in s. 196.01 (3b), or a contract or
12 agreement offered by a telecommunications utility, as defined in s. 196.01 (10), to
13 meet obligations imposed on the telecommunications utility under 47 USC 151 to
14 276.

15 10. A contract for the lease or purchase of telecommunications service, as
16 defined in s. 196.01 (9m), including commercial mobile service, as defined in s. 196.01
17 (2i), if the contract permits the lessee or purchaser to terminate the contract after an
18 automatic renewal by giving written notice, permits the termination to take effect
19 not more than one month after receipt of the written notice, and permits a
20 termination without liability for fees or penalties other than a payment for services
21 or equipment used during the period before the termination takes effect, if the
22 amount of the payment is one of the following:

23 a. The amount of the periodic payment due under the contract multiplied by
24 the number of periods during which the services or equipment are provided before
25 the termination takes effect.

b. If the contract does not provide for periodic payments, a portion of the amount due under the contract that is proportional to the portion of the renewed contract term that elapsed before the termination takes effect.

(b) "Customer" means a person who conducts business in this state and who is the lessee under a business contract that is entered into for the lease of business equipment or the purchaser under a business contract that is entered into for the purchase of business services.

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

(2) DISCLOSURE REQUIRED. (a) If a business contract provides that the contract will be automatically renewed or extended for an additional period unless the customer declines renewal or extension, and the duration of the additional period is more than one month, the seller shall, at the time the customer enters into the contract, present to the customer a copy of a disclosure form under par. (b) and obtain the customer's signature on the form.

(b) A disclosure form required under par. (a) shall contain all of the following:

1. A statement that the contract will be renewed or extended unless the customer declines renewal or extension.

2. A statement indicating the duration of the additional contract period that would result from an automatic renewal or extension period.

3. A statement indicating whether an increase in charges to the customer will apply upon an automatic renewal or extension.

4. A description of action the customer must take to decline renewal or extension.

5. The date of the deadline for the customer to decline renewal or extension.

1 (c) If a seller fails to comply with par. (a), an automatic renewal or extension
2 provision in the contract is not enforceable, and the contract terminates at the end
3 of the current contract term.

4 **(3)** NOTICE REQUIRED. If a business contract that has an initial term of more
5 than one year provides that the contract will be automatically renewed or extended
6 for an additional term of more than one year, unless the customer declines renewal
7 or extension, the provision is not enforceable against the customer and the contract
8 will terminate at the end of the current contract term unless the seller provides to
9 the customer, at least 15 days but not more than 45 days before the deadline for the
10 customer to decline renewal or extension, a written notice containing all of the
11 following:

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

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

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

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

19 **(4)** MANNER OF GIVING NOTICE. A seller or a person acting on behalf of the seller
20 shall give the written notice required under sub. (3) by any of the following methods:

21 (a) By mailing a copy of the notice by registered or certified mail to the customer
22 at the customer's last-known business address.

23 (b) By giving a copy of the notice personally to an owner, officer, director, or
24 managing agent of the customer's business.

INS 6-4

(c) By including the notice on the first page of a monthly invoice sent to the customer. Notice under this paragraph shall be prominently displayed in bold face type and in a type size no smaller than 12-point.

(5) UNENFORCEABLE TERMS. No business contract between a seller and a customer may prohibit the customer from terminating or refusing to renew the business contract at the end of its stated term unless the customer permits the seller to match any offer the customer receives from, or makes to, another seller for similar services to be provided after the end of the stated term of the contract. A provision in a business contract that violates this subsection is void and unenforceable.

(6) REMEDIES. (a) Subject to par. (b), if a seller attempts to enforce a provision in a business contract that is void and unenforceable under sub. (5), or to which subs. (3) and (4) apply and for which subs. (3) and (4) have not been complied with, the customer may commence an action or may file a counterclaim against the seller for either of the following:

1. An amount that equals twice the amount of the damages incurred by the customer.

2. An amount that equals twice the amount of the periodic payment specified in the contract or $1,000, whichever is less.

(b) A seller is not liable in an action or counterclaim under par. (a) if the court finds all of the following:

1. The seller has established and implemented written procedures for complying with this section.

2. The seller's failure to comply with subs. (3) and (4), or the seller's attempt to enforce a provision that is void and unenforceable under sub. (5), was not willful or malicious.

1 3. The seller has refunded any amounts paid by the customer after the date of
2 the renewal or extension until the date on which the business contract is terminated
3 or until the date the seller provides a subsequent notice of renewal or extension,
4 whichever is earlier.

5 (c) Notwithstanding the limitations in s. 814.04 (1), the court shall award a
6 customer who prevails in an action or counterclaim under this subsection costs,
7 including reasonable attorney fees.

8 **SECTION 2. Initial applicability.**

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

12 **SECTION 3. Effective date.**

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

15 **(END)**

INS 6-4)

LRB-0915/1
Page 6 - Replace Lines 4-9

(5) Unenforceable Terms. No business contract between a seller and a customer may require that the customer permit the seller to match any offer the customer receives from or makes to another seller for services to be provided after the end of the stated term of the contract or renewal period of the contract. A provision in a business contract that violates this subsection is void and unenforceable.

Sundberg, Christopher

From: Tierney, Michael
Sent: Thursday, March 19, 2009 1:56 PM
To: Sundberg, Christopher
Subject: LRB 0915/2 amendment request

Hi Chris –

Could you put together ~~an amendment~~ a sub for LRB 0915/2?

On page 3 line 1 we would like to make this provision cover "a contract for the lease of vehicles that are titled under Chapter 341 and registered under Chapter 342". As currently worded only motor vehicles are covered and we would instead like to have motor vehicles and trailers, etc covered.

On page 6 after line 3, can we insert 3 additional ways to provide notice?

(d) By sending a facsimile to the customer to the customer's last-known facsimile number.

(e) By sending an email to the customer at the customer's last-known email address.

(f) By regular US mail provided that the contract does NOT require the customer to notify the seller by certified mail of intent to cancel.

One last question, assuming under (4) a seller chooses not to use the manner of notice provided under (a) or (c) and instead uses the manner provided under (b) or the (d), (e) and (f) we propose above. In the event of a dispute over whether notice was given, if a seller has no proof they sent a regular letter, fax , email or that they walked into the customers place of business and left a notice – what recourse would a seller have to enforce contract terms?

Thank you.

Mike Tierney
Office of Senator Wirch

Gary, Aaron

From: Gary, Aaron
Sent: Friday, March 20, 2009 10:44 AM
To: Tierney, Michael
Cc: Sundberg, Christopher
Subject: RE: LRB 0915/2 amendment request

Hi Mike,

I'm looking at the first item below for Chris, and I just want to clarify what you want here. Vehicles are registered under ch. 341 and you can't register the vehicle unless it is titled, so I started to insert the language ".... lease of vehicles registered under ch. 341", but I'm not sure that language will meet your intent.

As background: As I'm sure you know, motor vehicle leases to consumers for a period of 4 months or more are subject to fairly extensive regulation under. ch. 429. Also under current law, the lessee (not the lessor) is required to register a vehicle under ch. 341 if the lease period is one year or more. Current law also provides that many smaller trailers are exempt from vehicle registration under ch. 341.

Since the item below is an exception to the "business contract" definition, drafting the exception too narrowly would mean that the "business contract" definition might cover more than you want it to. For example, the language above (".... lease of vehicles registered under ch. 341") would mean contracts for the lease of trailers weighing 3,000 pounds or less would be subject to the "business contract" provisions. Is this your intent? If not, do you want the exception to simply apply to all vehicles? Or do you want the exception to apply to all vehicles manufactured for on-highway operation?

Thanks for any additional guidance you can provide.

Aaron

3/20/09 tlc w/ Mike
- wants exception to apply to all vehicles, whether registered or not, including off-road vehicles such as dirt bikes, ATVs, snowmobiles
- "any vehicle"

Aaron R. Gary
Attorney, Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us

From: Tierney, Michael
Sent: Thursday, March 19, 2009 1:56 PM
To: Sundberg, Christopher
Subject: LRB 0915/2 amendment request

Hi Chris –

Could you put together an amendment for LRB 0915/2?

On page 3 line 1 we would like to make this provision cover "a contract for the lease of vehicles that are titled under Chapter 341 and registered under Chapter 342". As currently worded only motor vehicles are covered and we would instead like to have motor vehicles and trailers, etc covered.

On page 6 after line 3, can we insert 3 additional ways to provide notice?

(d) By sending a facsimile to the customer to the customer's last-known facsimile number.

(e) By sending an email to the customer at the customer's last-known email address.

(f) By regular US mail provided that the contract does NOT require the customer to notify the seller by certified mail of intent to cancel.

State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0915/2
CTS:nwn:rs

2009 BILL

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

Analysis by the Legislative Reference Bureau

Under current law, a landlord may not enforce an automatic renewal or extension clause in a residential lease unless the landlord provides advance written notice of the renewal or extension. This bill creates similar requirements for certain contracts for the lease of business equipment or for providing business services (business contracts), if the contracts have an initial term of more than one year. The bill exempts contracts for the lease or purchase of real property, certain contracts that require the customer to make minimum annual payments of $250,000 or more, contracts for the lease of motor vehicles or medical equipment, and certain energy and telecommunications contracts.

Under the bill, if a business contract provides that the contract will be automatically renewed or extended for an additional contract period of more than one month unless the customer declines renewal or extension, the seller must provide the customer with a disclosure form. The form must contain certain information regarding a renewal or extension, including the duration of an additional contract period, whether increased charges to the customer would apply, and the deadline for the customer to act to prevent an additional contract period.

Also under the bill, if a business contract provides that an automatic renewal or extension results in an additional contract period of more than one year, the seller must give the customer a reminder notice prior to renewal or extension. The reminder notice must contain specified information regarding a renewal or extension

and generally must be provided by mail, by personal delivery, or in a monthly invoice. The bill also voids a business contract provision that requires a customer to permit the seller to match any offer the customer receives from, or makes to, another seller after the end of the contract's stated term (right to match provision).

If a seller fails to comply with the bill's disclosure or reminder notice requirements, the automatic renewal or extension provision is unenforceable and the contract terminates at the end of the current contract term. Also, if a seller fails to comply with the reminder notice requirements or attempts to enforce a right to match provision, the bill allows a customer to bring an action or counterclaim for damages. In such an action or counterclaim, a seller is not liable if: 1) the seller has established and implemented written procedures for complying with the reminder notice requirements and the prohibition against right to match provisions; 2) the seller's conduct was not willful or malicious; and 3) the seller refunds amounts the customer paid after the contract was renewed or extended.

by facsimile, or by electronic mail

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

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

134.49 Renewals and extensions of business contracts. (1) DEFINITIONS. In this section:

(a) "Business contract" means a contract that is entered into for the lease of business equipment or for providing business services, if the contract is for the direct benefit of the end user of the business equipment or business services. "Business contract" does not include any of the following:

1. A contract in which a customer agrees to purchase from a seller an undetermined amount of business services or lease from the seller an undetermined amount of business equipment, and agrees to pay the seller based on the amount of business services received or business equipment leased, subject to a predetermined minimum payment in a 12-month period specified in the contract, if the predetermined minimum payment is $250,000 or more.

2. A contract for the lease or purchase of real property.

1 3. A contract for the lease of a motor vehicle.

2 4. A contract for the lease of medical equipment.

3 5. A contract derived from a tariff issued by an energy utility, as defined in s.
4 196.027 (1) (c).

5 6. A contract for the lease of equipment that is for personal, family, or household
6 purposes.

7 7. A contract for the purchase of services that are for personal, family, or
8 household purposes.

9 8. A contract for the lease or purchase of access service, as defined in s. 196.01
10 (1b).

11 9. An interconnection agreement, as defined in s. 196.01 (3b), or a contract or
12 agreement offered by a telecommunications utility, as defined in s. 196.01 (10), to
13 meet obligations imposed on the telecommunications utility under 47 USC 151 to
14 276.

15 10. A contract for the lease or purchase of telecommunications service, as
16 defined in s. 196.01 (9m), including commercial mobile service, as defined in s. 196.01
17 (2i), if the contract permits the lessee or purchaser to terminate the contract after an
18 automatic renewal by giving written notice, permits the termination to take effect
19 not more than one month after receipt of the written notice, and permits a
20 termination without liability for fees or penalties other than a payment for services
21 or equipment used during the period before the termination takes effect, if the
22 amount of the payment is one of the following:

23 a. The amount of the periodic payment due under the contract multiplied by
24 the number of periods during which the services or equipment are provided before
25 the termination takes effect.

b. If the contract does not provide for periodic payments, a portion of the amount due under the contract that is proportional to the portion of the renewed contract term that elapsed before the termination takes effect.

(b) "Customer" means a person who conducts business in this state and who is the lessee under a business contract that is entered into for the lease of business equipment or the purchaser under a business contract that is entered into for the purchase of business services.

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

(2) DISCLOSURE REQUIRED. (a) If a business contract provides that the contract will be automatically renewed or extended for an additional period unless the customer declines renewal or extension, and the duration of the additional period is more than one month, the seller shall, at the time the customer enters into the contract, present to the customer a copy of a disclosure form under par. (b) and obtain the customer's signature on the form.

(b) A disclosure form required under par. (a) shall contain all of the following:

1. A statement that the contract will be renewed or extended unless the customer declines renewal or extension.

2. A statement indicating the duration of the additional contract period that would result from an automatic renewal or extension period.

3. A statement indicating whether an increase in charges to the customer will apply upon an automatic renewal or extension.

4. A description of action the customer must take to decline renewal or extension.

5. The date of the deadline for the customer to decline renewal or extension.

(c) If a seller fails to comply with par. (a), an automatic renewal or extension provision in the contract is not enforceable, and the contract terminates at the end of the current contract term.

(3) NOTICE REQUIRED. If a business contract that has an initial term of more than one year provides that the contract will be automatically renewed or extended for an additional term of more than one year, unless the customer declines renewal or extension, the provision is not enforceable against the customer and the contract will terminate at the end of the current contract term unless the seller provides to the customer, at least 15 days but not more than 45 days before the deadline for the customer to decline renewal or extension, a written notice containing all of the following:

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

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

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

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

(4) MANNER OF GIVING NOTICE. A seller or a person acting on behalf of the seller shall give the written notice required under sub. (3) by any of the following methods:

(a) By mailing a copy of the notice by registered or certified mail to the customer at the customer's last-known business address.

(b) By giving a copy of the notice personally to an owner, officer, director, or managing agent of the customer's business.

(a) By mailing a copy of the notice by regular US mail to the customer at the customer's last-known business address, unless the contract requires the customer to notify the seller by certified mail of the customer's intent to cancel.

(c) By including the notice on the first page of a monthly invoice sent to the customer. Notice under this paragraph shall be prominently displayed in bold face type and in a type size no smaller than 12–point.

(5) UNENFORCEABLE TERMS. No business contract between a seller and a customer may require that the customer permit the seller to match any offer the customer receives from or makes to another seller for services to be provided after the end of the stated term of the contract or renewal period of the contract. A provision in a business contract that violates this subsection is void and unenforceable.

(6) REMEDIES. (a) Subject to par. (b), if a seller attempts to enforce a provision in a business contract that is void and unenforceable under sub. (5), or to which subs. (3) and (4) apply and for which subs. (3) and (4) have not been complied with, the customer may commence an action or may file a counterclaim against the seller for either of the following:

1. An amount that equals twice the amount of the damages incurred by the customer.

2. An amount that equals twice the amount of the periodic payment specified in the contract or $1,000, whichever is less.

(b) A seller is not liable in an action or counterclaim under par. (a) if the court finds all of the following:

1. The seller has established and implemented written procedures for complying with this section.

2. The seller's failure to comply with subs. (3) and (4), or the seller's attempt to enforce a provision that is void and unenforceable under sub. (5), was not willful or malicious.

1 3. The seller has refunded any amounts paid by the customer after the date of
2 the renewal or extension until the date on which the business contract is terminated
3 or until the date the seller provides a subsequent notice of renewal or extension,
4 whichever is earlier.

5 (c) Notwithstanding the limitations in s. 814.04 (1), the court shall award a
6 customer who prevails in an action or counterclaim under this subsection costs,
7 including reasonable attorney fees.

8 **SECTION 2. Initial applicability.**

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

12 **SECTION 3. Effective date.**

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

15 **(END)**

Insert 6-3:

(d) By sending a facsimile to the customer to the customer's last-known facsimile number.

(e) By sending an electronic mail message to the customer at the customer's last-known electronic mail address.

(f) By regular US mail, unless the contract requires the customer to notify the seller by certified mail of the customer's intent to cancel.

END INS 6-3

Duerst, Christina

From: Tierney, Michael
Sent: Monday, March 23, 2009 10:20 AM
To: LRB.Legal
Subject: Draft Review: LRB 09-0915/3 Topic: Automatic renewal clauses in contracts for business services or business equipment

Please Jacket LRB 09-0915/3 for the SENATE.

Sundberg, Christopher

From: Tierney, Michael
Sent: Thursday, April 30, 2009 11:39 AM
To: Sundberg, Christopher
Subject: LRB 0915/3

Hi Chris –

We hadn't introduced the bill yet, so I am going to send the jacket back to you so we can have a /4 with 3 changes.

✓1. We would like to exempt contracts where the language in the contract specifies that the customer has the ability to terminate a contract that has renewed or extended by providing 30 day notice. We don't want to say that they have to be able to terminate the initial contract term – only that they have to be allowed to terminate when the initial contract timeframe is complete and the contract is considered renewed or extended.

✓2. On page 3, line 17, insert after "if the contract" : "is a contract derived from a tariff issued by a telecommunications provider, as defined in s. 196.01(8p), or"

3. Finally, it was our interpretation that under the "disclosure required" section the requirements under (b) could be included in the text of the contract. It has been suggested that we clarify this by adding on page 4, line 15 after the words 'customer's signature on the form" ",or conspicuously include the disclosures listed in par. (b) in the contract."

We would not have a problem with this suggestion – provided that we did not negate the need for a customer signature or initials to ensure the customer is aware of the renewal or extension terms.

If a company presently has this disclosure language in their contracts, but no specific space for a customer to sign or initial – can a company simply sign or initial in the margin or over the text of the disclosure language? I'm just thinking that if we make this change some company will undoubtedly come along and raise a concern about not having a signature space next to the terms on their contracts and having to redesign the contract.

Thank you.

Mike Tierney
Office of Senator Wirch

267-8979

Ps thank you for the email regarding the auto warranty draft request. I am checking with the Senator on it.

In: 4/30/09 SOON

State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0915/3 4 RMNR
CTS:nwn:rs

2009 BILL

and contracts that permit a customer to cancel an automatically renewed or extended contract period by giving notice up to 30 days in advance

SA

Regen.

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

Analysis by the Legislative Reference Bureau

Under current law, a landlord may not enforce an automatic renewal or extension clause in a residential lease unless the landlord provides advance written notice of the renewal or extension. This bill creates similar requirements for certain contracts for the lease of business equipment or for providing business services (business contracts), if the contracts have an initial term of more than one year. The bill exempts contracts for the lease or purchase of real property, certain contracts that require the customer to make minimum annual payments of $250,000 or more, contracts for the lease of vehicles or medical equipment, and certain energy and telecommunications contracts.

Under the bill, if a business contract provides that the contract will be automatically renewed or extended for an additional contract period of more than one month unless the customer declines renewal or extension, the seller must provide the customer with a disclosure form. The form must contain certain information regarding a renewal or extension, including the duration of an additional contract period, whether increased charges to the customer would apply, and the deadline for the customer to act to prevent an additional contract period.

disclosures include

Also under the bill, if a business contract provides that an automatic renewal or extension results in an additional contract period of more than one year, the seller must give the customer a reminder notice prior to renewal or extension. The reminder notice must contain specified information regarding a renewal or extension

containing certain disclosures or include the disclosures in the contract and obtain the customer's initials

and generally must be provided by mail, by personal delivery, in a monthly invoice, by a facsimile, or by electronic mail. The bill also voids a business contract provision that requires a customer to permit the seller to match any offer the customer receives from, or makes to, another seller after the end of the contract's stated term (right to match provision).

If a seller fails to comply with the bill's disclosure or reminder notice requirements, the automatic renewal or extension provision is unenforceable and the contract terminates at the end of the current contract term. Also, if a seller fails to comply with the reminder notice requirements or attempts to enforce a right to match provision, the bill allows a customer to bring an action or counterclaim for damages. In such an action or counterclaim, a seller is not liable if: 1) the seller has established and implemented written procedures for complying with the reminder notice requirements and the prohibition against right to match provisions; 2) the seller's conduct was not willful or malicious; and 3) the seller refunds amounts the customer paid after the contract was renewed or extended.

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

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

2 **134.49 Renewals and extensions of business contracts. (1)** DEFINITIONS.
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10 amount of business equipment, and agrees to pay the seller based on the amount of
11 business services received or business equipment leased, subject to a predetermined
12 minimum payment in a 12-month period specified in the contract, if the
13 predetermined minimum payment is $250,000 or more.

14 2. A contract for the lease or purchase of real property.

3. A contract for the lease of a vehicle.

4. A contract for the lease of medical equipment.

5. A contract derived from a tariff issued by an energy utility, as defined in s. 196.027 (1) (c).

6. A contract for the lease of equipment that is for personal, family, or household purposes.

7. A contract for the purchase of services that are for personal, family, or household purposes.

8. A contract for the lease or purchase of access service, as defined in s. 196.01 (1b).

9. An interconnection agreement, as defined in s. 196.01 (3b), or a contract or agreement offered by a telecommunications utility, as defined in s. 196.01 (10), to meet obligations imposed on the telecommunications utility under 47 USC 151 to 276.

10. A contract for the lease or purchase of telecommunications service, as defined in s. 196.01 (9m), including commercial mobile service, as defined in s. 196.01 (2i), if the contract permits the lessee or purchaser to terminate the contract after an automatic renewal by giving written notice, permits the termination to take effect not more than one month after receipt of the written notice, and permits a termination without liability for fees or penalties other than a payment for services or equipment used during the period before the termination takes effect, if the amount of the payment is one of the following:

a. The amount of the periodic payment due under the contract multiplied by the number of periods during which the services or equipment are provided before the termination takes effect.

is derived from a tariff issued by a telecommunications provider, as defined in s. 196.01 (8p), or if the contract

INS 4-3

b. If the contract does not provide for periodic payments, a portion of the amount due under the contract that is proportional to the portion of the renewed contract term that elapsed before the termination takes effect.

(b) "Customer" means a person who conducts business in this state and who is the lessee under a business contract that is entered into for the lease of business equipment or the purchaser under a business contract that is entered into for the purchase of business services.

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

INS 4-13

(2) DISCLOSURE REQUIRED. (a) If a business contract provides that the contract will be automatically renewed or extended for an additional period unless the customer declines renewal or extension, and the duration of the additional period is more than one month, the seller shall, at the time the customer enters into the contract, present to the customer a copy of a disclosure form under par. (b) and obtain the customer's signature on the form.

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4. A description of action the customer must take to decline renewal or extension.

5. The date of the deadline for the customer to decline renewal or extension.

1 (c) If a seller fails to comply with par. (a), an automatic renewal or extension
2 provision in the contract is not enforceable, and the contract terminates at the end
3 of the current contract term.

4 **(3)** NOTICE REQUIRED. If a business contract that has an initial term of more
5 than one year provides that the contract will be automatically renewed or extended
6 for an additional term of more than one year, unless the customer declines renewal
7 or extension, the provision is not enforceable against the customer and the contract
8 will terminate at the end of the current contract term unless the seller provides to
9 the customer, at least 15 days but not more than 45 days before the deadline for the
10 customer to decline renewal or extension, a written notice containing all of the
11 following:

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

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

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

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

19 **(4)** MANNER OF GIVING NOTICE. A seller or a person acting on behalf of the seller
20 shall give the written notice required under sub. (3) by any of the following methods:

21 (a) By mailing a copy of the notice by regular U.S. mail to the customer at the
22 customer's last-known business address, unless the contract requires the customer
23 to notify the seller by certified mail of the customer's intent to cancel.

24 (b) By mailing a copy of the notice by registered or certified mail to the customer
25 at the customer's last-known business address.

1 (c) By giving a copy of the notice personally to an owner, officer, director, or
2 managing agent of the customer's business.
3 (d) By including the notice on the first page of a monthly invoice sent to the
4 customer. Notice under this paragraph shall be prominently displayed in bold face
5 type and in a type size no smaller than 12-point.
6 (e) By sending a facsimile to the customer to the customer's last-known
7 facsimile number.
8 (f) By sending an electronic mail message to the customer at the customer's
9 last-known electronic mail address.
10 **(5)** UNENFORCEABLE TERMS. No business contract between a seller and a
11 customer may require that the customer permit the seller to match any offer the
12 customer receives from or makes to another seller for services to be provided after
13 the end of the stated term of the contract or renewal period of the contract. A
14 provision in a business contract that violates this subsection is void and
15 unenforceable.
16 **(6)** REMEDIES. (a) Subject to par. (b), if a seller attempts to enforce a provision
17 in a business contract that is void and unenforceable under sub. (5), or to which subs.
18 (3) and (4) apply and for which subs. (3) and (4) have not been complied with, the
19 customer may commence an action or may file a counterclaim against the seller for
20 either of the following:
21 1. An amount that equals twice the amount of the damages incurred by the
22 customer.
23 2. An amount that equals twice the amount of the periodic payment specified
24 in the contract or $1,000, whichever is less.

1 (b) A seller is not liable in an action or counterclaim under par. (a) if the court
2 finds all of the following:
3 1. The seller has established and implemented written procedures for
4 complying with this section.
5 2. The seller's failure to comply with subs. (3) and (4), or the seller's attempt
6 to enforce a provision that is void and unenforceable under sub. (5), was not willful
7 or malicious.
8 3. The seller has refunded any amounts paid by the customer after the date of
9 the renewal or extension until the date on which the business contract is terminated
10 or until the date the seller provides a subsequent notice of renewal or extension,
11 whichever is earlier.
12 (c) Notwithstanding the limitations in s. 814.04 (1), the court shall award a
13 customer who prevails in an action or counterclaim under this subsection costs,
14 including reasonable attorney fees.
15 **SECTION 2. Initial applicability.**
16 (1) This act first applies to contracts for the lease of business equipment or for
17 providing business services that are entered into, modified, or renewed on the
18 effective date of this subsection.
19 **SECTION 3. Effective date.**
20 (1) This act takes effect on the first day of the 12th month beginning after
21 publication.
22 **(END)**

Insert 4-3:

11. A contract that permits a customer to terminate an automatically renewed or extended contract period by giving the seller notice of the customer's intention to terminate the contract period, if the contract does not require the customer to give notice to the seller more than 30 days before the date of the customer's intended termination.

Insert 4-13:

do one of the following:

1. At the time the customer enters into the contract, present to the customer a copy of a form including the disclosures required under par. (b) and obtain the customer's signature on the form.

2. Include the disclosures required under par. (b) in the contract in a conspicuous manner and obtain the customer's initials on the contract on a page on which one or more of the disclosures appear.

a disclosure appears