



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2009 Wisconsin Act 115
[2009 Senate Bill 242]

Future Service Contracts

The Department of Agriculture, Trade and Consumer Protection (DATCP) regulates future service contracts, which provide a customer the right to purchase goods or services or to rent video recordings from a contractor. These arrangements are sometimes referred to as “buyers clubs.”

Act 115 creates a new category of future service contracts which may be of longer term than those permitted under prior law.

Under Act 115, a future service contract may be up to three years in length if all of the following requirements are met:

- The contract is in writing.
- The contract may be extended only if the customer affirmatively agrees to an extension in writing at the time of the extension.
- The contract grants the customer rights against a successor to the contractor’s interests.
- The customer may cancel the contract without penalty until midnight on the third day after entering into the contract and receive a refund of the entire amount paid.
- The notice of the right to cancel and receive a refund is on a separate page in the contract.
- The customer may cancel an order and receive a refund if the order is not delivered by the date it was promised or to the address where the customer requested delivery.
- The contractor maintains a \$25,000 bond to cover customers who lose amounts prepaid because the contractor has become insolvent or has ceased to conduct business or failed to make a required refund to a customer.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.state.wi.us/>.

The Act also clarifies how a surety's liability on a bond may be enforced when a final judgment is obtained against a contractor.

Effective date: February 25, 2010.

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