

2019 DRAFTING REQUEST**Bill**

For: **Joe Sanfelippo (608) 266-0620** Drafter: **kpaczusk**
 By: **Josh** Secondary Drafters:
 Date: **9/24/2019** May Contact:
 Same as LRB: **-2877**

Submit via email: **YES**
 Requester's email: **Rep.Sanfelippo@legis.wisconsin.gov**
 Carbon copy (CC) to: **mary.pfotenhauer@legis.wisconsin.gov**
konrad.paczuski@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Allowing automatic renewals of contracts for the sale of industrial gas

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	kpaczusk 9/24/2019		dwalker 9/24/2019	dwalker 9/24/2019	

FE Sent For:

Not Needed

<END>

Paczuski, Konrad

From: Rep.Sanfelippo <Rep.Sanfelippo@legis.wisconsin.gov>
Sent: Tuesday, September 24, 2019 11:01 AM
To: Paczuski, Konrad <Konrad.Paczuski@legis.wisconsin.gov>
Cc: Lonergan, Sandy <Sandy.Lonergan@legis.wisconsin.gov>; Kolodziejczyk, Dominik <Dominik.Kolodziejczyk@legis.wisconsin.gov>
Subject: FW: co-sponsor LRB-2877/1: automatic renewal of contracts involving industrial gases and related equipment

Good morning, Konrad. Would you please send us an Assembly version of LRB 2877? Thank you.

Best regards,

Josh Hoisington
Office of Representative Joe Sanfelippo
15th Assembly District
608.266.0620

Follow **Rep. Sanfelippo** on Facebook and Twitter.

NOTE: Emails sent to and from this account may be subject to open records requests and should not be considered private.

From: Sen.Kooyenga <Sen.Kooyenga@legis.wisconsin.gov>
Sent: Thursday, September 12, 2019 2:51 PM
To: *Legislative All Assembly <ALLASM@legis.wisconsin.gov>; *Legislative All Senate <ALLSEN@legis.wisconsin.gov>
Subject: co-sponsor LRB-2877/1: automatic renewal of contracts involving industrial gases and related equipment

TO: Legislative Colleagues
FR: Senators Dale Kooyenga and Robert Wirch
Representative Joe Sanfelippo
RE: LRB-2877/1: automatic renewal of contracts involving industrial gases and related equipment

Deadline: Friday, September 20, 2019

In 2009 the legislature passed WI Act 192 creating a new statute (134.49) that regulates business-to-business automatic renewal contract clauses for the lease of business equipment or providing business services. The legislation appeared to be prompted by some businesses complaining about "hidden" renewal clauses for services and/or leases of product, typically fax machines, copiers and other equipment. It contained numerous exemptions to the law, including the exemption of certain telecom services and contracts for elevator or escalator systems.

This legislation creates an additional exemption and provides clarity for industrial and specialty gas suppliers who sell goods rather than services or equipment. The original intent of 2009 Act 192 was for equipment and services, and these suppliers of gases (molecules) should not be considered equipment, but rather goods.

The terms of the standard industrial product supply agreement require a year notice of cancellation due to the complicated logistics of removing a gas supply system. Cranes and specialized workers are needed and therefore a need for a significant amount of time to schedule such work. Additionally, the standard contract does not "hide" the auto renewal clause. It is clearly laid out in the term section of the contract.

The agreements between the industrial gas suppliers and their customers are for the sale of goods. Industrial gas suppliers sell gases. The supply system delivering the gases sold is owned by the industrial gas supplier, not by the customer. Typically customers and the industrial supplier have contracts that rollover because of the complicated nature of the systems and the need for the continued, and uninterrupted, supply of these types of gases.

The legislature already has a list of 14 exceptions to the statute so it must not have intended to cover all business to business contracts.

The proposed statute change is to add contracts for the sale of industrial gases to the list of current exemptions. Wis. Statute 134.49 (1) (a) 15 would be created to read:

A contract providing for the supply of industrial, medical, or other gases in any form, including for the lease, service or use of cylinders, tanks, hard goods, or other related equipment involved in supplying the gases.

If you would like to co-sponsor this bill, please respond to this email or contact Senator Kooyenga's office at 6-2512 or Representative Sanfelippo's office at 6-0620.

Deadline: Friday, September 20, 2019

Analysis by the Legislative Reference Bureau

Under current law, subject to several exceptions, a contract for the lease of business equipment or for providing business services may not be automatically renewed or extended unless certain disclosures are made to the customer at the time the contract is entered into and the seller provides a reminder notice satisfying certain requirements to the customer near the end of the contract period.

This bill specifies that the disclosure and reminder notice requirements for automatic renewal or extension of business equipment or services contracts do not apply to a contract for the supply of industrial, medical, or other gases, including for the lease, service, or use of equipment involved in supplying the gases.

Walker, Dan

From: Hoisington, Joshua
Sent: Tuesday, September 24, 2019 11:29 AM
To: LRB.Legal
Subject: Draft Review: LRB -4443/1

Please Jacket LRB -4443/1 for the ASSEMBLY.