



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2013 Wisconsin Act 24
[2013 Assembly Bill 81]

**Contracts for Exterior Home
Improvements**

2013 Wisconsin Act 24 relates to contracting with residential contractors. The Act creates specific trade practice requirements that apply to a contract to repair or replace a roof system, or to perform any other exterior repair, replacement, construction, or reconstruction for a single-family or two-unit residential property.

First, the Act prohibits a contractor from promising to pay or rebate all, or any portion, of a property insurance deductible as an incentive to enter into a written or oral contract for exterior repair.

Second, the Act specifies that a customer who has entered into a written contract for exterior repair has a right to cancel the contract within three days after the customer has received notice from the insurer that a claim for the work has been denied in whole or in part. A contractor must return all money paid, including fees, within 10 days of receiving a cancellation, but is entitled to compensation for authorized emergency services. The Act provides certain format, language, and timing requirements for the contractor's notice to the customer of the right to cancel. Included in the requirements, the Act specifies that before entering into any contract for exterior repair, a customer must indicate whether, to the best of the customer's knowledge, the work is related to an insurance claim.

Third, the Act prohibits a contractor from representing a customer, or negotiating on behalf of a customer, regarding an insurance claim for the work. The Act specifies, however, that with the customer's express consent, a contractor may discuss the damage to the customer's property, or the estimate or any options for the repair work, with the insurer's representative.

Under the Act, the penalty for violating these requirements is a forfeiture between \$500 and \$1,000, for each violation.

Effective date: 2013 Wisconsin Act 24 takes effect on January 1, 2014, and applies to exterior home improvement contracts entered into on or after that date.

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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.wisconsin.gov>.