

2003 SENATE BILL 511

March 1, 2004 – Introduced by Senators REYNOLDS, BROWN, LASSA, COWLES and SCHULTZ, cosponsored by Representatives GUNDERSON, MUSSER, VAN ROY, KESTELL, HINES, NASS, PLOUFF, GRONEMUS and PETROWSKI. Referred to Committee on Labor, Small Business Development and Consumer Affairs.

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

Analysis by the Legislative Reference Bureau

Under current law, a provision in a landlord–tenant lease that states that the lease will be automatically renewed or extended unless the tenant or landlord gives notice to the contrary 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 the same provisions for leases of business equipment and for contracts providing business services.

Current law also specifies the methods a landlord may use in providing the reminder notice. This bill creates similar methods for lessors of business equipment and providers of business services to use. These methods include giving a copy of the notice personally to the lessee of the equipment or the recipient of the services and mailing by registered or certified mail a copy of the notice to the lessee's or recipient's last-known business address.

The bill also specifies remedies that are available to a customer if the business contract does not comply with the provisions created in this bill.

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

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

SENATE BILL 511

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

2 In this section:

3 (a) “Business contract” means a contract entered into for the lease of business
4 equipment or for providing business services.

5 (c) “Customer” means the lessee under a business contract that is entered into
6 for the lease of business equipment or the purchaser under a business contract that
7 is entered into for the purchase of business services.

8 (d) “Seller” means the provider of a business service or the lessor of business
9 equipment under a business contract.

10 **(2) NOTICE REQUIRED.** A provision in a business contract that the business
11 contract shall be automatically renewed or extended for a specified period unless
12 either party gives notice to the contrary before the end of the business contract is not
13 enforceable against the customer unless the seller, at least 15 days but not more than
14 30 days before the time specified for the giving of such notice to the customer, gives
15 to the customer written notice that calls the attention of the customer to the existence
16 of the provision in the business contract for automatic renewal or extension.

17 **(3) MANNER OF GIVING NOTICE.** A seller or a person acting on behalf of the seller
18 shall give the written notice required under sub. (2) by one of the following methods:

19 (a) By giving a copy of the notice personally to the customer or by leaving a copy
20 at the customer’s usual place of business in the presence of a competent employee of
21 the customer’s business and by informing the employee of the contents of the notice.

22 (b) By giving a copy of the notice to any competent person who is apparently
23 responsible for the business equipment or for the use of the business service that is
24 subject to the business contract and mailing a copy of the notice by regular mail to
25 the customer’s last-known business address.

SENATE BILL 511

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

3 **(4) REMEDIES.** (a) If a seller attempts to enforce a provision in a business
4 contract to which subs. (2) and (3) apply and for which subs. (2) and (3) have not been
5 complied with, the customer may commence an action or may file a counterclaim
6 against the seller for either of the following:

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

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

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

SECTION 2. Initial applicability.

14 (1) This act first applies to contracts for the lease of business equipment or for
15 providing business services that are entered into on the effective date of this
16 subsection.
17

SECTION 3. Effective date.

18 (1) This act takes effect on the first day of the 7th month beginning after
19 publication.
20

21 (END)