

2005 ASSEMBLY BILL 181

March 10, 2005 – Introduced by Representatives VAN ROY, KERKMAN, VOS, HAHN, BALLWEG, GRONEMUS, GARD, TOWNSEND, VRAKAS, KRAWCZYK, JESKEWITZ, HUNDERTMARK, MUSSER, MURSAU, KAUFERT, GUNDERSON, WOOD, PETTIS and PETROWSKI, cosponsored by Senators REYNOLDS, KANAVAS, LASSA, COWLES, MILLER and ROESSLER. Referred to Committee on Small Business.

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 if a landlord-tenant lease provides that the lease will be automatically renewed or extended unless the tenant or landlord gives notice to the contrary, that provision 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 an identical limitation for leases of business equipment and for contracts providing business services.

Current law also specifies the methods a landlord may use to provide the reminder notice. This bill specifies that a provider of business services or lessor of business equipment may give notice to a purchaser of business services or lessee of business equipment (customer) by sending the notice by registered or certified mail to the customer's last-known address, or by giving a copy of the notice personally to an owner, officer, director, or managing agent of the customer's business.

The bill also permits a customer to commence an action for damages against a lessor of business equipment or provider of business services who fails to comply with the notice requirements.

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

ASSEMBLY BILL 181

SECTION 1

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 entered into for the lease of business
5 equipment or for providing business services.

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

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

11 **(2) NOTICE REQUIRED.** If a business contract provides that the contract will be
12 automatically renewed or extended unless the customer declines renewal or
13 extension, the provision is not enforceable against the customer unless the seller, at
14 least 15 days but not more than 30 days before the deadline for the customer to
15 decline renewal or extension, provides a written notice to the customer containing
16 all of the following:

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

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

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

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

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

