

**2005 DRAFTING REQUEST**

**Bill**

Received: **02/18/2005**

Received By: **csundber**

Wanted: **As time permits**

Identical to LRB:

For: **Karl Van Roy (608) 266-0616**

By/Representing: **Tanya Hein**

This file may be shown to any legislator: **NO**

Drafter: **csundber**

May Contact:

Addl. Drafters:

Subject: **Trade Regulation - other**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.VanRoy@legis.state.wi.us**

Carbon copy (CC:) to:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Automatic renewal clauses in contracts for business services or business equipment

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**Instructions:**

Identical to LRB-0017/5

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	csundber 02/18/2005	wjackson 02/18/2005		_____			
/1			jfrantze 02/21/2005	_____	lemery 02/21/2005	lnorthro 02/21/2005	

FE Sent For:

<END>

↳ Not Needed

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FE Sent For:

<END>

2193/1

**2005 BILL**

In: 2/18/05  
Due soon, please

D-note

1 AN ACT <sup>Regen</sup> 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:***

**BILL**

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.



**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-2193/1dn

CTS:.....

WJ

Representative Van Roy:

This draft is identical to LRB-0017/3. Please contact me if you have any questions.

Christopher T. Sundberg  
Legislative Attorney  
Phone: (608) 266-9739  
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**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-2193/1dn  
CTS:wlj:jf

February 21, 2005

Representative Van Roy:

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Christopher T. Sundberg  
Legislative Attorney  
Phone: (608) 266-9739  
E-mail: [christopher.sundberg@legis.state.wi.us](mailto:christopher.sundberg@legis.state.wi.us)



**Northrop, Lori**

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**From:** Hein, Tanya  
**Sent:** Monday, February 21, 2005 10:55 AM  
**To:** LRB.Legal  
**Subject:** Draft review: LRB 05-2193/1 Topic: Automatic renewal clauses in contracts for business services or business equipment

It has been requested by <Hein, Tanya> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB 05-2193/1 Topic: Automatic renewal clauses in contracts for business services or business equipment