### 2005 DRAFTING REQUEST

Bill

FE Sent For:

C>> Not Needed

 $V_{\lambda}$ 

| Wanted: As time permits           |                        |                        |                        |                 | Received By: csunaber       |                        |          |  |  |
|-----------------------------------|------------------------|------------------------|------------------------|-----------------|-----------------------------|------------------------|----------|--|--|
|                                   |                        |                        |                        |                 | Identical to LRB:           |                        |          |  |  |
| For: Karl Van Roy (608) 266-0616  |                        |                        |                        |                 | By/Representing: Tanya Hein |                        |          |  |  |
| This file                         | e may be shown         | to any legislate       | or: NO                 |                 | Drafter: csundber           |                        |          |  |  |
| May Co                            | ntact:                 |                        |                        | Addl. Drafters: |                             |                        |          |  |  |
| Subject: Trade Regulation - other |                        |                        |                        |                 | Extra Copies:               |                        |          |  |  |
| Submit                            | via email: YES         |                        |                        |                 |                             |                        |          |  |  |
| Request                           | er's email:            | Rep.VanR               | oy@legis.st            | ate.wi.us       |                             |                        |          |  |  |
| Carbon                            | copy (CC:) to:         |                        |                        |                 |                             |                        |          |  |  |
| Pre To                            | pic:                   |                        |                        |                 |                             |                        |          |  |  |
| No spec                           | ific pre topic gi      | ven                    |                        |                 |                             |                        |          |  |  |
| Topic:                            |                        |                        |                        |                 |                             | <u></u>                |          |  |  |
| Automa                            | tic renewal clau       | ises in contract       | s for busines          | ss services or  | business equipme            | ent                    |          |  |  |
| Instruc                           | tions:                 |                        |                        |                 |                             |                        |          |  |  |
| Identica                          | l to LRB-0017/         | 5                      |                        |                 |                             |                        |          |  |  |
| Draftin                           | g History:             |                        | than the second second |                 |                             |                        |          |  |  |
| Vers.                             | Drafted                | Reviewed               | Typed                  | Proofed         | Submitted                   | <u>Jacketed</u>        | Required |  |  |
| /?                                | csundber<br>02/18/2005 | wjackson<br>02/18/2005 |                        |                 |                             |                        |          |  |  |
| /1                                |                        |                        | jfrantze<br>02/21/200  | 05              | lemery<br>02/21/2005        | lnorthro<br>02/21/2005 |          |  |  |
|                                   |                        |                        |                        |                 |                             |                        |          |  |  |

<END>

## 2005 DRAFTING REQUEST

#### Bill

| Received: 02/18/2005  Wanted: As time permits  For: Karl Van Roy (608) 266-0616  This file may be shown to any legislator: NO |                        |   |                      | Received By: csundber  Identical to LRB: |                   |          |          |  |
|---|------------------------|---|----------------------|--|-------------------|----------|----------|--|
|   |                        |   |                      |  |                   |          |          |  |
|   |                        |   |                      |  |                   |          |          |  |
|   |                        |   |                      | May Co                                   | ontact:           |          |          |  |
| Subject: Trade Regulation - other   |                        |   |                      | Extra Copies:                            |                   |          |          |  |
| Submit  | via email: YES         | 3                                       |                      |  |                   |          |          |  |
| Request   | ter's email:           | Rep.VanR                                | oy@legis.s           | tate.wi.us                               |                   |          |          |  |
| Carbon  | copy (CC:) to:         |   |                      |  |                   |          |          |  |
| Pre To  | pic:                   |   |                      |  |                   |          |          |  |
|   | rific pre topic g      | iven                                    |                      |  |                   |          |          |  |
| Topic: Automa   | tic renewal cla        | uses in contract                        | s for busine         | ss services or                           | business equipme  | ent      |          |  |
| Instruc   | tions:                 |   |                      |  |                   |          | ·        |  |
| Identica  | l to LRB-0017/         | 75                                      |                      |  |                   |          |          |  |
| Draftin   | g History:             | *************************************** |                      |  |                   |          |          |  |
| Vers.   | Drafted                | Reviewed                                | Typed                | Proofed                                  | Submitted         | Jacketed | Required |  |
| /?  | csundber<br>02/18/2005 | wjackson<br>02/18/2005                  |                      |  |                   |          |          |  |
| /1  |                        |   | jfrantze<br>02/21/20 | 05                                       | lemery 02/21/2005 |          |          |  |
| FE Sent   | For:                   |   |                      |  |                   |          |          |  |

<END>

#### 2005 DRAFTING REQUEST

Bill

Received: 02/18/2005

Wanted: As time permits

For: Karl Van Roy (608) 266-0616

This file may be shown to any legislator: NO

May Contact:

Subject:

**Trade Regulation - other** 

Received By: csundber

Identical to LRB:

By/Representing: Tanya Hein

Drafter: csundber

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email:

Rep.VanRoy@legis.state.wi.us

Carbon copy (CC:) to:

**Pre Topic:** 

No specific pre topic given

Topic:

Automatic renewal clauses in contracts for business services or business equipment

**Instructions:** 

Identical to LRB-0017/5

**Drafting History:** 

Vers. Drafted

Reviewed

Submitted

Jacketed

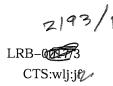
Required

/?

csundber

FE Sent For:

<END>



### **2005 BILL**

In: 2/18/05 Due soon, please

(D-note)

AN ACT to create 134.49 of the statutes; relating to: renewals and extensions

of business contracts.

1

2

#### 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

25

| 1  | <b>S</b> ECTION <b>1.</b> 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       |

managing agent of the customer's business.

BILL

| (4) REMEDIES. (a) If a seller attempts to enforce a provision in a business             |
|---|
| contract to which subs. (2) and (3) apply and for which subs. (2) and (3) have not been |
| complied with, the customer may commence an action or may file a counterclaim           |
| against the seller for either of the following:   |
| 1. An amount that equals twice the amount of the damages incurred by the                |
| customer.   |
| 2. An amount that equals twice the amount the periodic payment specified in             |
| the contract or \$1,000, whichever is less.   |
| (b) Notwithstanding the limitations in s. 814.04 (1), the court shall award a           |
| customer who prevails in an action or counterclaim under this subsection costs,         |
| including reasonable attorney fees.   |
| SECTION 2. Initial applicability.   |
| (1) This act first applies to contracts for the lease of business equipment or for      |
| providing business services that are entered into, modified, or renewed on the          |
| effective date of this subsection.  |
| Section 3. Effective date.  |
| (1) This act takes effect on the first day of the 7th month beginning after             |
| publication.  |

(END)

## DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-2193/1dn CTS:...:.. WLJ

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

E-mail: christopher.sundberg@legis.state.wi.us

# DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-2193/1dn CTS:wlj:jf

February 21, 2005

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

E-mail: christopher.sundberg@legis.state.wi.us

#### Northrop, Lori

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