

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2007 SENATE BILL 212**

February 19, 2008 – Offered by Representative MOULTON.

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

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:

4 **134.49 Renewals and extensions of business contracts. (1) DEFINITIONS.**

5 In this section:

6 (a) “Business contract” means a contract that is entered into for the lease of
7 business equipment or for providing business services, if the contract is for the direct
8 benefit of the end user of the business equipment or business services. “Business
9 contract” does not include any of the following:

10 1. A contract in which a customer agrees to predetermined minimum payments
11 in a 12–month period specified in the contract, if the total of the payments is \$12,000
12 or more.

1 2. A contract for the lease or purchase of real property.

2 3. A contract for the lease of a motor vehicle.

3 4. A contract for the lease of medical equipment.

4 5. A contract derived from a tariff issued by an energy utility, as defined in s.
5 196.027 (1) (c).

6 6. A contract for the lease of equipment or for the purchase of services, if the
7 equipment or services are for personal, family, or household purposes.

8 7. A contract for the lease or purchase of access service, as defined in s. 196.01
9 (1b).

10 8. An interconnection agreement, as defined in s. 196.01 (3b), or a contract or
11 agreement offered by a telecommunications utility, as defined in s. 196.01 (10), to
12 meet an obligation imposed on the telecommunications utility under 47 USC 151 to
13 276.

14 9. A contract for the lease or purchase of telecommunications service, as defined
15 in s. 196.01 (9m), including commercial mobile service, as defined in s. 196.01 (2i).

16 10. A contract for the lease or purchase of goods or services, if the contract
17 permits the lessee or purchaser to terminate the contract after an automatic renewal
18 by giving written or electronic notice, permits the termination to take effect not more
19 than one month after receipt of the written or electronic notice, and permits a
20 termination without liability for fees or penalties other than a payment for
21 equipment or services used during the period before the termination takes effect.

22 11. A contract for the lease of agriculture equipment, construction equipment,
23 forestry equipment, or commercial use lawn and grounds care equipment.

24 (b) “Customer” means a person who is authorized to do business in this state
25 and who is the lessee under a business contract that is entered into for the lease of

1 business equipment located in this state or the purchaser under a business contract
2 that is entered into for the purchase of business services to be performed in this state.

3 (c) “Seller” means the provider of a business service or the lessor of business
4 equipment under a business contract to be performed in this state.

5 **(2) UNENFORCEABILITY OF RENEWAL OR EXTENSION PROVISION.** (a) Subject to par.
6 (b), if a business contract provides that the business contract will be automatically
7 renewed or extended for an additional period that is longer than one year, the
8 renewal or extension provisions of the business contract are unenforceable and the
9 term of the business contract will expire at the end of the initial term of the business
10 contract, unless the seller or lessor does all of the following:

11 1. ‘Disclosure.’ Obtains, at the time the customer enters into the business
12 contract, written or electronic acknowledgement that the customer is aware of the
13 terms of the automatic renewal or extension provision in the business contract.

14 2. ‘Notice.’ Provides to the customer, at least 15 days but not more than 180
15 days before the beginning of the period in which the customer must decline renewal
16 or extension, a written or electronic notice that the business contract will be renewed
17 or extended.

18 (b) If a customer declines renewal or extension as required under the business
19 contract before the seller or lessor provides to the customer notice of the renewal or
20 extension of the business contract, the seller or lessor is not required to provide notice
21 under par. (a) 2.

22 **(3) SEVERABILITY.** The unenforceability of a renewal or extension provision of
23 a business contract under sub. (2) does not affect the enforceability of the remainder
24 of the business contract’s provisions.

25 **SECTION 2. Initial applicability.**

