

2007 DRAFTING REQUEST

Assembly Substitute Amendment (ASA-SB212)

Received: **02/04/2008**

Received By: **csundber**

Wanted: **As time permits**

Identical to LRB:

For: **Terry Moulton (608) 266-9172**

By/Representing: **Matthew Seaholm**

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.Moulton@legis.wisconsin.gov**

Carbon copy (CC:) to: **christopher.sundberg@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Additional exemptions, extend notice to 180 days

Instructions:

See Attached

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 02/04/2008	wjackson 02/06/2008		_____			
/1	csundber 02/08/2008	wjackson 02/08/2008	natzke 02/06/2008	_____	mbarman 02/06/2008	mbarman 02/06/2008	
/2	csundber 02/18/2008	lkunkel 02/18/2008	pgreensl 02/08/2008	_____	cduerst 02/08/2008	cduerst 02/08/2008	
/3			rschluet	_____	sbasford	sbasford	

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			02/18/2008 _____		02/18/2008	02/18/2008	

FE Sent For:

<END>

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/?	csundber 02/04/2008	wjackson 02/06/2008		_____			
/1	csundber 02/08/2008	wjackson 02/08/2008	nmatzke 02/06/2008	_____	mbarman 02/06/2008	mbarman 02/06/2008	
/2			pgreensl 02/08/2008	_____	cduerst 02/08/2008	cduerst 02/08/2008	

13/mk 2/18

Handwritten signature and date 2/18/08

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/?	csundber 02/04/2008	wjackson 02/06/2008		_____			
/1		1/2 Wlj 2/8	nmatzke 02/06/2008	js p81	mbarman 02/06/2008	mbarman 02/06/2008	

FE Sent For:

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px
<END>

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/?	csundber	1 WLj 2/6	nwn 2/6	nwn/ 2/6			

FE Sent For:

<END>

Renewals and Extensions of Business Contracts

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

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

In this section:

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

1. A contract in which a customer agrees to a predetermined minimum payment or payments in any 12-month period specified in the initial contract, of \$12,000 or more in the aggregate.
2. A contract for the lease or purchase of real property.
3. A contract for the lease of a motor vehicle.
4. A contract for the lease of medical equipment.
5. A contract derived from a tariff issued by an energy utility, as defined in s. 196.027(1)(c).
6. A contract for the lease of equipment that is for personal, family, or household purposes.
7. A contract for the purchase of services that are for personal, family, or household purposes.
8. A contract for the lease or purchase of access service, as defined in s. 196.01(1b).
9. An interconnection agreement, as defined in s. 196.01(3b), or a contract or agreement offered by a telecommunications utility, as defined in s. 196.01(10), to meet obligations imposed on the telecommunications utility under 47 USC 151 to 276.
10. A contract for the lease or purchase of telecommunications service, as defined in s. 196.01(9m), including commercial mobile service, as defined in s. 196.01(2i), if the contract permits the lessee or purchaser to terminate the contract after an automatic renewal by giving written notice, permits the termination to take effect not more than one month after receipt of the written or electronic notice, and permits a termination without liability for fees or penalties other than a payment for services or equipment used during the period before the termination takes effect, if the amount of the payment is one of the following:
 - a. The amount of the periodic payment due under the contract multiplied by the number of periods during which the services or equipment are provided before the termination takes effect.

b. If the contract does not provide for periodic payments, a portion of the amount due under the contract that is proportional to the portion of the renewed contract term that elapsed before the termination takes effect.

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

12. A contract for the lease of agriculture equipment.

13. A contract for the lease of construction equipment.

14. A contract for the lease of forestry equipment.

15. A contract for the lease of commercial use lawn and grounds care equipment.

(b) "Customer" means a person who is authorized to do business in this state and who is the lessee under a business contract that is entered into for the lease of business equipment located in this state or the purchaser under a business contract that is entered into for the purchase of business services to be performed in this state.

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

(2) UNENFORCEABILITY OF RENEWAL OR EXTENSION PROVISION IN A BUSINESS CONTRACT. A renewal or extension clause in a business contract is unenforceable and the term of the business contract will expire at the end of the initial (or prior properly renewed or extended term) term of the business contract unless the seller complies with one of the following:

(a) DISCLOSURE PROVIDED. If a business contract provides that the business contract will be automatically renewed or extended for an additional period of more than one year unless the customer declines renewal or extension, the seller may, at the time the customer enters into the business contract, obtain written or electronic acknowledgement that the customer is aware of the terms of the automatic renewal or extension provision in the business contract; or

(b) NOTICE PROVIDED. If a business contract that has an initial term of more than one year provides that the business contract will be automatically renewed or extended for an additional term of more than one year, unless the customer has declined the renewal or extension, the seller may provide to the customer, at least 15 days but not more than 180 days before the beginning of the period in which the customer must decline renewal or extension, a written or electronic notice that the business contract will be renewed or extended unless the customer declines renewal or extension.

(3) REMEDY. If a seller fails to comply with sub. (2), an automatic renewal or extension provision in the business contract is not enforceable, and the term of the business contract will expire

at the end of the initial or most recent properly renewed or extended contract term and all other provisions of the business contract will remain in full force and effect.

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, on or after the effective date of this subsection.

SECTION 3. Effective date.

(1) This act takes effect on the first day of the 12th month beginning after publication.

(END)

**Plain Language Summary of Substitute Amendment to SB 212/AB 432
Renewals and Extensions of Business Contracts**

This Substitute Amendment makes the following changes to SB 212/AB 432:

Exemption Threshold

The substitute amendment lowers the exemption threshold for all contracts from \$250,000 or more in SB 212/AB 432, to contracts of \$12,000 or more.

Exempt Contracts

The substitute amendment expands the list of other exempt contracts to include new exemptions – items five through fifteen enumerated under subsection 134.49 (1)(a). Note that items numbered 5-10 in the exemptions were added as amendments to SB 212 in the Senate. Items in this subsection numbered 11-15 are added in this substitute amendment. These exemptions either relate to specific kinds of utility contracts, or should generally be self explanatory.

Disclosure and Notice Requirements

The original SB 212/AB 432 requires the seller of a good or service to disclose a contract renewal or extension provision at the time the contract is entered into, as well as notice prior to the beginning of the contract renewal extension period.

The substitute amendment gives the seller the option to provide either disclosure of a renewal or extension provision at the point a contract is entered into, or notice prior to the time that the extension or renewal provision would take effect, in order for the customer to either choose not to enter into a contract with a renewal or extension provision, or not to extend or renew the contract after it has been entered into.

Put simply, the original bill requires both disclosure and notice, while the substitute amendment requires either disclosure or notice of a renewal or extension provision, but not both.

Time Frame for Notice

In the notice provision in the original SB 212/AB 432 the notice of a renewal or extension provision must be provided prior to at least 15 days, but not more than 45 days before the extension or renewal begins. The substitute amendment sets the notice timeframe as at least 15 days, but no more than 180 days prior to the extension or renewal of the contract.

Form of Disclosure

The original SB 212/AB 432 sets a prescriptive requirement for the manner of providing disclosure, while the substitute amendment simply requires “written or electronic notice.” The substitute amendment envisions a system where disclosure would be provided at the time a contract is entered into, through obtaining an acknowledgement of the disclosure similar to contracts for the rental of vehicles. The lessee would acknowledge on the contract that they have been informed of the renewal or extension provision, and exercise the option of either accepting it, or indicating that they have rejected the option.

Remedies

The original SB 212/AB 432 has a damages provision as a remedy for failing to provide disclosure and notice. The substitute amendment remedy makes a contract renewal or extension provision unenforceable if the seller does not properly provide either disclosure or notice of a renewal or extension provision, and states that the contract will end at the term of the most recently properly renewed or extended contract period. Any other contract provision not affected by a renewal or extension provision would remain in force.

In: 2/5/08 Wanted: Wed Pm 2/6/08

50251/1

2007 - 2008 LEGISLATURE

LRB-2598/1-

CTS:wlj:jf

RMNR

ASA ,

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stays

TO 2007 SENATE BILL 212

June 13, 2007 - Introduced by Senators WIRCH, LEHMAN, PLALE and BRESKE, cosponsored by Representatives KREUSER, GUNDERSON, PETROWSKI, SEIDEL, SCHNEIDER, TOWNSEND, A. WILLIAMS, FIELDS, KERKMAN, MUSSER, TURNER, HAHN and JESKEWITZ. Referred to Committee on Small Business, Emergency Preparedness, Workforce Development, Technical Colleges and Consumer Protection.

Regen

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, a landlord may not enforce an automatic renewal or extension clause in a residential lease unless the landlord provides advance written notice of the renewal or extension. This bill creates similar requirements for certain contracts for the lease of business equipment or for providing business services (business contracts). The bill exempts contracts for the lease or purchase of real property, certain contracts that require the customer to make minimum annual payments of \$250,000 or more, and contracts for the lease of motor vehicles or medical equipment.

Under the bill, if a business contract provides that the contract will be automatically renewed or extended for an additional contract period of more than 30 days unless the customer declines renewal or extension, the seller must provide the customer with a disclosure form. The form must contain certain information regarding a renewal or extension, including the duration of an additional contract period, whether increased charges to the customer would apply, and the deadline for the customer to act to prevent an additional contract period.

Also under the bill, if a business contract provides that an automatic renewal or extension results in an additional contract period of more than one year, the seller must give the customer a reminder notice prior to renewal or extension. The reminder notice must contain specified information regarding a renewal or extension and generally must be provided by mail, by personal delivery, or in a monthly invoice.

SENATE BILL 212

If a seller fails to comply with the bill's disclosure or reminder notice requirements, the automatic renewal or extension provision is unenforceable and the contract terminates at the end of the current contract term. Also, if a seller fails to comply with the reminder notice requirements, the bill allows a customer to bring an action or counterclaim for damages. In such an action or counterclaim, a seller is not liable if: (1) the seller has established and implemented written procedures for complying with the reminder notice requirements; (2) the seller's conduct was not willful or malicious; and (3) the seller refunds amounts the customer paid after the contract was renewed or extended.

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

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

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

In this section:

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

1. A contract in which a customer agrees to purchase from a seller an undetermined amount of business services or lease from the seller an undetermined amount of business equipment, and agrees to pay the seller based on the amount of business services received or business equipment leased, subject to a predetermined minimum payment in a 12-month period specified in the contract, if the predetermined minimum payment is \$250,000 or more.
2. A contract for the lease or purchase of real property.
3. A contract for the lease of a motor vehicle.
4. A contract for the lease of medical equipment.

INSJ
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INSJ
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SENATE BILL 212

located in this state

INS
3-6

1 (b) "Customer" means a person who is authorized to do business in this state
2 and who is the lessee under a business contract that is entered into for the lease of
3 business equipment or the purchaser under a business contract that is entered into
4 for the purchase of business services

to be performed in this state

5 (c) "Seller" means the provider of a business service or the lessor of business
6 equipment under a business contract.

to be performed in this state

7 (2) DISCLOSURE REQUIRED. (a) If a business contract provides that the contract
8 will be automatically renewed or extended for an additional period unless the
9 customer declines renewal or extension, and the duration of the additional period is
10 more than 30 days, the seller shall, at the time the customer enters into the contract,
11 present to the customer a copy of a disclosure form under par. (b) and obtain the
12 customer's signature on the form.

13 (b) A disclosure form required under par. (a) shall contain all of the following:

14 1. A statement that the contract will be renewed or extended unless the
15 customer declines renewal or extension.

16 2. A statement indicating the duration of the additional contract period that
17 would result from an automatic renewal or extension period.

18 3. A statement indicating whether an increase in charges to the customer will
19 apply upon an automatic renewal or extension.

20 4. A description of action the customer must take to decline renewal or
21 extension.

22 5. The date of the deadline for the customer to decline renewal or extension.

23 (c) If a seller fails to comply with par. (a), an automatic renewal or extension
24 provision in the contract is not enforceable, and the contract terminates at the end
25 of the current contract term.

SENATE BILL 212

1 **(3) NOTICE REQUIRED.** If a business contract that has an initial term of more
2 than one year provides that the contract will be automatically renewed or extended
3 for an additional term of more than one year, unless the customer declines renewal
4 or extension, the provision is not enforceable against the customer and the contract
5 will terminate at the end of the current contract term unless the seller provides to
6 the customer, at least 15 days but not more than 45 days before the deadline for the
7 customer to decline renewal or extension, a written notice containing all of the
8 following:

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

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

12 (c) A description of any increase in charges to the customer that will apply after
13 renewal or extension.

14 (d) A description of action that the customer must take to decline extension or
15 renewal.

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

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

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

22 (c) By including the notice on the first page of a monthly invoice sent to the
23 customer. Notice under this paragraph shall be prominently displayed in bold face
24 type and in a type size no smaller than 12-point.

SENATE BILL 212

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

5 1. An amount that equals twice the amount of the damages incurred by the
6 customer.

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

9 (b) A seller is not liable in an action or counterclaim under par. (a) if the court
10 finds all of the following:

11 1. The seller has established and implemented written procedures for
12 complying with this section.

13 2. The seller's failure to comply with subs. (3) and (4) was not willful or
14 malicious.

15 3. The seller has refunded any amounts paid by the customer after the date of
16 the renewal or extension until the date on which the business contract is terminated
17 or until the date the seller provides a subsequent notice of renewal or extension,
18 whichever is earlier.

19 (c) Notwithstanding the limitations in s. 814.04 (1), the court shall award a
20 customer who prevails in an action or counterclaim under this subsection costs,
21 including reasonable attorney fees.

22 **SECTION 2. Initial applicability.**

23 (1) This act first applies to contracts for the lease of business equipment or for
24 providing business services that are entered into, modified, or renewed on the
25 effective date of this subsection.

**2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBs0251/lins
CTS:.....

1 **Insert 2-7:**

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

5 **Insert 2-16:**

6 5. A contract derived from a tariff issued by an energy utility, as defined in s.
7 196.027 (1) (c).

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

10 7. A contract for the lease or purchase of access service, as defined in s. 196.01
11 (1b).

12 8. An interconnection agreement, as defined in s. 196.01 (3b), or a contract or
13 agreement offered by a telecommunications utility, as defined in s. 196.01 (10), to
14 meet an obligation imposed on the telecommunications utility under 47 USC 151 to
15 276.

16 9. A contract for the lease or purchase of telecommunications service, as defined
17 in s. 196.01 (9m), including commercial mobile service, as defined in s. 196.01 (2i),
18 if the contract permits the lessee or purchaser to terminate the contract after an
19 automatic renewal by giving written or electronic notice, permits the termination to
20 take effect not more than one month after the receipt of the written or electronic
21 notice, and permits a termination without liability for fees or penalties other than
22 a payment for ~~services or~~ ^{or services} equipment used during the period before the termination
23 takes effect, if the amount of the payment is one of the following:

1 a. The amount of the periodic payment due under the contract multiplied by
2 the number of periods during which the ~~services~~ or equipment/^{or services} are provided before
3 the termination takes effect.

4 b. A portion of the amount due under the contract that is proportional to the
5 portion of the renewed contract term that elapsed before the termination takes effect,
6 if the contract does not provide for periodic payments.

7 10. A contract for the lease or purchase of goods or services, if the contract
8 permits the lessee or purchaser to terminate the contract after an automatic renewal
9 by giving written or electronic notice, permits the termination to take effect not more
10 than one month after receipt of the written or electronic notice, and permits a
11 termination without liability for fees or penalties other than a payment for ~~services~~
12 ~~or equipment~~ ^{or services} used during the period before the termination takes effect.

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

15 **Insert 3-6:**

16 (2) UNENFORCEABILITY OF RENEWAL OR EXTENSION PROVISION. (a) Subject to par.
17 (b), if a business contract provides that the business contract will be automatically
18 renewed or extended for an additional period that is longer than one year, the
19 renewal or extension provisions of the business contract are unenforceable and the
20 term of the business contract will expire at the end of the initial term of the business
21 contract, unless the seller or lessor does any of the following:

22 1. [✓] Disclosure. [✓] Obtains, at the time the customer enters into the business
23 contract, written or electronic acknowledgement that the customer is aware of the
24 terms of the automatic renewal or extension provision in the business contract.

120

Handwritten scribble with a box around the number 180 in the text below.

1

2. Notice. Provides to the customer, at least 15 days but not more than 180 days

2 before the beginning of the period in which the customer must decline renewal or
3 extension, a written or electronic notice that the business contract will be renewed
4 or extended.

5 (b) If a seller or lessor elects to provide notice to a customer under par. (a) 2.
6 and, before the seller or lessor provides to the customer notice of the renewal or
7 extension of the business contract, the customer declines renewal or extension as
8 required under the business contract, the seller or lessor is not required to provide
9 notice under par. (a) 2.

10 (3) SEVERABILITY. The unenforceability of a renewal or extension provision of
11 a business contract under sub. (2) does not affect the enforceability of the remainder
12 of the business contract's provisions.

Sundberg, Christopher

From: Seaholm, Matthew
Sent: Thursday, February 07, 2008 5:14 PM
To: Sundberg, Christopher
Subject: RE: Sub Amendment to SB 212

Hi Chris,

Two changes to LRBs0251... 1) change the 120 days back to 180 days 2) On page 2 delete lines 16 through Page 3 line 3. Let me know if you have any questions about these two things. I will send the amendment jacket back so you can just change it to a /2.

The sooner they can be done the better. We appreciate it.

Thanks,
Matt

Matt Seaholm
Office of Rep. Moulton
6-9172

From: Sundberg, Christopher
Sent: Monday, February 04, 2008 4:57 PM
To: Seaholm, Matthew
Subject: RE: Sub Amendment to SB 212

I have made a few changes to the language you provided. They are mainly technical in nature and are guided by the intent set out in the plain language summary attached to the new language. I'll be happy to go over these with you or with anyone you designate, but, because of the time factor, have not prepared a d-note detailing these changes and the reasons for them. The draft is being edited with the hope that we can get it to you on Wednesday am. Unfortunately, I can't send you a "preview" of the sub before it's been edited, but let me know if you have any questions.

CS

From: Seaholm, Matthew
Sent: Monday, February 04, 2008 10:27 AM
To: Sundberg, Christopher
Subject: Sub Amendment to SB 212

Good morning Chris,

Attached are directions for a Substitute Amendment to Senate Bill 212. If you could take a look at them and make sure they are understandable and do-able that would be appreciated. There are two changes to the attached document as well. 1) under Disclosure Provided and Notice provided change "the seller may" to "the seller shall" and 2) Under Notice Provided change 180 days to 120 days.

As I'm sure you are swamped with drafting requests, if it is possible, we'd like a draft by Thursday morning of this week, anything earlier would be awesome though. If you have any questions, please let me know.

Thanks,
Matt

Matt Seaholm
Office of Rep. Moulton
6-9172

<< File: Changes for Sub to SB 212.pdf >>



In: 2/18/08 Wanted: today 2/18/08

State of Wisconsin
2007 - 2008 LEGISLATURE

2

LRBs0251/2 RMNR

CTS:wj:nwn

↑
Stays

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

Regen

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).

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

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

- 22 a. The amount of the periodic payment due under the contract multiplied by
- 23 the number of periods during which the equipment or services are provided before
- 24 the termination takes effect.

① b. A portion of the amount due under the contract that is proportional to the
② portion of the renewed contract term that elapsed before the termination takes effect,
③ if the contract does not provide for periodic payments.

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

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

12 (b) "Customer" means a person who is authorized to do business in this state
13 and who is the lessee under a business contract that is entered into for the lease of
14 business equipment located in this state or the purchaser under a business contract
15 that is entered into for the purchase of business services to be performed in this state.

16 (c) "Seller" means the provider of a business service or the lessor of business
17 equipment under a business contract to be performed in this state.

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

Sundberg, Christopher

From: Seaholm, Matthew
Sent: Monday, February 18, 2008 9:49 AM
To: Sundberg, Christopher
Subject: RE: Sub Amendment to SB 212

Hi Chris,

I apologize for the quick follow up e-mail. But I wanted to check and see if you would be able to get to this today.

Thanks,
Matt

From: Seaholm, Matthew
Sent: Friday, February 15, 2008 11:04 AM
To: Sundberg, Christopher
Subject: RE: Sub Amendment to SB 212

Hi Chris,

I have one very minor change to lrbs0251 that I would like you to make as soon as you can. The change is on page 3 line 10 in switching "any" for "all." After some debate we decided that both notice and disclosure should be required. Let me know if you have any questions and if you could give an estimate of when you might be able to get to it, that would be appreciated. Also, I will send the sub jacket back to you so if you want to make it a /3 that's cool.

Thanks,

Matt

*Matt Seaholm
Office of Rep. Terry Moulton
Wisconsin's 68th Assembly District
(608) 266-9172*



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

RECEN

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} any 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 seller or lessor elects to provide notice to a customer under par. (a) 2.
19 and, before the seller or lessor provides to the customer notice of the renewal or
20 extension of the business contract, the customer declines renewal or extension as
21 required under the business contract, the seller or lessor is not required to provide
22 notice under par. (a) 2.

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

lessor
before the seller or lessor provides
to the customer notice of the renewal
or extension of the business contract

