

### Fiscal Estimate - 2023 Session

Original       Updated       Corrected       Supplemental

LRB Number **23-1773/1**      Introduction Number **AB-0417**

**Description**  
automatic renewals of consumer contracts and providing a penalty

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
  - Increase Existing Revenues
  - Decrease Existing Revenues
  - Increase Costs - May be possible to absorb within agency's budget
    - Yes
    - No
  - Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
- 1.  Increase Costs      3.  Increase Revenue
- Permissive    Mandatory    Permissive    Mandatory
- 2.  Decrease Costs      4.  Decrease Revenue
- Permissive    Mandatory    Permissive    Mandatory
- 5. Types of Local Government Units Affected
  - Towns       Village       Cities
  - Counties       Others
  - School Districts       WTCS Districts

**Fund Sources Affected**      **Affected Ch. 20 Appropriations**

GPR    FED    PRO    PRS    SEG    SEGS

Agency/Prepared By	Authorized Signature	Date
DATCP/ David Woldseth (608) 224-5164	Waylon Hurlburt (608) 224-4857	10/24/2023

Fiscal Estimate Narratives

DATCP 10/24/2023

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<b>Description</b> automatic renewals of consumer contracts and providing a penalty					

**Assumptions Used in Arriving at Fiscal Estimate**

This bill requires a person making a renewal offer, which is defined in the bill to mean a plan or arrangement for consumer goods or services offered to a consumer in which a subscription or purchasing agreement either continues until the consumer cancels or is automatically renewed at the end of a definite term for a subsequent term, to engage in certain activities to alert consumers to the automatic renewal aspects.

The bill also gives the Department of Agriculture, Trade and Consumer Protection the ability to investigate violations and commence an action to restrain by injunction violations and permits the department and any district attorney to commence actions to recover forfeitures for a violation of the bill's provisions. Individuals aggrieved by a violation of the bill may also bring a private civil action against the violating person.

Currently, the department regulates some automatic renewals under Wis. Stat. § 100.195, the unfair billing statute, with certain exceptions. However, as with any change to law or creation of new law, outreach and education should occur with both consumers and businesses to inform them of their rights and responsibilities under any new regulations. Given the Bureau of Consumer Protection currently enforces consumer protection laws against out-of-state businesses regularly and many businesses with online sales would not be Wisconsin-based, the enforcement would not be atypical in jurisdiction.

Under Chapter 100, the department usually refers cases to the Attorney General's office or to district attorneys after investigation of consumer complaints. This bill differs in that it gives the department the right to pursue action itself under its Wis. Stats. §§ 93.14 and 93.15 powers. The department may still make referrals to district attorneys. Since this represents a new area of enforcement for the department, it is not clear how many consumers will file complaints nor is it clear how much time department attorneys may spend on the prosecution of these cases. The department plans to absorb investigative and prosecutorial costs but may seek additional positions in future budgets.

**Long-Range Fiscal Implications**

Unknown.