



## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

**2005 Wisconsin Act 201**  
[2005 Senate Bill 448]

**Claims Against Homebuilding  
Contractors**

2005 Wisconsin Act 201 establishes a process for resolving construction defect disputes between homebuilding contractors and homeowners. Contractors must notify consumers of the dispute resolution process at the time of contracting for building services. The Act directs the Department of Commerce to prepare a brochure explaining the homeowner/contractor dispute resolution process for contractor distribution.

The process established in the Act generally requires that consumers notify contractors of alleged defects in writing and contractors to respond in writing. The Act establishes time limits for notification and response depending upon the specific situation.

Generally, a homeowner may not sue a contractor for an alleged construction defect, under the Act, unless the dispute resolution process is followed. The Act also establishes a limit on homeowner damages to fair market value of the settlement offer, or actual cost of repairs, if the homeowner rejects a reasonable settlement offer or does not permit the contractor to repair the defect.

Finally, the Act permits contractors to obtain contributions from window or door suppliers for the cost of repairing construction defects for which the supplier may have partial or total responsibility.

**Effective Date:** The Act takes effect on October 1, 2006.

**Prepared by:** Dan Schmidt, Senior Analyst

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.