



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2005 Wisconsin Act 458
[2005 Assembly Bill 574]

**Prohibition of Certain Billing
Practices**

2005 Wisconsin Act 458 prohibits certain billing practices by sellers and lessors of consumer goods or services. The prohibited practices are:

1. Billing a person for consumer goods or services that the consumer has not agreed to purchase or lease.
2. Billing a consumer for consumer goods or services at a price that is higher than the price previously agreed upon, unless the consumer agrees to the higher price or is given the opportunity to cancel without penalty.
3. Billing a consumer for consumer goods under an agreement that is no longer in effect.
4. Offering a consumer free or reduced-price goods or services that commit the consumer to pay for other consumer goods or services, unless the seller discloses the commitment at or before the time the consumer agrees to purchase the goods or services.
5. Misrepresenting to a consumer that the consumer's failure to reject or return a delivery of consumer goods or services obligates the consumer to pay for the goods or services.

Under the Act, these prohibitions do not apply to the conduct of an agent or representative of a seller when providing billing services if the agent or representative did not know or have reason to know that its conduct violates the prohibitions. The **Act** also exempts certain contracts that are regulated under federal law. The **Act's** definition of consumer goods or services excludes health care, motor vehicles, cable and satellite television service, and services provided pursuant to an attorney-client relationship.

The Act authorizes the Department of Agriculture, Trade and Consumer Protection to bring an action to enjoin persons from violating these laws governing billing practices. Persons who violate these laws are also subject to civil forfeitures and criminal penalties. Also, the **Act** allows an individual to bring a civil action for violation of these laws.

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/>.

Effective Date: The effective date of 2005 Wisconsin Act 458 is April 1, 2007.

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June 5, 2006

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