2005 ASSEMBLY BILL 181

March 10, 2005 – Introduced by Representatives Van Roy, Kerkman, Vos, Hahn, Ballweg, Gronemus, Gard, Townsend, Vrakas, Krawczyk, Jeskewitz, Hundertmark, Musser, Mursau, Kaufert, Gunderson, Wood, Pettis and Petrowski, cosponsored by Senators Reynolds, Kanavas, Lassa, Cowles, Miller and Roessler. Referred to Committee on Small Business.

- 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 if a landlord-tenant lease provides that the lease will be automatically renewed or extended unless the tenant or landlord gives notice to the contrary, that provision is not enforceable against the tenant unless the landlord gives the tenant a written reminder of that provision at least 15 but not more than 30 days before the notice to terminate the lease is due. This bill creates an identical limitation for leases of business equipment and for contracts providing business services.

Current law also specifies the methods a landlord may use to provide the reminder notice. This bill specifies that a provider of business services or lessor of business equipment may give notice to a purchaser of business services or lessee of business equipment (customer) by sending the notice by registered or certified mail to the customer's last–known address, or by giving a copy of the notice personally to an owner, officer, director, or managing agent of the customer's business.

The bill also permits a customer to commence an action for damages against a lessor of business equipment or provider of business services who fails to comply with the notice requirements.

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

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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 entered into for the lease of business
equipment or for providing business services.
(c) "Customer" means the lessee under a business contract that is entered into
or the lease of business equipment or the purchaser under a business contract that
is entered into for the purchase of business services.
(d) "Seller" means the provider of a business service or the lessor of business
equipment under a business contract.
(2) Notice required. If a business contract provides that the contract will be
automatically renewed or extended unless the customer declines renewal or
extension, the provision is not enforceable against the customer unless the seller, a
east 15 days but not more than 30 days before the deadline for the customer to
decline renewal or extension, provides a written notice to the customer containing
all of the following:
(a) A statement that the contract will be renewed or extended unless the
customer declines renewal or extension.
(b) The deadline for the customer to decline renewal or extension.
(3) Manner of giving notice. A seller or a person acting on behalf of the seller
shall give the written notice required under sub. (2) by any of the following methods
(a) By mailing a copy of the notice by registered or certified mail to the customer

(b) By giving a copy of the notice personally to an owner, officer, director, or

at the customer's last-known business address.

managing agent of the customer's business.

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publication.

(4) Remedies. (a) If a seller attempts to enforce a provision in a business
contract to which subs. (2) and (3) apply and for which subs. (2) and (3) have not been
complied with, the customer may commence an action or may file a counterclaim
against the seller for either of the following:
1. An amount that equals twice the amount of the damages incurred by the
customer.
2. An amount that equals twice the amount the periodic payment specified in
the contract or \$1,000, whichever is less.
(b) Notwithstanding the limitations in s. 814.04 (1), the court shall award a
customer who prevails in an action or counterclaim under this subsection costs,
including reasonable attorney fees.
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, modified, or renewed on the
effective date of this subsection.
Section 3. Effective date.
(1) This act takes effect on the first day of the 7th month beginning after

(END)