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Dear Rep. Kerkman,

We respectfully ask for your support of SB-190 scheduled for a vote on Thursday, March 4th. Wisconsin's small businesses need protection from automatic renewal clauses hidden in equipment and service contracts. SB-190 provides real protection for small businesses in your legislative district. Every legislator can make an important difference by voting to support SB-190.

SB-190 passed the Senate on a unanimous committee vote and a voice vote on the floor with no opposition. It passed the Assembly Committee on Jobs, the Economy and Small Business with an 11-1-1 vote. This is major legislation for the small businesses of Wisconsin. Small businesses become trapped by automatic renewal clauses hidden in equipment and service contracts. SB-190 simply requires that the equipment or service provider tell customers that there is an automatic renewal clause and remind their customers in a timely fashion that the automatic renewal clause is about to take effect. Confusion caused by automatic renewal clauses can cause a small business to have simultaneous contracts with two different companies for the same service because the small business bought a replacement contract believing that the original contract expired. Companies using the automatic renewal technique include sellers of credit card processing machines and services, business uniform services, waste hauling and disposal companies, specialized computer equipment and software services, telephone system and telephone services, cash transaction machines (cash registers) and industry specific diagnostic equipment.

WIB has many examples of these clauses and will be happy to share copies of contracts with you. Small, independent business owners must constantly track the expiration date of a contract with an automatic renewal clause and often the business doesn't even know the clause is in their contract. A small business that typically has as many as 10 contracts on equipment and services finds it very difficult to keep track of the agreements and notices that go with each contract.

This legislation is the result of innumerable calls to our WIB member hotline. WIB has daily contact with scores of businesses throughout our state. For years WIB has received complaints about automatic renewal clauses hidden in contracts for providing services or for the lease of business equipment. WIB asks for your support of SB-190 when it comes to a vote. We believe SB-190 is a fair and balanced compromise that offers small employers reasonable notice of automatic renewals.

Thank you for your consideration. If you have any questions please phone Mike Metz of WIB at 255-0373 (office), 608-843-6389 (cell) or email to mmetz@wibiz.org.