

NEW WISCONSIN CONSUMER PROTECTION LEGISLATION WILL AFFECT HOME IMPROVEMENT AND REPAIR CONTRACTORS

On July 5, 2013, a new piece of consumer protection legislation was enacted in Wisconsin. The new law, 2013 Wisconsin Act 24, takes effect on January 1, 2014. It creates Wisconsin Statute section 100.65, which is similar to a provision of the Illinois Home Repair and Remodeling Act. It will apply to consumer contracts for residential roofing, and for any other exterior repair, replacement and construction respecting one and two family dwellings. The new law's purpose is to protect consumers, whose homes have been damaged, from being taken advantage of by home repair contractors.

The new law gives the consumer the right to cancel a contract for exterior repairs within three days after being notified by his or her insurer that the consumer's property insurance claim for the damage to the home has been denied, in whole or in part. The contractor must give the consumer a specific written cancellation notice form in duplicate, attached to the consumer's copy of the contract. If the consumer cancels the contract, the contractor must refund any payments received within ten days. However, the contractor is not required to refund the reasonable value of any emergency services, acknowledged in writing by the consumer to be necessary to prevent damage to the property that the contractor had performed prior to the cancellation of the contract.

The law will prohibit contractors from offering to pay or to rebate to the consumer all or any part of their insurance deductible as an incentive to enter into a contract. It will also prohibit the contractor from offering to negotiate on the consumer's behalf with the consumer's insurance carrier.

The scope of the new law is very broad. It will affect all contractors that do any type of exterior repair, replacement or construction work on one and two family dwellings. This would, for example, include painters, roofers, remodelers, siding contractors, glazing contractors, patio and driveway contractors, and emergency repair contractors. The law imposes a fine of between \$500 and \$1,000 for each violation. Contractors will need to either revise or to completely redraft their contract forms in order to comply with the law.