

WISCONSIN STATE
LEGISLATURE
COMMITTEE HEARING
RECORDS

2005-06

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on
Housing
(AC-Ho)

(Form Updated: 11/20/2008)

COMMITTEE NOTICES ...

➤ Committee Reports ... CR
**

➤ Executive Sessions ... ES
**

➤ Public Hearings ... PH
**

➤ Record of Comm. Proceedings ... RCP
**

**INFORMATION COLLECTED BY COMMITTEE
FOR AND AGAINST PROPOSAL ...**

➤ Appointments ... Appt
**

Name:

➤ Clearinghouse Rules ... CRule
**

➤ Hearing Records ... HR (bills and resolutions)
****05hr_ab0749_AC-Ho_pt01**

➤ Miscellaneous ... Misc
**

Becher, Scott

From: Usealman, Kevin
Sent: Friday, February 10, 2006 11:57 AM
To: Becher, Scott
Subject: Condo: Information

Scott - FYI, if you would like to enter into your committee records on this bill. This is from our constituent that testified.

Thanks again for having a hearing.

Kevin

From: Thomas Schroeder [mailto:tjsnb63@yahoo.com]
Sent: Friday, February 10, 2006 11:54 AM
To: Usealman, Kevin
Subject: Information

Kevin:

I wish to thank Mark, you and Anthony for your help on AB 749. I expected a lot of negative attitude and as I drove back to Milwaukee I had a chance to think about the negative comments. I wish to respond to those comments as follows.

The two gentlemen (I do not recall their names) who were worried about their swimming pools falling apart I say the legislature provided a law several years ago that forced condo associations to set aside reserves for long term problems like roofs, pools and items of that significance. The one gentleman indicated that not many people use the pool at their facility. However, he was worried that some of their owners would band together to decide to fix the pool on their own and deduct it from their dues. This is not the type of problem that I was concerned about. This association has been in existence for several years and are well established. Its just smoke.

The comment the one gentleman made concerning having a lady change her door at her own expense. It was done so that all doors were alike. Well, my sister just moved into a new condo project on the east coast. Not one of the buildings is the same color. Windows and doors of each unit are different and yet it looks fantastic. They call it the new condo look. Municipalities are starting to look at old condos and see the dullness in them after a few years. They all look the same and quite frankly gets boring. My sister told me that the city board in the town they live in has four other condo associations and according to the city board they are going to insist that these other four make changes in their outward appearance.

My daughter and son-in-law live in Muskego on a private road leading to the lake. They had a private management company collecting dues for maintenance issues including the lake. Two years ago they did a survey and found out they could do a better job of maintaining the properties on the road they live on. They have three electricians, three plumbers, two landscapers and a HVAC contractor living on the road. They contacted the DNR concerning the issue of maintaining the lake. They were told about a program that the DNR had where the DNR would help them maintain the lake for a minimal charge annually. My son-in-law is a CPA and he told me the people living on that road saved \$210K a year by doing their own maintenance on their homes and the lake.

02/10/2006

Concerning the issue of the tree one of the gentleman talking said it cost them \$500 a year for tree insurance. The DNR has an outreach program where they send an extension person to review the soil on your property and they replace trees for NO CHARGE. I had informed my association of this situation three years ago.

I have a question and that is how much do each of these management companies make on each property? Is that not maybe the reason they are against this bill? Perhaps hearings all over the state concerning condo owners may be necessary to get a first hand view of the problems. I doubt if all condo owners are happy. They talk about a "common element". What is a common element? I do not think that a door to the owners condo is a common element. Also, what do condominium associations pay on problems where insurance of the association should cover the problem. In our association they have such a high deductible for each occurrence that you are paying it out of your own pocket in most instances or using your own insurance and then your premium goes up.

I feel that most of the nay sayers offered excuses that were not valid. Oh someone will automatically do something and who makes the decision that it took too long to repair something. Well if some plow jockey knocks your mailbox down in 2004 and it takes the US Post Office to write a letter to your association in 2005 I do not feel that is an issue that needs to be debated.

The one gentleman was a lawyer and a Association President. He told the committee he did not feel they could change the law since condos had contracts with owners. As I told you my wife and I have a place we go in the winter called Greenbriar south of Tucson, Arizona. Senator John McCain has a relative living at Greenbriar. I remember a hearing that we had on the by-laws. The president of the association was a lawyer and he said something could not be changed. Senator McCain got up and told the gentleman that he would not hold it against him for being a lawyer. Then he told him and I quote "I have two words for your comment that this cannot be changed, "wanna bet" and I will give you two to one odds." I think the gentleman was dumbfounded. There is an old saying "thou shall not make a public official angry." In that instant I think the gentleman figured out he had a cannon pointed at him and he sat down and did not say another word.

I am not trying to create a problem for anyone. I am merely pointing out that there is a problem that needs to be resolved. The only resolution has to come from the legislature. I know the majority of people in the condos where I live have issues with the Board. They are frustrated that the president keeps reelecting himself by getting a number of absentee ballots. He crosses out the names of others on the ballot and inserts his own name and votes for himself seven times on one ballot. I do not know the answer to this dilemma but perhaps a rewriting of the condo bill that will specify long term problems should be paid for through reserve funds. By-laws must contain a paragraph that indicated elections are conducted in the same manner as normal city or state elections which states absentee ballots can only have one vote and shall contain the name of the person the absentee wishes his vote counted. Perhaps on the issue of normal maintenance the city where the condo resides should oversee the maintenance work is completed in a timely manner. If the work is not complete the city shall notify the board and get an explanation as to why the work is not complete in writing. In the event the response is not sufficient the city shall notify the condo owner who will have the option of having the work completed by getting at least two bids or having the association pay to have the work complete by the sub-contractor of choice by the owner.

Concerning the out of state developers/contractors they should be made to post a bond. That bond shall stay in effect for five years after they sell the condos off to the owners who create an association. This bond will cover all issues that the developer/contractor is liable for over the first five years.

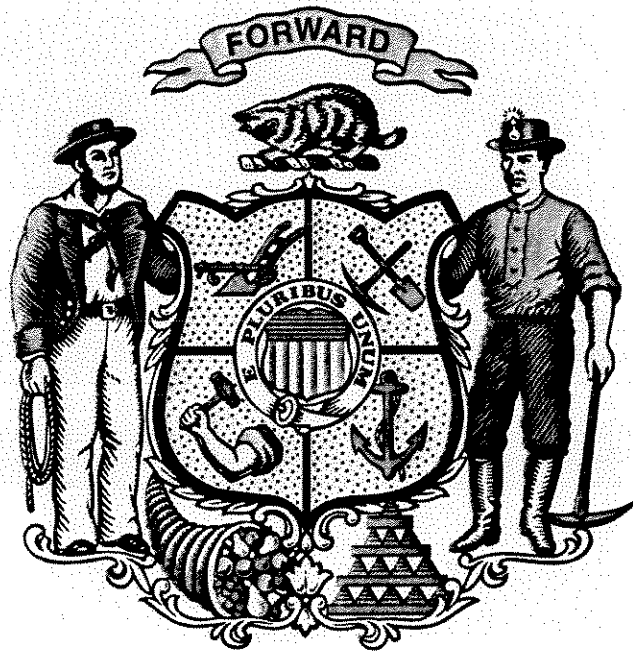
I did not mean to be so lengthy. However, I consider this a significant issue.

I would like to work with Mark and the Housing Committee on any new legislation covering this issue.
Please keep me informed.

Respectfully,

Tom Schroeder

Relax. Yahoo! Mail virus scanning helps detect nasty viruses!



Becher, Scott

From: Larson, Tom - Director of Regulatory Affairs [tlarson@wra.org]
Sent: Friday, February 03, 2006 10:57 AM
To: Becher, Scott
Cc: Theo, Mike - VP Public Affairs/Legal
Subject: AB 749

Scott,

Can you please tell me the status of SB 749 (i.e., whether it is on the upcoming hearing schedule for the Housing Committee)? We have the following concerns with the bill:

- Under current law (Wis. Stat. sec. 703.18), the condominium association has the authority and responsibility to make repairs in a prompt manner. Also, because the association is generally made up of unit owners, they have a direct interest in making sure the repairs happen in an expedited manner. We don't think it is a good idea to allow individual unit owners to start going in different directions to repair common elements that are owned by everyone. This is exactly why the condo. association was created.
- The 90-day time limit may be insufficient to deal with significant damage caused by tornadoes, flooding, etc.. The failure to act quickly may be the result of insurance companies, contractors, etc. being spread thin and unable to finish the work due to a large # of claims or demand for repairs by other property owners.

Please let me know if you have any questions. Thanks.

Tom

Thomas D. Larson - Director of Regulatory and Legislative Affairs

Wisconsin REALTORS Association

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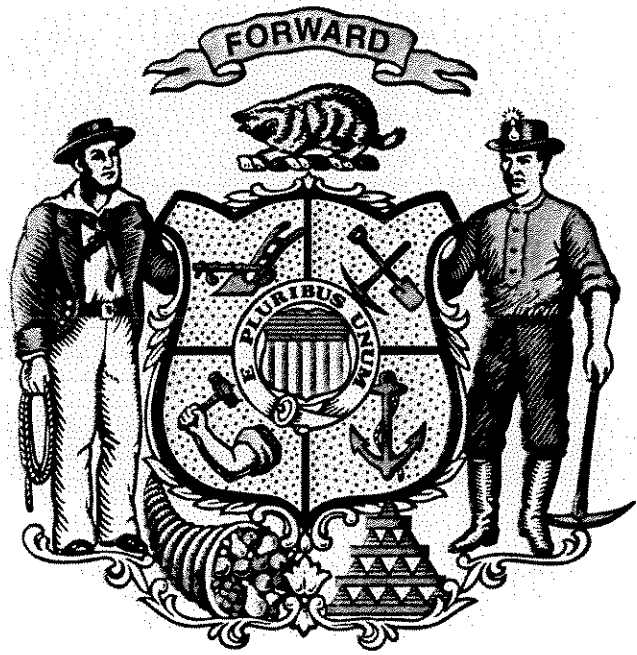
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02/06/2006



February 9, 2006

I wish to thank the Wisconsin Assembly Committee on Housing and also I wish to thank Representative Gundrum for asking me to testify on behalf of this bill on condo change.

Ladies and Gentlemen, my name is Thomas J. Schroeder. I reside with my wife Margaret Schroeder at 4684 South Forest Point Boulevard in New Berlin, Wisconsin. The condo is a side by side unit and construction was completed on it in July 2000. My wife and I moved in during the month of July 2000. I was walking the property looking at any type of potential defects when I spotted several on the outside and inside. On the outside several of the concrete walkway slabs were sunken into the ground. The patio slab was cracked and was peeling because of improper installation. Since the condo was still under the responsibility of the developer, RHA Corp. of Chicago, Illinois I contacted them at the location on the property site. None of those problems were taken care of until several years later. On the inside they had the wrong thermostat installed and the wrong water heater and furnace installed. I contacted the developer and they replaced the thermostat with the correct one. They replaced the water heater with the correct one. However, the issue of the furnace got to be a major problem and I contacted two agencies from the State of Wisconsin. I contacted Consumer Affairs and the Bureau of Licensing and Regulation. Both of them as usual sent me a letter stating there was nothing they could do for me and I had to get my own attorney. Amazing living in a state and not getting any help from a state agency. My question then why have one?

I want to move along to the issue that I consider broke the camels back. After the first winter the tree in our backyard was dead. I contacted the management association and was told it would be replaced. One year later I contacted them again concerning the problem with the tree. Again, I was told that it was scheduled for replacement. In the summer of 2004 the tree was finally replaced. The head of the Buildings and Grounds Committee told me that if they did not want to they did not have to replace the tree. The reason is that the association owns the land I only owned the condo. I had threatened to have the replacement work done and deduct it from my monthly condo fees. I was informed that if I did that they would sue me for the condo fees with all court cost and interest involved in going to trial. That is the reason I am here today to ask you to amend the law or create anew law which enforces the fact that condo owners have the right to perform maintenance work on their property if a certain amount of time goes by and the work is not completed according to the satisfaction of the owner of the condo.

I thought long and hard before I contacted the Office of Representative Gundrum and requested this change in law. The responsibility of the association is to the people who live there and not their own whim. Although things have gotten somewhat better I still feel a change in law is necessary to make the association perform their job in a proper manner.

Again, thank you for allowing me to testify and I will try and answer any questions you may have to the best of my ability.

Respectfully,

Thomas J Schroeder
4684 South Forest Point Boulevard
New Berlin, Wisconsin 53151