



## 1995 ASSEMBLY BILL 1012

March 13, 1996 - Introduced by Representatives SCHNEIDERS, MUSSER, GOETSCH, OWENS, GROTHMAN and NOTESTEIN, cosponsored by Senator FITZGERALD. Referred to Committee on Judiciary.

1 **AN ACT to amend** 779.02 (2) (a) of the statutes; **relating to:** notice regarding lien  
2 claims and waivers.

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### *Analysis by the Legislative Reference Bureau*

This bill makes certain changes regarding certain disclosure requirements pertaining to construction liens. Under current law, prime contractors who enter into a contract with an owner of property for an improvement and who will contract with subcontractors or others to provide labor or materials for the improvement are required to provide a notice to the owner of the property regarding construction lien law. The notice may be included in any written contract or, if no written contract is entered into, may be made separately. The notice is required to be in substantially the form specified by statute. The notice provides certain information about Wisconsin construction lien law; in particular, that certain persons furnishing labor or materials for the construction may have a lien on the owner's land and buildings if they are not paid. The notice is required to be made in at least 8-point type.

This bill modifies the wording of the required notice and requires that it be printed in at least 12-point type. The modified language of the notice explains that a lien is a legal claim on the owner's land and buildings. The bill also adds to the notice language providing information about the owner's ability to request a lien waiver from persons furnishing labor or materials for the improvement.

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

3 **SECTION 1.** 779.02 (2) (a) of the statutes is amended to read:  
4 779.02 (2) (a) Every prime contractor who enters into a contract with the owner  
5 for a work of improvement on the owner's land and who has contracted or will

1 contract with any subcontractors or materialmen to provide labor or materials for the  
2 work of improvement shall include in any written contract with the owner the notice  
3 required by this paragraph, and shall provide the owner with a copy of the written  
4 contract. If no written contract for the work of improvement is entered into, the  
5 notice shall be prepared separately and served personally or by registered mail on  
6 the owner or authorized agent within 10 days after the first labor or materials are  
7 furnished for the improvement by or pursuant to the authority of the prime  
8 contractor. The notice, whether included in a written contract or separately given,  
9 shall be in at least ~~8-point~~ 12-point bold type, if printed, or in capital letters, if  
10 typewritten. It shall be in substantially the following language: "ATTENTION:  
11 SPECIAL NOTICE REGARDING LIEN CLAIMS AND WAIVERS. As required by  
12 the Wisconsin construction lien law, the builder hereby notifies you, as the owner,  
13 that persons or companies furnishing labor or materials for the construction on  
14 owner's your land who are not paid may have lien rights — a legal claim — on owner's  
15 your land and buildings if not paid. Those entitled to lien rights, in addition to the  
16 undersigned builder, are those who contract directly with the owner you or those who  
17 give the owner you notice within 60 days after they first furnish labor or materials  
18 for the construction. Accordingly, As an owner probably will, you have the right to  
19 request a waiver of lien rights from any person entitled to claim lien rights. By  
20 obtaining lien waivers, you can protect against paying for the same labor and  
21 materials twice, which might happen if the builder fails to pay a lien claimant that  
22 the builder has agreed to pay. If you receive notices from those who furnish labor or  
23 materials for the construction, and you should give a copy of each notice received to  
24 the your mortgage lender, if any. Builder agrees to cooperate with the owner you and

1 ~~the owner's~~ your lender, if any, ~~to see that~~ in obtaining lien waivers or in paying all  
2 potential lien claimants ~~are duly paid.~~”.

3 **SECTION 2. Initial applicability.**

4 (1) This act first applies to notices under section 779.02 (2) (a) of the statutes  
5 that are provided after the effective date of this subsection.

6 **SECTION 3. Effective date.**

7 (1) This act takes effect on the first day of the 6th month beginning after  
8 publication.

9 (END)