

# State of Wisconsin



2017 Assembly Bill 518

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## 2017 WISCONSIN ACT 303

AN ACT *to renumber and amend* 703.20 (2); *to amend* 703.33 (1) (h) (intro.), 703.33 (1) (h) 11. and 703.33 (9); and *to create* 703.20 (2) (b), 703.205, 703.33 (1) (h) 13., 703.33 (1) (h) 14., 703.33 (1) (h) 15., 703.33 (1) (h) 16. and 703.335 of the statutes; **relating to:** condominium disclosure materials and payoff statements.

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

**SECTION 1.** 703.20 (2) of the statutes is renumbered 703.20 (2) (intro.) and amended to read:

703.20 (2) DISCLOSURE INFORMATION. (intro.) Within 10 days after a written request by a seller other than the declarant, an association shall furnish the information necessary for the seller to comply with s. 703.33. The association may charge to the seller, and the seller shall pay to the association, all of the following amounts:

(a) Except as provided in s. 703.205, the actual costs of furnishing the information under s. 703.33 (1), (1m), and (2) or \$50, whichever is less.

**SECTION 2.** 703.20 (2) (b) of the statutes is created to read:

703.20 (2) (b) The actual costs of furnishing the information under s. 703.33 (3m) or \$15, whichever is less.

**SECTION 2m.** 703.205 of the statutes is created to read:

**703.205 Establishing fee amounts charged by association. (1) LIMITATIONS ON CHARGING CERTAIN FEES.** An association may charge, or increase the amount of, the following fees only if the association follows the procedures under sub. (2):

(a) A fee for furnishing the disclosure information under s. 703.33 (1), (1m), and (2) that is greater than the amount allowed under s. 703.20 (2) (a).

(b) A fee for providing the first payoff statement within a 2-month period as allowed under s. 703.335 (4) (b).

**(2) PROCEDURE FOR ESTABLISHING FEE AMOUNTS.** An association may establish, or increase the amount of, a fee described under sub. (1) (a) or (b) by doing all of the following:

(a) Providing written notice to unit owners as provided under s. 703.15 (4) (c) at least 48 hours before any meeting at which the association will consider any of the following:

1. Establishing the fee or increasing the amount of the fee.

2. Entering into or modifying a management contract that does any of the following:

a. If the association does not currently charge the fee, allows the manager to begin charging the fee.

b. If the association does currently charge the fee, allows the manager to increase the amount of the fee.

(b) Adopting a written resolution, at a meeting described under par. (a), to take any of the actions described under par. (a) 1. or 2.

\* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

(c) No later than 48 hours after adopting a resolution described under par. (b), providing written notice to unit owners describing the type of fee established or increased and the amount of the fee established or the amount by which the fee was increased.

(3) FAILURE TO PROVIDE NOTICE. An association's failure to provide a notice required under sub. (2) (a) or (c) does not affect the right of the association, directly or under a management contract, to charge a fee established or increased under sub. (2).

**SECTION 3.** 703.33 (1) (h) (intro.) of the statutes is amended to read:

703.33 (1) (h) (intro.) An executive summary setting forth in clear plain language the following information, or the location within the disclosure materials described in pars. (a) to (g) where the information may be found, and the date on which the executive summary is prepared or revised:

**SECTION 4.** 703.33 (1) (h) 11. of the statutes is amended to read:

703.33 (1) (h) 11. 'Reserves.' Whether the association maintains reserves for repairs and replacement of common elements beyond routine maintenance and, if so, whether a statutory reserve account under s. 703.163 is maintained and the amount of the reserve balance.

**SECTION 5.** 703.33 (1) (h) 13. of the statutes is created to read:

703.33 (1) (h) 13. 'First right of purchase.' Whether the association has a first right to purchase the unit.

**SECTION 6.** 703.33 (1) (h) 14. of the statutes is created to read:

703.33 (1) (h) 14. 'Transfer fee.' Whether the association charges a fee in connection with a transfer of ownership of the unit and, if a fee is charged, the amount of the fee.

**SECTION 6g.** 703.33 (1) (h) 15. of the statutes is created to read:

703.33 (1) (h) 15. 'Disclosure material fee.' Whether the association charges a fee for providing the disclosure materials described in this section and, if a fee is charged, the amount of the fee.

**SECTION 6r.** 703.33 (1) (h) 16. of the statutes is created to read:

703.33 (1) (h) 16. 'Payoff statement fee.' Whether the association charges a fee for providing a payoff statement under s. 703.335 and, if a fee is charged, the amount of the fee.

**SECTION 7.** 703.33 (9) of the statutes is amended to read:

703.33 (9) ELECTRONIC DISCLOSURE DELIVERY. The information required under subs. (1) and (2) may be ~~disclosed~~ delivered electronically in accordance with 15 USC 7001 (c), subch. II of ch. 137, and any other requirements that are prescribed by law.

**SECTION 8.** 703.335 of the statutes is created to read:

**703.335 Payoff statement for unpaid assessments and other obligations.** (1) DEFINITION. In this section, "payoff amount" means the total amount necessary to satisfy all monetary obligations, including unpaid assessments, owed by a unit owner to the association in connection with a particular unit, as set forth in a payoff statement provided by the association.

(2) REQUEST FOR PAYOFF STATEMENT. A unit owner, or a person on behalf of a unit owner, may submit to the association a written request for a payoff statement for a specified date not more than 30 days after the request is submitted. A grantee that requests a payoff statement under s. 703.165 (4) is considered a person making a request on behalf of a unit owner for purposes of this subsection.

(3) DEADLINE TO PROVIDE PAYOFF STATEMENT. Within 10 business days after a request under sub. (2) is submitted, the association shall provide a written payoff statement to the unit owner or person that submitted the request.

(4) FEES. (a) Except as provided under par. (b), an association shall provide one payoff statement requested under sub. (2) with respect to a unit without charge during any 2-month period. The association may charge a fee not to exceed \$25 for each additional payoff statement requested for the unit during that 2-month period.

(b) An association may charge a fee for providing the first payoff statement within a 2-month period described under par. (a) if the association establishes the fee as provided under s. 703.205. If the association establishes a fee under this paragraph, the association may increase the amount of the fee only as provided under s. 703.205.

(5) DAMAGES. If an association to which a request is submitted under sub. (2) does not provide a payoff statement within the deadline described under sub. (3), the association is liable to the unit owner for any actual damages caused by the association's failure or \$350, whichever is less.

**SECTION 9. Initial applicability.**

(1) MAXIMUM AMOUNTS ALLOWED FOR FURNISHING DISCLOSURE INFORMATION. The renumbering and amendment of section 703.20 (2) of the statutes and the creation of section 703.20 (2) (b) of the statutes first apply to a request by a seller submitted to an association on the effective date of this subsection.

(2) PAYOFF STATEMENT FOR UNPAID ASSESSMENTS AND OTHER OBLIGATIONS. The treatment of section 703.335 of the statutes first applies to a request for a payoff statement submitted to an association on July 1, 2018.

(3) EXECUTIVE SUMMARY CONTENTS. The treatment of section 703.33 (1) (h) (intro.), 11., 13., 14., 15., and 16. of the statutes first applies to an executive summary fur-

nished to a purchaser under section 703.33 (1) of the statutes on July 1, 2018.

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