1977 Senate Bill 383

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CHAPTER 407, Laws of 1977

AN ACT to amend 101.13 (2) (d); and to repeal and recreate chapter 703 of the statutes, relating to condominium ownership and regulation.

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

SECTION 1. 101.13 (2) (d) of the statutes is amended to read:

101.13 (2) (d) Any place of employment or public building, unless exempted by rule of the department, the initial construction of which is commenced on or after May 27, 1976, shall be designed and constructed so as to provide reasonable means of access. Buildings, as defined in s. 703.02 (5), 1975 stats., of 2 stories or less in height shall be exempt from requirements relating to parking space, ramps and grade-level entrances.

SECTION 2. Chapter 703 of the statutes is repealed and recreated to read:

CHAPTER 703

CONDOMINIUMS

703.01 Condominium ownership act. This chapter shall be known as the “Condominium Ownership Act”.

703.02 Definitions. In this chapter, unless the context requires otherwise:

(1) “Association” means all of a condominium’s unit owners acting as a group, either through a nonstock, nonprofit corporation or an unincorporated association, in accordance with its bylaws and declaration.

(2) “Common elements” mean all of a condominium except its units.

(3) “Common expenses and common surpluses” mean the expenses and surpluses of an association.

(4) “Condominium” means property subject to a condominium declaration established under this chapter.

(5) “Condominium instruments” mean the declaration, plats and plans of a condominium together with any attached exhibits or schedules.

(6) “Conversion condominium” means a structure which, before the recording of a condominium declaration, was wholly or partially occupied by persons other than those who have contracted for the purchase of condominium units and those who occupy with the consent of the purchasers.

(7) “Declarant” means any owner who subjects his or her property to a condominium declaration established under this chapter.
(8) "Declaration" means the instrument by which a property becomes subject to this chapter, and that declaration as amended from time to time.

(9) "Expandable condominium" means a condominium to which additional property or units or both may be added in accordance with the provisions of a declaration and this chapter.

(10) "Limited common elements" mean those common elements identified in a declaration or on a condominium plat as reserved for the exclusive use of one or more but less than all of the unit owners.

(11) "Majority" or "majority of unit owners" mean the condominium unit owners with more than 50% of the votes assigned to the units in the condominium declaration.

(12) "Mortgagee" means the holder of any recorded mortgage encumbering one or more units or a land contract vendor.

(13) "Person" means an individual, corporation, partnership, association, trustee or other legal entity.

(14) "Property" means unimproved land, land together with improvements on it or improvements without the underlying land. Property may consist of noncontiguous parcels or improvements.

(15) "Unit" means a part of a condominium intended for any type of independent use, including one or more cubicles of air at one or more levels of space or one or more rooms or enclosed spaces located on one or more floors (or parts thereof) in a building. A unit may include 2 or more noncontiguous areas.

(16) "Unit number" means the number, letter or combination thereof, identifying a unit in a declaration.

(17) "Unit owner" means a person, combination of persons, partnership or corporation who holds legal title to a condominium unit or has equitable ownership as a land contract vendee.

703.03 Application of chapter. This chapter applies only to property, a sole owner or all of the owners of which submit the property to the provisions of this chapter by duly executing and recording a declaration as provided in this chapter.

703.04 Status of the units. A unit, together with its undivided interest in the common elements, for all purposes constitutes real property.

703.05 Ownership of units. A unit owner is entitled to the exclusive ownership and possession of his or her unit.

703.06 Alterations prohibited. Except as otherwise provided in this chapter, no unit owner may do any alteration which would jeopardize the soundness or safety of the property, reduce the value thereof, or impair any easement or hereditament.

703.07 Establishment of condominium. (1) A condominium may be created by recording condominium instruments with the register of deeds of the county where the property is located.

(2) A condominium instrument, and all amendments and certifications of a condominium instrument, shall be recorded in every county in which any portion of the condominium is located, and shall be indexed in the name of the declarant and the name of the condominium. Subsequent instruments affecting the title to a unit which is physically located entirely within a single county shall be recorded only in that county, notwithstanding the fact that the common elements are not physically located entirely within that county. Subsequent amendments shall be indexed under the name of the condominium.

(3) All instruments affecting title to units shall be recorded and taxed as in other real property transactions.

703.08 Notice prior to conversion of residential property to condominium. (1) Residential real property may not be converted to a condominium unless the owner of the residential real property gives 120 days' prior written notice of the conversion to
each of the tenants of the building or buildings scheduled for conversion. A tenant has
the exclusive option to purchase the unit for a period of 60 days following the date of
delivery of the notice.

(2) A tenant may not be required to vacate the property during the period of the
notice required under sub. (1) except for:

(a) Violation of a covenant in the lease; or

(b) Nonpayment of rent.

703.09 Declaration. (1) A condominium declaration shall contain:

(a) The name and address of the condominium and the name shall include the
word “condominium” or be followed by the words “a condominium”;

(b) A description of the land on which the condominium is, or is to be, located,
together with a statement of the owner’s intent to subject the property to the
condominium declaration established under this chapter.

(c) A general description of each unit, including its perimeters, location and any
other data sufficient to identify it with reasonable certainty.

(d) A general description of the common elements together with a designation of
those portions of the common elements that are limited common elements and the unit
to which the use of each is restricted. Fixtures designed to serve a single unit, located
contiguous to the units boundaries, are deemed limited common elements appertaining
to that unit exclusively and need not be shown or designated as limited common
elements in the condominium instruments.

(e) The percentage interests appurtenant to each unit.

(f) The number of votes at meetings of the association of unit owners appurtenant
to each unit.

(g) Statement of the purposes for which the building and each of the units are
intended and restricted as to use.

(h) The name of the person to receive service of process in the cases provided in
this chapter, together with the address of that person and the method by which the
association may designate a successor to the person.

(i) Provision as to the percentage of votes by the unit owners which shall be
determinative of whether to rebuild, repair, restore or sell the property in the event of
damage or destruction of all or part of the property.

(j) Any further details in connection with the property which the person executing
the declaration deems desirable to set forth consistent with this chapter, except those
provisions which are required to be included in the bylaws.

(k) A condominium declaration shall be signed by the owners of the property in
the same manner as required in conveyances of real property.

(2) Except as provided in s. 703.26, a condominium declaration may be amended
with the written consent of 75 % of the unit owners and mortgagees or a greater
percentage if provided in the declaration. An amendment becomes effective when it is
recorded in the same manner as the declaration.

703.10 Bylaws. (1) Bylaws to govern administration. The administration of
every condominium shall be governed by bylaws. Every unit owner shall comply
strictly with the bylaws and with the rules adopted under the bylaws, as the bylaws or
rules are amended from time to time, and with the covenants, conditions and
restrictions set forth in the declaration or in the deed to the unit. Failure to comply
with any of the bylaws, rules, covenants, conditions or restrictions is grounds for action
to recover sums due, for damages or injunctive relief or both maintainable by the
association or, in a proper case, by an aggrieved unit owner.

(2) Required particulars. The bylaws shall express at least the following
particulars:
(a) The form of administration, indicating whether the association shall be incorporated or unincorporated, and whether, and to what extent, the duties of the association may be delegated to a board of directors, manager or otherwise, and specifying the powers, manner of selection and removal of them.

(b) The mailing address of the association.

(c) The method of calling the unit owners to assemble; the attendance necessary to constitute a quorum at any meeting of the association; the manner of notifying the unit owners of any proposed meeting; who presides at the meetings of the association, who keeps the minute book for recording the resolutions of the association and who counts votes at meetings of the association.

(d) The election by the unit owners of a board of directors of whom not more than one is a nonunit owner, the number of persons constituting the same and that the terms of at least one-third of the directors shall expire annually, the powers and duties of the board, the compensation, if any, of the directors, the method of removal from office of directors and whether or not the board may engage the services of a manager or managing agent.

(e) The manner of assessing against and collecting from unit owners their respective shares of the common expenses.

(f) The manner of borrowing money and acquiring and conveying property.

(3) PERMISSIBLE ADDITIONAL PROVISIONS. The bylaws also may contain any other provision regarding the management and operation of the condominium, including any restriction on or requirement respecting the use and maintenance of the units and the common elements.

(4) PROHIBITING VOTING BY CERTAIN UNIT OWNERS. The bylaws may contain a provision prohibiting any unit owner from voting at a meeting of the association if the association has recorded a statement of condominium lien on the person’s unit and the amount necessary to release the lien has not been paid at the time of the meeting.

(5) AMENDMENT. The bylaws may be amended by the affirmative vote of unit owners having 67% or more of the votes. Each particular set forth in sub. (2) shall be expressed in the bylaws as amended.

(6) TITLE TO CONDOMINIUM UNITS UNAFFECTED BY BYLAWS. Title to a condominium unit is not rendered unmarketable or otherwise affected by any provision of the bylaws or by reason of any failure of the bylaws to comply with the provisions of this chapter.

703.11 Condominium plat. (1) TO BE FILED FOR RECORD. When any condominium instruments are recorded, the declarant shall file for record a condominium plat in a separate plat book maintained for condominium plats.

(2) REQUIRED PARTICULARS. A condominium plat may consist of one or more sheets and shall contain at least the following particulars:

(a) The name of the condominium.

(b) A survey of the property described in the declaration showing the location of any building located or to be located on the property.

(c) Diagrammatic floor plans of each building located or to be located on the property which show the approximate dimensions, floor area and location of each unit in it. Common elements shall be shown graphically to the extent feasible.

(d) All survey maps and floor plans submitted for filing may not exceed 14 inches in length and 22 inches in width.

(3) DESIGNATION OF UNITS. Every unit shall be designated on the condominium plat by the unit number or other appropriate designation.

(4) SURVEYOR'S CERTIFICATE. A condominium plat is sufficient for the purposes of this chapter if there is attached to or included in it a certificate of a licensed land surveyor authorized to practice that profession in this state that the plat is a correct representation of the condominium described and the identification and location of each unit and the common elements can be determined from the plat.
703.12 Description of units. A description in any deed or other instrument affecting title to any unit which makes reference to the letter or number or other appropriate designation on the condominium plat together with a reference to the condominium instruments shall be a good and sufficient description for all purposes.

703.13 Percentage interests. (1) Undivided percentage interest in common elements. Every unit owner owns an undivided percentage interest in the common elements equal to that set forth in the declaration. Except as specifically provided in this chapter, all common elements shall remain undivided. Except as provided in this chapter, no unit owner, nor any other person, may bring a suit for partition of the common elements and any covenant or provision in any declaration, bylaws or other instrument to the contrary is void.

(2) Rights to common surpluses. Common surpluses shall be disbursed as provided under s. 703.16 (1).

(3) Liability for common expenses. Except for the specially assessed common expenses, the amount of all common expenses shall be assessed as provided under s. 703.16 (2).

(4) Change in percentage interest. The percentage interests shall have a permanent character and, except as specifically provided by this chapter, may not be changed without the written consent of all of the unit owners and their mortgagees. Any change shall be evidenced by an amendment to the declaration and recorded among the appropriate land records. The percentage interests may not be separated from the unit to which they appertain. Any instrument, matter, circumstance, action, occurrence or proceeding in any manner affecting a unit also shall affect, in like manner, the percentage interests appurtenant to the unit.

(5) Alterations within units. (a) A unit owner may make any improvements or alterations within his or her unit that do not impair the structural integrity or lessen the support of any portion of the condominium. A unit owner may not change the exterior appearance of a unit or of any other portion of the condominium without permission of the board of directors of the association.

(b) Except to the extent prohibited by the condominium instruments, and subject to any restrictions and limitation specified therein, a unit owner acquiring an adjoining or adjoining part of an adjoining unit, may remove all or any part of any intervening partition or create doorways or other apertures therein, even if the partition may in whole or in part be a common element, if those acts do not impair the structural integrity or lessen the support of any portion of the condominium. The creation of doorways or other apertures is not deemed an alteration of boundaries.

(6) Reallocation of boundaries. (a) If any condominium instruments expressly permit a reallocation of boundaries between adjoining units, those boundaries may be relocated in accordance with this section and any restrictions and limitations which the condominium instruments may specify.

(b) If any unit owners of adjoining units whose mutual boundaries may be relocated desire to relocate those boundaries, the principal officer of the unit owners association, upon written application from those unit owners and after 30 days' written notice to all other unit owners, shall prepare and execute appropriate instruments.

(c) An amendment to a declaration shall identify the units involved and shall state that the boundaries between those units are being relocated by agreement of the unit owners thereof. The amendment shall contain words of conveyance between those unit owners, and when recorded shall also be indexed in the name of the grantor and grantee. If the adjoining unit owners have specified in their written application the reallocation between their units of the aggregate undivided interest in the common elements appertaining to those units, the amendment to the declaration shall reflect that reallocation.

(d) If the adjoining unit owners have specified in their written application a reasonable reallocation, as determined by the board of directors, of the number of votes in the association or liabilities for future common expenses not specially assessed, appertaining to their units, an amendment to the condominium instruments shall reflect those reallocations.
(e) Plats and plans showing the altered boundaries and the dimensions thereof between adjoining units, and their identifying numbers or letters, shall be prepared. The plats and plans shall be certified as to their accuracy in compliance with this subsection by a civil engineer, architect or licensed land surveyor authorized to practice his or her profession in the state.

(f) After appropriate instruments have been prepared and executed, they shall be delivered promptly to the adjoining unit owners upon payment by them of all reasonable charges for the preparation thereof. Those instruments are effective when the adjoining unit owners have executed them and they are recorded in the name of the grantor and grantee. The recording thereof is conclusive evidence that the relocation of boundaries did not violate the condominium instruments.

(7) Separation of Units. (a) If any condominium instruments expressly permit the separation of a unit into 2 or more units, a separation shall be made in accordance with this section and any restrictions and limitations which the condominium instruments may specify.

(b) The principal officer of the association, upon written application of a person proposing the separation of a unit (separator) and after 30 days' written notice to all other unit owners shall promptly prepare and execute appropriate instruments under this subsection. An amendment to the condominium instruments shall assign a new identifying number to each new unit created by the separation of a unit, shall allocate to those units, on a reasonable basis acceptable to the separator and the executive board all of the undivided interest in the common element and rights to use the limited common elements and the votes in the association formerly appertaining to the separated unit. The amendment shall reflect a proportionate allocation to the new units of the liability for common expenses and rights to common surpluses formally appertaining to the subdivided unit.

(c) Plats and plans showing the boundaries and dimensions separating the new units together with their other boundaries and their new identifying numbers or letters shall be prepared. The plats and plans shall be certified as to their accuracy and compliance with this subsection by a civil engineer, architect or licensed land surveyor authorized to practice his or her profession in the state.

(d) After appropriate instruments have been prepared and executed, they shall be delivered promptly to the separator upon payment by him or her of all reasonable cost for their preparation. Those instruments are effective when the separator has executed them and they are recorded. The recording of the instruments is conclusive evidence that the separation did not violate any restrictions or limitation specified by the condominium instruments and that any reallocations made under this subsection were reasonable.

703.14 Use of common elements. (1) The common elements may be used only for the purposes for which they were intended and, except as provided in the condominium instruments or bylaws, the common elements are subject to mutual rights of support, access, use and enjoyment by all unit owners. However, any portion of the common elements designated as limited common elements may be used only by the unit owner of the unit to which their use is limited in the condominium instruments and bylaws.

(2) The declaration or bylaws may allow any unit owner of a unit to which the use of any limited common element is restricted to grant by deed, subject to the rights of any existing mortgagee, the use of the limited common element to any other unit owner. Thereafter, the grantor has no further right to use the limited common element.

703.15 Association of unit owners. (1) Legal entity. The affairs of every condominium shall be governed by an association which, even if unincorporated, is constituted a legal entity for all purposes.

(2) Organization of association. (a) Establishment. Every declarant shall establish an association to govern the condominium not later than the date of the first conveyance of a unit to a purchaser. The association shall be organized as a profit or nonprofit corporation or as an unincorporated association. After it is organized, the membership of the association shall at all times consist exclusively of all of the unit owners.
(b) **Power and responsibility prior to establishment.** Until an association is established, a declarant has the power and responsibility to act in all instances where this chapter, any other provision of the law, or the declaration require action by the association or its officers.

(c) **Declarant control.** Except as provided in par. (d), a declarant may authorize the declarant or persons designated by him or her to appoint and remove the officers of the association or to exercise the powers and responsibilities otherwise assigned by the declaration or this chapter to the association or its officers. A declaration may not authorize any declarant control of the association for a period exceeding the earlier of: 1) 10 years in the case of an expandable condominium; 2) 3 years in the case of any other condominium; or 3) 30 days after the conveyance of 75% of the common element interest to purchasers. The period of declarant control begins on the date that the first condominium unit is conveyed by a declarant to any person other than the declarant. If there is any other unit owner other than a declarant, a declaration may not be amended to increase the scope nor the period of the declarant control.

(d) **Meeting to elect directors.** Prior to the conveyance of 25% of the common element interest to purchasers, an association shall hold a meeting and the unit owners other than the declarant shall elect at least 25% of the directors of the executive board. Prior to the conveyance of 50% of the common element interest to purchasers, an association shall hold a meeting and the unit owners other than the declarant shall elect at least 33 1/3% of the directors of the executive board.

(e) **Calculation of percentage.** The calculation of the percentage of common element interest conveyed to purchasers under pars. (c) and (d) shall be based on the percentage of undivided interest appertaining to each unit which has been conveyed assuming that all the units to be completed are included in the condominium.

(f) **Elections after expiration of declarant control.** Not later than 45 days after the expiration of any period of declarant control, an association shall hold a meeting and the unit owners shall elect an executive board of at least 3 directors and officers of the association. The directors and officers shall take office upon election.

(3) **Powers of the association.** (a) **Powers.** An association has the power to:

1. Adopt budgets for revenues, expenditures and reserves and levy and collect assessments for common expenses from unit owners;
2. Employ and dismiss employes and agents;
3. Sue on behalf of all unit owners; and
4. Exercise any other power conferred by the condominium instruments or bylaws.

(b) **Conditional powers.** Subject to any restrictions and limitations specified by the declaration, an association may:

1. Make contracts and incur liabilities.
2. Regulate and impose charges for the use of common elements.
3. Cause additional improvements to be made as a part of the common elements.
4. Acquire, hold, incumber and convey any right, title or interest in or to real property.
5. Grant easements through or over the common elements.
6. Receive any income derived from payments, fees or charges for the use, rental or operation of the common elements.
7. Grant or withhold approval of any action by a unit owner or other person which would change the exterior appearance of the unit or of any other portion of the condominium.

(4) **Roster of unit owners; meetings of association.** (a) An association shall maintain a current roster of names and addresses of every unit owner to which notice of meetings of the association shall be sent.
(b) Every unit owner shall furnish the association with his or her name and current mailing address. No unit owner may vote at meetings of the association until this information is furnished.

(c) No regular or special meeting of the association may be held except on at least 10 days' written notice delivered or mailed to every unit owner at the address shown on the roster or unless waivers are duly executed by all unit owners.

(d) 1. At meetings of the association every unit owner is entitled to cast the number of votes appurtenant to his or her unit. Unit owners may vote by proxy, but, the proxy is effective only for a maximum period of 180 days following its issuance, unless granted to a mortgagee or lessee. If only one of multiple owners of a unit is present at a meeting of the association, the owner is entitled to cast the votes allocated to that unit.

2. If more than one of the multiple owners is present, the votes allocated to that unit may be cast pro rata among the owners unless the condominium instruments expressly provide otherwise, but unanimous agreement is conclusively presumed if any one of them purports to cast the votes allocated to that unit without protest being made promptly by any of the others to the person presiding over the meeting or until any one of the multiple owners files a statement with the secretary of the association stating that thereafter the vote must be cast pro rata.

(e) Unless otherwise provided in this chapter, and subject to provisions in the bylaws requiring a different majority, decisions of an association shall be made on a majority of votes of the unit owners present and voting.

(5) **UNIT OWNER'S INTEREST IN ASSOCIATION'S PROPERTY.** No unit owner may have any right, title or interest in any property owned by the association other than as holder of a percentage interest in common elements appurtenant to its unit.

703.16 Common expenses and common surpluses. (1) **DISPOSITION OF COMMON SURPLUSES.** All common surpluses of the association shall be credited to the unit owners' assessments for common expenses in proportion to their percentage interests in the common elements or as otherwise provided in the declaration or shall be used for any other purpose as the association decides.

(2) **FUNDS FOR PAYMENT OF COMMON EXPENSES OBTAINED BY ASSESSMENTS.** Funds for the payment of common expenses and for the creation of reserves for the payment of future common expenses shall be obtained by assessments against the unit owners in proportion to their percentage interests in the common elements or as otherwise provided in the declaration.

(3) **LIABILITY FOR ASSESSMENTS.** A unit owner shall be liable for all assessments, or instalments thereof, coming due while owning a unit. In a voluntary grant, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for his or her share of the common expenses up to the time of the voluntary grant for which a statement of condominium lien is recorded, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee for such assessments. Liability for assessments may not be avoided by waiver of the use or enjoyment of any common element or by abandonment of the unit for which the assessments are made.

(4) **ASSESSMENTS CONSTITUTE LIEN.** All assessments, until paid, together with interest on them and actual costs of collection, constitute a lien on the units on which they are assessed, if a statement of lien is filed within 2 years after the date the assessment becomes due. The lien is effective against a unit at the time the assessment became due regardless of when within the 2-year period it is filed. A statement of condominium lien is filed in the land records of the clerk of circuit court of the county where the unit is located, stating the description of the unit, the name of the record owner, the amount due and the period for which the assessment was due. The clerk shall index the statement of condominium lien under the name of the record owner in the condominium lien docket. The statement of condominium lien shall be signed and verified by an officer or agent of the association as specified in the bylaws and then may be filed. On full payment of the assessment for which the lien is claimed, the unit owner shall be entitled to a filable satisfaction of the lien.
(5) **STATEMENT.** Any grantee of a unit is entitled to a statement from the association or the executive board, setting forth the amount of unpaid assessments against the grantor and the grantee is not liable for, nor shall the unit conveyed be subject to a lien which is not filed under sub. (4) for, any unpaid assessment against the grantor in excess of the amount set forth in the statement. If an association or a board of directors does not provide such a statement within 10 business days after the grantee's request, they are barred from claiming under any lien which is not filed under sub. (4) prior to the request for the statement against the grantee.

(6) **PRIORITY OF LIEN.** All sums assessed by an association but unpaid for the share of the common expenses chargeable to any unit constitutes a lien on the unit and on the undivided interest in the common elements appurtenant thereto prior to all other liens except:

(a) Liens of general and special taxes.
(b) All sums unpaid on a first mortgage recorded prior to the making of the assessment.
(c) Mechanic's liens filed prior to the making of the assessment.
(d) All sums unpaid on any mortgage loan made under s. 45.80.

(7) **INTEREST ON UNPAID ASSESSMENT.** Any assessment, or instalment thereof, not paid when due shall bear interest, at the option of the association, from the date when due until paid at a rate not exceeding the highest rate permitted by law as stated in the bylaws.

(8) **ENFORCEMENT OF LIEN.** A lien may be enforced and foreclosed by an association or any other person specified in the bylaws, in the same manner, and subject to the same requirements, as a foreclosure of mortgages on real property in this state. An association may recover costs and actual attorney fees. An association may, unless prohibited by the declaration, bid on the unit at foreclosure sale and acquire, hold, lease, mortgage and convey the unit. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same. Suit for any deficiency following foreclosure may be maintained in the same proceeding. No action may be brought to foreclose the lien unless brought within 3 years following the recording of the statement of condominium lien. No action may be brought to foreclose the lien except after 10 days' prior written notice to the unit owner given by registered mail, return receipt requested, to the address of the unit owner shown on the books of the association.

(9) **FORM OF STATEMENT OF CONDOMINIUM LIEN.** A statement of condominium lien is sufficient for the purposes of this chapter if it contains the following information and is substantially in the following form:

**Statement of Condominium Lien**

This is to certify that .......... owner(s) of unit No. .... in ............... Condominium (is) (are) indebted to the association in the amount of $.......... as of .........., 19........ for (his) (her) (its) (their) proportionate share of common expenses of the Condominium for the period from (date) to (date), plus interest thereon at the rate of ....%, costs of collection, and actual attorney fees.

Association
By: ................................................
Officer's title (or agent)
Address
Phone number

I hereby affirm under penalties of perjury that the information contained in the foregoing Statement of Condominium Lien is true and correct to the best of my knowledge, information, and belief.

................................................
Officer (or agent)

703.17 **Insurance.** (1) An association shall obtain insurance for the property against loss or damage by fire and such other hazards for not less than full replacement value of the property insured and a liability policy covering all claims commonly insured against. Insurance coverage shall be written on the property in the
name of the association as trustee for each of the unit owners in the percentages established in the declaration. Premiums shall be common expenses. Provisions for such insurance shall be without prejudice to the right of each unit owner to insure his or her own unit for personal benefit.

(2) Insurance proceeds shall first be dispersed by the trustees for the repair or restoration of the damaged common elements, and the unit owners and mortgagees shall not be entitled to receive payment of any portion of the insurance proceeds unless the association has determined not to rebuild, or the court has ordered partition of the condominium property, or there is a surplus of insurance proceeds after the common elements have been completely repaired or restored.

703.18 Repair or Reconstruction. (1) A declaration shall provide for the repair or reconstruction of the common elements in the event of damage to all or part of the common elements of the condominium.

(2) (a) Unless otherwise provided in the declaration, in the event of damage to or destruction of common elements of a condominium, the association shall promptly undertake to repair or reconstruct it to a condition compatible with the remainder of the condominium. All cost of the repair or reconstruction in excess of available insurance proceeds shall be a common expense.

(b) However, if a condominium is damaged to an extent more than the available insurance proceeds, the condominium shall be subject to an action for partition upon obtaining the written consent of the unit owners having 75% or more of the votes. In the case of partition, the net proceeds of sale together with any net proceeds of insurance shall be considered as one fund and shall be divided among all unit owners in proportion to their percentage interests in the common elements, and shall be distributed in accordance with the priority of interests in each unit.

703.19 Eminent Domain. (1) Definition. In this section, “taking under the power of eminent domain” includes any sale in settlement of any pending or threatened condemnation proceeding.

(2) Allocation of Award; Provisions in Declaration or Bylaws. A declaration or bylaws may provide for an allocation of any award for a taking under the power of eminent domain of all or part of the condominium. A declaration or bylaws also may provide for:

(a) Reapportionment or other change of the percentage interests appurtenant to each unit remaining after any taking; and

(b) Rebuilding, relocation or restoration of any improvements so taken in whole or in part.

(3) Allocation of Award; In Absence of Provisions in Declaration or Bylaws. Unless otherwise provided for in a declaration or bylaws, any damages for a taking of all or part of a condominium shall be awarded as follows:

(a) Every unit owner is entitled to the entire award for the taking of all or part of their respective unit and for consequential damages to their unit.

(b) Any award for the taking of limited common elements shall be allocated to the unit owners of the units to which the use of those limited common elements is restricted in proportion to their respective percentage interests in the common elements.

(c) In the event no reconstruction is undertaken, any award for the taking of common elements shall be allocated to all unit owners in proportion to their respective percentage interests in the common elements.

(4) Reconstruction Following Taking. Following the taking of all or a part of the common elements, an association shall promptly undertake to restore the improvements of the common elements to an architectural whole compatible with the existing structure. Any costs of such restoration in excess of the condemnation award shall be a common expense. However, if the taking under the power of eminent domain is to the extent where the remaining condominium portion has been diminished
to the extent that reconstruction or restoration is not practical, a condominium shall be subject to an action for partition upon obtaining the written consent of the unit owners having 75% or more of the vote. In the case of partition, the net proceeds of sale, together with any net proceeds of the award for taking, shall be considered as one fund and shall be divided among all unit owners in proportion to their percentage interest in the common elements and shall be distributed in accordance with the priority of interests in each unit.

(5) **Adjustment of Percentage Interests Following Taking; Effect of Taking on Votes Appurtenant to Unit.** Following the taking of all or a part of any unit, the percentage interests appurtenant to the unit shall be adjusted in proportion as provided in the condominium instruments or bylaws. The association promptly shall prepare and record an amendment to the declaration reflecting the new percentage interests appurtenant to the unit. Subject to sub. (7), following the taking of part of a unit, the votes appurtenant to that unit shall be appurtenant to the remainder of that unit, and following the taking of all of a unit, the right to vote appurtenant to the unit shall terminate.

(6) **Priority in Distribution of Damages for Each Unit.** All damages for each unit shall be distributed in accordance with the priority of interests at law or in equity in each respective unit.

(7) **Taking Not to Include Percentage Interests or Votes.** A taking of all or part of a unit may not include any of the percentage interests or votes appurtenant to the unit.

(8) **Preservation of the Right of Appeal.** The owner of each unit taken shall have the individual right of appeal of the necessity of taking and of the condemnation award made for the taking. An association shall have the right of appeal of the necessity of taking of the common elements and the right of appeal of the condemnation award made for the taking of the common elements. An appeal by an association shall be binding upon the individual unit owners for the necessity of taking or the condemnation award made for the taking of the common elements. The unit owners having an interest in the ownership of limited common elements may individually or as a group appeal the necessity of taking or the condemnation award made for the taking of the limited common elements.

703.20 **Books of receipts and expenditures; availability for examination.** An association shall keep detailed, accurate records using standard bookkeeping procedures of the receipts and expenditures affecting the common elements, specifying and itemizing the maintenance and repair expenses of the common elements and any other expenses incurred. The records and the vouchers authorizing the payments shall be available for examination by the unit owners at convenient hours.

703.21 **Separate taxation.** (1) Every unit and its percentage of undivided interest in the common elements shall be deemed to be a parcel and shall be subject to separate assessments and taxation by each assessing unit and special district for all types of taxes authorized by law including, but not limited to, special ad valorem levies and special assessments. Neither the building, the property nor any of the common elements shall be deemed to be a parcel separate from the unit.

(2) The rights, duties and obligations of unit owners under this chapter shall inure to and be binding upon grantees under tax deeds and persons acquiring title by foreclosure of tax liens and their successors in interest.

703.22 **Mechanics' and materialmen's liens.** (1) Subsequent to recording a declaration under this chapter and while the property remains subject to this chapter, any and all liens will exist only against individual units and the percentage of undivided interest in the common elements appurtenant to such unit, in the same manner and under the same conditions in every respect as liens or encumbrances may arise or be created upon or against any other separate parcel of real property subject to individual ownership.

(2) Any mechanics' lien or materialmen's lien arising as a result of repairs to or improvements of a unit by a unit owner shall be a lien only against the unit.
703.25 Tort and contract liability. (1) An action for tort alleging a wrong done by any agent or employee of a declarant or of an association, or in connection with the condition of any portion of a condominium which a declarant or an association has the responsibility to maintain, shall be brought against the declarant or the association, as the case may be. No unit owner shall be precluded from bringing such an action by virtue of his or her ownership of a percentage interest in the common elements or by reason of its membership in the association or its status as an officer.

(2) An action arising from a contract made by or on behalf of an association shall be brought against the association, or against the declarant if the cause of action arose during the exercise by the declarant of control reserved under the declaration. No unit owner shall be precluded from bringing such an action by reason of its membership in the association or its status as an officer.

(3) A judgment for money against an association shall be a lien against any property owned by the association, and against each of the condominium units in proportion to the liability of each unit owner for common expenses as established under the declaration in an amount not exceeding the market value of the unit, but not against any other property of any unit owner.

703.26 Expanding condominiums. (1) DECLARANT MAY RESERVE RIGHT TO EXPAND. A declarant may reserve the right to expand a condominium by subjecting additional property to the condominium declaration in such a manner that as each
Chapter 407

Additional property is subjected to the condominium declaration, the percentage of undivided interests in the common elements of the preceding and new property shall be reallocated between the unit owners on the basis of the aggregate undivided interest in the common elements appertaining to the property.

(2) Conditions to which reservation subject. A reservation of the right to expand a condominium is subject to the conditions provided in this subsection.

(a) A declaration establishing a condominium shall describe each parcel of property which may be added to the condominium.

(b) A declaration establishing a condominium shall show the maximum number of units which may be added, and the percentage interests in the common elements, the liabilities for common expenses and the rights to common surpluses, and the number of votes appurtenant to each unit following the addition of property to the condominium, if added. The percentage interests in the common elements, the liabilities for common expenses and the rights to common surpluses, and the number of votes that each unit owner will have may be shown by reference to a formula or other appropriate method of determining them following each expansion of the condominium.

(c) A condominium plat for an original condominium shall include, in general terms, the outlines of the land, buildings, and common elements of new property that may be added to the condominium.

(d) In a declaration establishing a condominium, a right to expand the condominium may be reserved in the declaration for a period not exceeding 10 years from the date of recording of the declaration.

(3) Recordation of amendments to declaration and plat. (a) If the conditions of sub. (2) are complied with, property may be added to a condominium if the declarant records an amendment to the declaration, showing the new percentage interests of the unit owners, and the votes which each unit owner may cast in the condominium as expanded, and records an amendment to the condominium plat that includes the detail and information concerning the new property as required in the original condominium plat.

(b) On recording of an amendment of a declaration and plat, each unit owner, by operation of law, has the percentage interests in the common elements, liabilities in the common expenses, rights to common surpluses, and shall have the number of votes, set forth in the amendment to the declaration. Following any expansion, the interest of any mortgagee shall attach, by operation of law, to the new percentage interests in the common elements appurtenant to the unit on which it is a lien.

703.27 Zoning and building regulations. (1) A zoning or other land use ordinance or regulations may not prohibit the condominium form of ownership or impose any requirements upon a condominium which it would not impose upon a physically identical development under a different form of ownership. No provision of a state or local building code may be applied differently to a building in a condominium than it would be applied to a building of similar structure or occupancy under a different form of ownership unless the different application is expressly permitted in that provision. No subdivision ordinance may apply to any condominium unless the ordinance is, by its express terms, applicable to condominiums.

(2) No county, city or other jurisdiction may enact any law, ordinance or regulation which would impose a burden or restriction on a condominium that is not imposed on all other property of similar character not subjected to a condominium declaration.

703.28 Removal from provisions of this chapter. (1) All of the unit owners may remove all or any part of the property from the provisions of this chapter by an instrument to that effect, duly recorded, provided that the holders of all liens affecting any of the units consent thereto or agree, in either case by instruments duly recorded, that their liens be transferred to the percentage of the undivided interest of the unit owner in the property.
Upon removal of any property from this chapter, the property shall be deemed to be owned in common by the unit owners. The undivided interest in the property owned in common which appertains to each unit owner shall be the percentage of undivided interest previously owned by the owner in the common elements.

703.29 Removal no bar to subsequent resubmission. The removal provided for in s. 703.28 shall in no way bar the subsequent resubmission of the property to this chapter.

703.30 Rules of construction. (1) Certain rules of law not applicable. Neither the rule of law known as the rule against perpetuities nor the rule of law known as the rule restricting unreasonable restraints on alienation may be applied to defeat or invalidate any provision of this chapter or of any condominium instruments, bylaws or other instrument made pursuant to this chapter.

(2) Substantial conformity of condominium instruments and bylaws sufficient. The provisions of any condominium instruments and bylaws filed under this chapter shall be liberally construed to facilitate the creation and operation of the condominium. So long as the condominium instruments and bylaws substantially conform with the requirements of this chapter, no variance from the requirements shall affect the condominium status of the property in question nor the title of any unit owner to his or her unit, votes and percentage interests in the common elements and in common expenses and common surpluses.

(3) Provisions of condominium instruments and bylaws severable. All provisions of condominium instruments and bylaws are severable and the invalidity of one provision does not affect the validity of any other provision.

(4) Conflicts in provisions. If there is any conflict between any provisions of a declaration and provisions of a condominium plat or any provisions of the bylaws, the provisions of the declaration shall control. If there is any conflict between any provisions of any condominium instruments and any provisions of any bylaws, the provisions of the condominium instruments shall control. If there is any conflict between any provisions of any condominium instruments or any provisions of any bylaws and any provisions of this chapter, the provisions of this chapter shall control.

(5) Instruments construed together. Condominium instruments shall be construed together and are determined to incorporate one another to the extent that any requirement of this chapter applying to one instrument is satisfied if the deficiency can be corrected by reference to any of the others.

703.31 Personal application. (1) All unit owners, tenants of the owners, employes of owners and tenants or any other persons that in any manner use property or any part thereof subject to this chapter shall be subject to this chapter and to the declaration and bylaws of the association adopted under this chapter.

(2) All agreements, decisions and determinations lawfully made by an association in accordance with the voting percentages established in this chapter, declaration or bylaws, shall be deemed to be binding on all unit owners.

703.32 Easements and encroachments. (1) Presumption as to existing physical boundaries. Any existing physical boundaries of any unit or common elements constructed or reconstructed in substantial conformity with the condominium plat shall be conclusively presumed to be its boundaries, regardless of the shifting, settlement or lateral movement of any building and regardless of minor variations between the physical boundaries as described in the declaration or shown on the condominium plat and the existing physical boundaries of any such unit or common element. This presumption applies only to encroachments within the condominium.

(2) Encroachment as result of authorized construction, reconstruction or repair. If any portion of any common element encroaches on any unit or if any portion of a unit encroaches on any common element, as a result of the duly authorized construction, reconstruction or repair of a building, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the building stands.
(3) EASEMENTS INCLUDED IN GRANT OF UNIT. A grant or other disposition of a condominium unit shall include and grant and be subject to any easement arising under the provisions of this section without specific or particular reference to the easement.

(4) ASSOCIATION'S RIGHT OF ENTRY TO MAKE REPAIRS. An association shall have an irrevocable right and an easement to enter units to make repairs to common elements when the repairs reasonably appear necessary for public safety or to prevent damage to other portions of the condominium. Except in cases involving manifest danger to public safety or property, an association shall make a reasonable effort to give notice to the owner of any unit to be entered for the purpose of such repairs. No entry by an association for the purposes specified in this subsection may be considered a trespass.

703.33 Disclosure requirements. (1) MATERIAL TO BE FURNISHED BY DECLARANT TO PURCHASER BEFORE CLOSING. Not later than 15 days prior to the closing of the sale of each unit to a member of the public, a declarant shall furnish to a purchaser the following:

(a) A copy of the proposed declaration, bylaws and any rules or regulations, together with an index of the contents.

(b) A copy of the proposed articles of incorporation of the association, if it is to be incorporated.

(c) A copy of any proposed management contract, employment contract or other contract affecting the use, maintenance or access of all or part of the condominium to which it is anticipated the unit owners or the association will be a party following closing.

(d) A copy of the projected annual operating budget for the condominium including reasonable details concerning the estimated monthly payments by the purchaser for assessments, and monthly charges for the use, rental or lease of any facilities not part of the condominium.

(e) A copy of any lease to which it is anticipated the unit owners or the association will be a party following closing.

(f) A description of any contemplated expansion of the condominium with a general description of each stage of expansion and the maximum number of units that can be added to the condominium.

(g) A copy of the floor plan of the unit together with the information that is necessary to show the location of the common elements and other facilities to be used by the unit owners and indicating which facilities will be part of the condominium and which facilities will be owned by others.

(2) DISCLOSURE FORM IN INITIAL SALE. The materials required in sub. (1) shall be delivered to a prospective purchaser with cover sheet, index and tables of contents as prescribed in this section. A cover sheet and index shall precede all other materials required in sub. (1). A table of contents shall precede the section to which it applies.

(a) Cover sheet. A cover sheet shall be of the same approximate size and shape as the majority of the disclosure materials required in sub. (1) and shall bear the title "Disclosure Materials" and shall contain the name and location of the condominium, the name and business address of the declarant, and the name and business address of the declarant's agent. Following this information, but separate from it, there shall appear on the front of the cover sheet 3 statements in boldface type, or capital letters no smaller than the largest type on the page, in the following wording:

1. THESE ARE THE LEGAL DOCUMENTS COVERING YOUR RIGHTS AND RESPONSIBILITIES AS A CONDOMINIUM OWNER. IF YOU DO NOT UNDERSTAND ANY PROVISIONS CONTAINED IN THEM, YOU SHOULD OBTAIN PROFESSIONAL ADVICE.

2. THESE DISCLOSURE MATERIALS GIVEN TO YOU AS REQUIRED BY LAW MAY BE RELIED UPON AS CORRECT AND BINDING. ORAL STATEMENTS MAY NOT BE LEGALLY BINDING.
3. YOU MAY AT ANY TIME WITHIN 5 BUSINESS DAYS FOLLOWING RECIPEHT OF THESE DOCUMENTS, OR FOLLOWING NOTICE OF ANY MATERIAL CHANGES IN THESE DOCUMENTS, CANCEL IN WRITING THE CONTRACT OF SALE AND RECEIVE A FULL REFUND OF ANY DEPOSITS MADE.

(b) Index. Following the material required in par. (a), there shall appear an index of the disclosure materials. An index may begin on the cover sheet, if space permits, and be continued on the first and subsequent pages immediately following the cover sheet or may begin on the first page immediately following the cover sheet and continue on subsequent pages. An index shall be in substantially the following form:

The disclosure materials the declarant is required by law to provide to each prospective condominium purchaser contains the following documents and exhibits:

1. Declaration. The declaration establishes and describes the condominium, the units and the common areas. The declaration begins on page ......

2. Bylaws. The bylaws contain rules which govern the condominium and effect the rights and responsibilities of unit owners. The bylaws begin on page ......

3. Articles of incorporation. The operation of a condominium is governed by the association, of which each unit owner is a member. Powers, duties, and operation of an association are specified in its articles of incorporation. The articles of incorporation begin on page ......

4. Management or employment contracts. Certain services are provided to the condominium through contracts with individuals or private firms. These contracts begin on page ......

5. Annual operating budget. The association incurs expenses for the operation of the condominium which are assessed to the unit owners. The operating budget is an estimate of those charges which are in addition to mortgage and utility payments. The budget begins on page ......

6. Leases. Units in this condominium are sold subject to one or more leases of property or facilities which are not a part of the condominium. These leases begin on page ......

7. Expansion plans. The declarant has reserved the right to expand the condominium in the future. A description of the plans for expansion and its effect on unit owners begins on page ......

8. Floor plan and map. The declarant has provided a floor plan of the unit being offered for sale and a map of the condominium which shows the location of the unit you are considering and all facilities and common areas which are part of the condominium. The floor plan and map begin on page ......

(c) Tables of contents and page numbers. In addition to an index required by par. (b), there shall be provided tables of contents for the declaration, bylaws and articles of incorporation which shall identify each section of these documents and provide a page number for each section. Each section of disclosure material required in sub. (1) shall, on the first page of that material, identify contents of that section but, with an exception of the declaration, bylaws and articles of incorporation, shall not be required to have a table of contents. Each page of disclosure materials shall contain a page number sufficient to identify it within the body of disclosure materials. Page numbers for the declaration, bylaws and articles of incorporation required in par. (b) shall be the first page of the table of contents for that section. All other page numbers required in the index shall refer to the first page of that section on which the title appears.

(d) Additions or exclusions. All materials required by this section shall be delivered to a prospective purchaser with disclosure materials required under sub. (1) except that articles of incorporation, leases and expansion plans of the index need not be included if they clearly do not apply.
(3) **Change in material following delivery to purchaser.** Any material furnished under sub. (1) may not be changed or amended following delivery to a purchaser, if the change or amendment would affect materially the rights of the purchaser, without first obtaining approval of the purchaser. A copy of amendments shall be delivered promptly to the purchaser.

(4) **Purchaser's right to rescind contract of sale.** Any purchaser may at any time within 5 business days following receipt of all information required under sub. (1) and within 5 business days following receipt of all information required under sub. (3), rescind in writing a contract of sale without stating any reason and without any liability on his or her part, and the purchaser is entitled to the return of any deposits made in account of the contract.

(5) **Untrue statement or omission of material fact.** Any declarant who in disclosing information required under subs. (1) and (2) makes any untrue statement of material fact or omits to state a material fact necessary in order to make statements made not misleading shall be liable to any person purchasing a unit from him or her. However, no action may be maintained to enforce any liability created under this section unless brought within one year after facts constituting a cause of action are or should have been discovered.

(6) **Waiver of purchaser's right.** Rights of purchasers under this section may not be waived in the contract of sale and any attempt to waiver is void. However, if the purchaser proceeds to closing, the purchaser's right under this section to rescind is terminated.

(7) **Sale of unit for nonresidential purposes.** Requirements of this section do not apply to a sale of any unit which is primarily intended to be occupied and used for nonresidential purposes.

(8) **Location of condominium immaterial.** Requirements of this section shall apply to a sale of any unit offered for sale in this state without regard to the location of a condominium.

**703.34 Blanket mortgages and other blanket liens affecting a unit at time of first conveyance.** As a condition to the first transfer of title to each unit:

(1) Every mortgage and other lien affecting such unit, including the undivided interest in the common areas and facilities appurtenant to such unit, shall be paid and satisfied of record;

(2) A unit being transferred and an undivided interest in the common areas and facilities appurtenant thereto shall be released by partial release duly recorded; or

(3) A mortgage or other lien shall provide for or be amended to provide for a release of the unit and the undivided interest in the common areas and facilities appurtenant thereto from the lien of a mortgage or other lien upon the payment of a sum certain.

**703.35 Termination of contracts and leases.** If entered into before the officers elected by the unit owners under s. 703.10 take office, any management contract, employment contract, lease of recreational or parking areas or facilities, any contract or lease to which a declarant or any person affiliated with the declarant is a party and any contract or lease which is not bona fide or which was not commercially reasonable to unit owners when entered into under the circumstances then prevailing, may be terminated by the association or its executive board at any time without penalty upon not less than 90 days' notice to the other party thereto. This section does not apply to any lease the termination of which would terminate the condominium.

**703.36 Provisions requiring employment of declarant or vendor to effect sale.** Any provision of a declaration or other instrument made pursuant to this chapter which requires the owner of a unit to engage or employ the declarant or any subsidiary or affiliate of the declarant for the purpose of effecting a sale or lease of any unit is void. Any provision of any contract for a sale of any unit which requires a purchaser to engage or employ the vendor or any subsidiary or affiliate of the vendor for the
purpose of effecting a sale or lease of any unit is void. This section applies to declarations, instruments and contracts made prior to and after the effective date of this act (1977).

703.37 Interpretation. For purposes of interpretation of this chapter, a condominium is not a subdivision as defined in ch. 236.

703.38 Applicability to existing condominiums. (1) Except as otherwise provided in this section, this chapter is applicable to all condominiums, whether established before or after the effective date of this act (1977). However, with respect to condominiums existing on the effective date of this act (1977), the declaration, bylaws or condominium plat need not be amended to comply with the requirements of this chapter.

(2) Section 703.10 (5) is not applicable to a condominium existing on the effective date of this act (1977) if the existing declaration or bylaws provide otherwise.

(3) Section 703.15 (4) (c) and (d) 2 are not applicable to a condominium existing on the effective date of this act (1977) if the existing declaration or bylaws provide otherwise.

(4) Section 703.18 is applicable only to those condominiums which are damaged or destroyed on or after the effective date of this act (1977).

(5) Section 703.19 is applicable only to those eminent domain proceedings filed on or after the effective date of this act (1977).

(6) Unless a declarant elects to conform to the requirements of s. 703.26, s. 703.26 is not applicable to those condominiums created prior to the effective date of this act (1977) under circumstances where the declarant reserved the right to expand the condominium.

(7) Section 703.33 is applicable only to contracts executed after the effective date of this act (1977).

(8) Section 703.35 is applicable only to leases or management and similar contracts executed after the effective date of this act (1977).

SECTION 3. Effective date. This act takes effect on the first day of the 3rd month commencing after publication.