



**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1995 ASSEMBLY BILL 391**

October 11, 1995 - Offered by Representatives VRAKAS, WOOD, HANSON and FOTI.

1 **AN ACT** *to renumber and amend* 709.01 and 709.05; *to amend* 709.02 and
2 709.04; *to repeal and recreate* 709.03 and 709.03 (form) C. 8.; and *to create*
3 709.01 (2), 709.035, 709.05 (2) (a) 2., 709.05 (2) (b) and 709.05 (3) of the statutes;
4 **relating to:** disclosure of conditions of residential real estate.

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

5 **SECTION 1.** 709.01 of the statutes is renumbered 709.01 (1) and amended to
6 read:
7 709.01 (1) ~~All~~ Except as provided in sub. (2), all persons; ~~except personal~~
8 representatives, trustees and conservators and ~~except~~ fiduciaries who are appointed
9 by, or subject to supervision by, a court if those persons have never occupied the
10 property transferred; who transfer real property located in this state, including a
11 condominium unit, as defined in s. 703.02 (15), and time-share property, as defined
12 in s. 707.02 (32), but excluding property that has not been inhabited, that includes
13 1 to 4 dwelling units, as defined in s. 101.61 (1), by sale, exchange or land contract,

1 unless the transfer is exempt from the real estate transfer fee under s. 77.25, shall
2 comply with ss. 709.02 to 709.04 and 709.06.

3 **SECTION 2.** 709.01 (2) of the statutes is created to read:

4 709.01 (2) Subsection (1) does not apply to any of the following persons, if those
5 persons have never occupied the property transferred:

6 (a) Personal representatives.

7 (b) Trustees.

8 (c) Conservators.

9 (d) Fiduciaries who are appointed by, or subject to the supervision of, a court.

10 **SECTION 3.** 709.02 of the statutes is amended to read:

11 **709.02 Disclosure.** In regard to transfers described in s. 709.01, the owner
12 of the property shall furnish, not later than 10 days after acceptance of ~~the~~ a contract
13 of sale or option contract, to the prospective buyer of the property a completed copy
14 of the report under s. 709.03, subject to s. 709.035, except that the owner may
15 substitute for any entry information supplied by a licensed engineer, land surveyor
16 or structural pest control operator or by an individual who is a qualified 3rd party,
17 as defined in s. 452.23 (2) (b), or by a contractor about matters within the scope of the
18 contractor's occupation if the information is in writing and is furnished on time and
19 if the entry to which it relates is identified and except that the owner may substitute
20 for any entry information supplied by a public agency, as defined in s. 66.073 (3) (h).
21 Information that substitutes for an entry on the report under s. 709.03 and that is
22 supplied by a person specified in this section may be submitted and certified on a
23 supplemental report prepared by the person, as long as the information otherwise
24 satisfies the requirements under this section. A prospective buyer who does not
25 receive a report within the 10 days may, within 2 business days after the end of that

1 10-day period, rescind the contract of sale or option contract by delivering a written
2 notice of rescision to the seller owner or to the seller's owner's agent.

3 **SECTION 4.** 709.03 of the statutes is repealed and recreated to read:

4 **709.03 Report form.** The report required under s. 709.02 shall be in
5 substantially the following form and shall include at least all of the following
6 information:

7 **REAL ESTATE CONDITION REPORT**

8 **DISCLAIMER**

9 A. THIS CONDITION REPORT CONCERNS THE REAL PROPERTY
10 LOCATED AT IN THE (CITY) (VILLAGE) (TOWN) OF, COUNTY OF,
11 STATE OF WISCONSIN. THIS REPORT IS A DISCLOSURE OF THE
12 CONDITION OF THAT PROPERTY IN COMPLIANCE WITH SECTION 709.02 OF
13 THE WISCONSIN STATUTES AS OF (MONTH), (DAY), (YEAR). IT IS
14 NOT A WARRANTY OF ANY KIND BY THE OWNER OR ANY AGENTS
15 REPRESENTING ANY PRINCIPAL IN THIS TRANSACTION AND IS NOT A
16 SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THAT THE
17 PRINCIPALS MAY WISH TO OBTAIN.

18 **OWNER'S INFORMATION**

19 B. 1. In this form, "am aware" means have notice or knowledge. In this form,
20 "defect" means a condition that would have a significant adverse effect on the value
21 of the property; that would significantly impair the health or safety of future
22 occupants of the property; or that if not repaired, removed or replaced would
23 significantly shorten or adversely affect the expected normal life of the premises.

24 B. 2. The owner discloses the following information with the knowledge that,
25 even though this is not a warranty, prospective buyers may rely on this information

1 in deciding whether and on what terms to purchase the property. The owner hereby
 2 authorizes any agent representing any principal in this transaction to provide a copy
 3 of this statement, and to disclose any information in the statement, to any person in
 4 connection with any actual or anticipated sale of the property.

5 B. 3. The owner represents that to the best of his or her knowledge the
 6 responses to the following statements have been accurately noted as “yes”, “no” or
 7 “not applicable” to the property being sold. If the owner responds to any statement
 8 with “yes”, the owner shall provide, in the additional information area of this form,
 9 an explanation of the reason why the response to the statement is “yes”.

10 B. 4. If the transfer is of a condominium unit, the property to which this form
 11 applies is the condominium unit, the common elements of the condominium and any
 12 limited common elements that may be used only by the owner of the condominium
 13 unit being transferred.

		YES	NO	N/A
14				
15	C. 1. I am aware of defects in the roof.	....	....	....
16	C. 2. I am aware of defects in the electrical system.	....	....	....
17	C. 3. I am aware of defects in part of the plumbing system	....	....	....
18	(including the water heater, water softener and			
19	swimming pool) that is included in the sale.			
20	C. 4. I am aware of defects in the heating and air condi-	....	....	....
21	tioning system (including the air filters and humid-			
22	ifiers).			
23	C. 5. I am aware of defects in the well, including unsafe	....	....	....
24	well water.			

		YES	NO	N/A
1	C. 6. I am aware that this property is served by a joint	....	....	....
2	well.			
3	C. 7. I am aware of defects in the septic system or other	....	....	....
4	sanitary disposal system.			
5	C. 8. I am aware of underground or aboveground fuel stor-	....	....	....
6	age tanks on the property. (If “yes”, the owner, by			
7	law, may have to register the tanks with the depart-			
8	ment of industry, labor and human relations at P.O.			
9	Box 7969, Madison, Wisconsin, 53707, whether the			
10	tanks are in use or not. Regulations of the depart-			
11	ment of industry, labor and human relations may			
12	require the closure or removal of unused tanks.)			
13	C. 9. I am aware of an “LP” tank on the property. (If “yes”,	....	....	....
14	specify in the additional information space whether			
15	the owner of the property either owns or leases the			
16	tank.)			
17	C. 10. I am aware of defects in the basement or foundation	....	....	....
18	(including cracks, seepage and bulges).			
19	C. 11. I am aware that the property is located in a flood-	....	....	....
20	plain, wetland or shoreland zoning area.			
21	C. 12. I am aware of defects in the structure of the property.	....	....	....

		YES	NO	N/A
1	C. 13. I am aware of defects in mechanical equipment in-	....	....	....
2	cluded in the sale either as fixtures or personal			
3	property.			
4	C. 14. I am aware of boundary or lot line disputes, en-	....	....	....
5	croachments or encumbrances (including a joint			
6	driveway).			
7	C. 15. I am aware of a defect caused by unsafe concentra-	....	....	....
8	tions of, or unsafe conditions relating to, radon, ra-			
9	dium in water supplies, lead in paint, lead in soil,			
10	lead in water supplies or plumbing system or other			
11	potentially hazardous or toxic substances on the			
12	premises.			
13	C. 16. I am aware of the presence of asbestos or asbestos-	....	....	....
14	containing materials on the premises.			
15	C. 17. I am aware of a defect caused by unsafe concentra-	....	....	....
16	tions of, unsafe conditions relating to, or the storage			
17	of, hazardous or toxic substances on neighboring			
18	properties.			
19	C. 18. I am aware of current or previous termite, powder-	....	....	....
20	post beetle or carpenter ant infestations.			
21	C. 19. I am aware of defects in a woodburning stove or fire-	....	....	....
22	place or of defects caused by a fire in a stove or fire-			
23	place or elsewhere on the property.			

		YES	NO	N/A
1	C. 20. I am aware either that remodeling affecting the	....	....	....
2	property's structure or mechanical systems was			
3	done or that additions to this property were made			
4	during my period of ownership without the required			
5	permits.			
6	C. 21. I am aware of federal, state or local regulations re-	....	....	....
7	quiring repairs, alterations or corrections of an ex-			
8	isting condition.			
9	C. 22. I have received notice of property tax increases, oth-	....	....	....
10	er than normal annual increases, or am aware of a			
11	pending property reassessment.			
12	C. 23. I am aware that remodeling that may increase the	....	....	....
13	property's assessed value was done.			
14	C. 24. I am aware of proposed or pending special assess-	....	....	....
15	ments.			
16	C. 25. I am aware of the proposed construction of a public	....	....	....
17	project that may affect the use of the property.			
18	C. 26. I am aware of subdivision homeowners' associations,	....	....	....
19	common areas coowned with others, zoning viola-			
20	tions or nonconforming uses, rights-of-way, ease-			
21	ments or another use of a part of the property by			
22	nonowners, other than recorded utility easements.			
23	C. 27. I am aware of other defects affecting the property.

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ADDITIONAL INFORMATION

YES NO N/A

- D. 1. I am aware that a structure on the property is designated as a historic building or that part of the property is in a historic district.
- D. 2. The owner has lived on the property for years.
- D. 3. Explanation of "yes" responses. (See B. 3.)
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OWNER'S CERTIFICATION

E. The owner certifies that the information in this report is true and correct to the best of the owner's knowledge as of the date on which the owner signs this report.

Owner	Date
Owner	Date

CERTIFICATION BY PERSON

SUPPLYING INFORMATION

F. A person other than the owner certifies that he or she has supplied information on which the owner relied for this report and that that information is true and correct to the best of that person's knowledge as of the date on which the person signs this report.

Person	Items	Date
Person	Items	Date
Person	Items	Date

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NOTICE REGARDING ADVICE
OR INSPECTIONS

G. THE PROSPECTIVE BUYER AND THE OWNER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTIONS, DEFECTS OR WARRANTIES.

BUYER'S ACKNOWLEDGEMENT

H. 1. The prospective buyer acknowledges that technical knowledge such as that acquired by professional inspectors may be required to detect certain defects such as the presence of asbestos, building code violations and floodplain status.

H. 2. I acknowledge receipt of a copy of this statement.

Prospective buyer	Date
Prospective buyer	Date
Prospective buyer	Date

SECTION 5. 709.03 (form) C. 8. of the statutes, as affected by 1995 Wisconsin Acts 27, section 7067, and (this act), is repealed and recreated to read:

		YES	NO	N/A
1				
2	709.03 (form) C. 8. I am aware of underground or above-	....	....	....
3	ground fuel storage tanks on the prop-			
4	erty. (If “yes”, the owner, by law, may			
5	have to register the tanks with the de-			
6	partment of commerce at P.O. Box			
7	7970, Madison, Wisconsin, 53707,			
8	whether the tanks are in use or not.			
9	Regulations of the department of de-			
10	velopment may require the closure or			
11	removal of unused tanks.)			

12 **SECTION 6.** 709.035 of the statutes is created to read:

13 **709.035 Amendments to report.** If at any time after completing a report,
14 whether the original or an amended report, but before the expiration of the 10-day
15 period specified in s. 709.02 an owner obtains information or becomes aware of any
16 condition that would change a response on the completed report, the owner shall
17 submit to a prospective buyer, within the time required under s. 709.02, a complete
18 amended report or an amendment to the previously completed report, along with a
19 copy of the previously completed report if not already submitted to the prospective
20 buyer, that states all of the following:

- 21 (1) The address of the property.
- 22 (2) The owner’s name.
- 23 (3) The date of the report being amended.
- 24 (4) The number of any statement on the report that is affected by the new
- 25 information.

1 (5) How the owner's original response to the statement is changed and, if the
2 response is changed to "yes", an explanation of the reason why the response to the
3 statement is "yes".

4 **SECTION 7.** 709.04 of the statutes is amended to read:

5 **709.04 Indication of compliance.** An owner shall indicate compliance with
6 this chapter on the contract of sale or option contract, on the closing statement or in
7 an addendum to one of those documents.

8 **SECTION 8.** 709.05 of the statutes is renumbered 709.05 (1) and amended to
9 read:

10 709.05 (1) ~~If Except as provided in sub. (2) (b), if a buyer receives a report after~~
11 ~~submission of a contract of sale or option contract to the seller owner or the seller's~~
12 ~~owner's agent, the buyer may, after receipt of that report by the prospective buyer~~
13 ~~and before the applicable deadline, rescind in writing a contract of sale or option~~
14 ~~contract if a defect, as defined in the report, is disclosed, without any liability on his~~
15 ~~or her part, and a buyer is entitled to the return of any deposits or option fees paid~~
16 ~~in the transaction. A prospective buyer who receives a report that is incomplete or~~
17 ~~that contains an inaccurate assertion that an item is not applicable and who is not~~
18 ~~aware of the defects that the seller owner failed to disclose may, within 2 business~~
19 ~~days after receipt of that report, rescind in writing a contract of sale or option~~
20 ~~contract without any liability on his or her part and is entitled to the return of any~~
21 ~~deposits or option fees paid in the transaction. Rescissions under this section are~~
22 ~~timely if they are delivered to the owner or the owner's agent within 2 business days~~
23 ~~after the prospective buyer or the prospective buyer's agent receives the report. A~~

24 **(2) (a) 1.** Except as provided in subd. 2., a buyer may not rescind a contract of
25 sale or option contract under this section if he or she receives a complete report before

1 submitting the contract of sale or option contract to the seller owner or the seller's
2 owner's agent.

3 **(4)** The right to rescind under this section is the only remedy under this
4 chapter.

5 **SECTION 9.** 709.05 (2) (a) 2. of the statutes is created to read:

6 709.05 **(2)** (a) 2. Unless par. (b) applies, a buyer under subd. 1. who, after
7 submitting the contract of sale or option contract to the owner or the owner's agent,
8 receives an amended report, or an amendment to the report previously received, that
9 discloses a defect that was not disclosed in the report previously received may, after
10 receipt of the amended report or amendment to the report and before the applicable
11 deadline, rescind in writing the contract of sale or option contract and is entitled to
12 the return of any deposits or option fees paid in the transaction.

13 **SECTION 10.** 709.05 (2) (b) of the statutes is created to read:

14 709.05 **(2)** (b) A buyer may not rescind a contract of sale or option contract
15 under this section on the basis of a defect disclosed in a report, amended report or
16 amendment to a report if the buyer was aware, or had written notice, of the nature
17 and extent of the defect at the time the contract of sale or option contract was
18 submitted to the owner or the owner's agent.

19 **SECTION 11.** 709.05 (3) of the statutes is created to read:

20 709.05 **(3)** Rescissions under this section are timely if they are delivered to the
21 owner or the owner's agent within 2 business days after the prospective buyer or the
22 prospective buyer's agent receives the report, amended report or amendment to the
23 report.

24 **SECTION 12. Initial applicability.**

