



AUG 21 1995

Bill Hendrickson, President
Wisconsin Association of
Historic Preservation Commissions (WAHPC)
921 Cornelia Street
Janesville, WI 53545

August 18, 1995

State Representative Wayne Wood
P.O. Box 8953
Madison, WI 53708

Dear Representative Wood:

As President of, and on behalf of, the Wisconsin Association of Historic Preservation Commissions, I would like to endorse passage and acknowledge your introduction and support of AB 391 which removes the historic building classification from the real estate disclosure form's defect section. We wholeheartedly support this change as we experience enough roadblocks as it is to successful preservation efforts. This will be an immediate benefit to historic properties in Janesville's and Wisconsin's many historic districts.

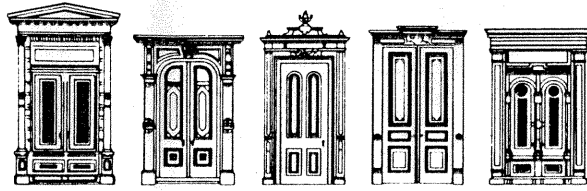
Keep up the good work and please keep in mind the local and statewide importance of historic preservation issues in other legislation! If I or anyone involved with WAHPC can be of any help on future preservation-related legislation, please do not hesitate to contact us.

Sincerely,

Bill Hendrickson
WAHPC President

a focal point for Wisconsin's historic preservation commissions

WISCONSIN TRUST FOR HISTORIC PRESERVATION



*put with
AB 391*

2646 Mason Street
Madison, WI 53705
608/238-1356
August 16, 1995

State Representative Carol Owens, Chair
Assembly Housing Committee
Post Office Box 8953, Madison, WI 53708

Re: AB 391 /
Hearing August 24

Dear Representative Owens:

Thank you for scheduling a hearing on Assembly Bill 391 relating to disclosures of conditions of residential real estate. Unfortunately, I am unable to attend the hearing, but wanted to share the Wisconsin Trust's support for the bill through this letter.

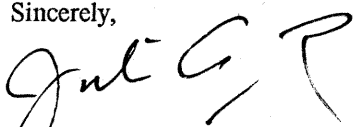
At present, when selling their residential properties, owners complete a condition report which they provide to prospective sellers. That report contains a long list of "defects" of the property--things like a leaking roof or a cracked foundation. Also on this list is the seller's disclosure that the property is a designated historic property or part of a historic district.

The purpose of that notification is an important one because locally-designated historic properties are subject to local regulation through the local government's zoning power. Buyers need to be aware of the designation, so, for example, if they plan to buy the house and make external alterations, they are aware of the designation and the corresponding need to seek information from the local government. (Note that owners of privately-owned properties listed in the State or National Registers of Historic Places are not subject to restrictions on what they may do to their properties).

However, listing a point of information about a property's historic designation in a section on "defects" sends the wrong message. The alternative proposed in the bill, to move the disclosure to a section on other information, is far more appropriate to the value of our historic resources. It is consistent with the Legislature's statement of policy regarding historic preservation in s. 44.30 Wis. Stats.--which considers our historic, architectural, archaeological and cultural heritage to be among our state's most important assets.

Please give favorable consideration to AB 391. Thank you.

Sincerely,


Juli Aulik, Vice-Chair
Public Policy Committee

cc: Members, Assembly Committee on Housing
Rep. Wayne Wood
Judy Berg



State Historical Society of Wisconsin

Division of Historic Preservation

816 State Street • Madison, Wisconsin 53706-1488

☎ (608) 264-6500 • FAX (608) 264-6404

August 22, 1995

Representative Carol Owens
Chair, Assembly Housing Committee
Room 411
100 North Hamilton Street
P.O. Box 8953
Madison, WI 53708

Dear Representative Owens:

I would like to express my support of the passage of Assembly Bill 391, which removes historic buildings from the "defects" list of the required real estate condition report and instead places the historic designation information in a separate section of the disclosure form.

It was most unfortunate that the fact of historic designation of a property was ever placed on the disclosure form between "toxic substances" and "termites" in the first place, and it certainly is time to correct this error.

Owning or buying a historic building should be--and is--considered very desirable and an honor, bringing with it many benefits, not the least of which is knowing the owner is helping to preserve and enjoy a part of Wisconsin's heritage. Such ownership should not be considered a "defect" or an adversity, as indicated by the present disclosure form.

I hope you and the Assembly Housing Committee will give favorable consideration to A.B. 391.

Thank you for your consideration.

Sincerely,

Larry A. Reed
Local Preservation Coordinator
(608) 264-6501

CITY OF **BELOIT,** WISCONSIN



53511

100 STATE STREET

AREA CODE 608 / 364-6600

GATEWAY TO WISCONSIN

August 21, 1995

Assemblywoman Carol Owens
Chair, Assembly Housing Committee
PO Box 8953
Madison WI 53708

Dear Assemblywoman Owens:

On behalf of the Beloit Historic Preservation Commission, I am writing in support of the bill providing that the real estate condition report required by state law not state or imply that historic designation is a defect of the property. To the contrary, we believe historic designation to be an enhancement and that buyers should be informed as soon as possible by the seller's real estate agent. We encourage the Assembly Housing Committee to report the bill favorably so that it may receive speedy passage by the Assembly and the Senate.

Sincerely,

A handwritten signature in cursive script that reads "Joseph G. Heck".

Joseph G. Heck, AICP
Planning Director

c: Assemblywoman Robson
Historic Preservation Commission

hp/jocowen.ltr



Bill Hendrickson, President
Wisconsin Association of
Historic Preservation Commissions
921 Cornelia Street
Janesville, WI 53545

August 18, 1995

State Representative Carol Owens
Assembly Housing Committee Chairperson
P.O. Box 8953
Madison, WI 53708

Dear Representative Owens:

As President of, and on behalf of, the Wisconsin Association of Historic Preservation Commissions, I would like to endorse passage and acknowledge your support of AB 391 which removes the historic building classification from the real estate disclosure form's defect section. We wholeheartedly support this change as we experience enough roadblocks as it is to successful preservation efforts. This will be an immediate benefit to historic properties in Wisconsin's many historic districts.

Keep up the good work and please keep in mind the local and statewide importance of historic preservation issues in other legislation! If I or anyone involved with WAHPC can be of any help on future preservation-related legislation, please do not hesitate to contact us.

Sincerely,

Bill Hendrickson
WAHPC President

a focal point for Wisconsin's historic preservation commissions



**WISCONSIN
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4801 Forest Run Road, Suite 201
Madison, Wisconsin 53704-7337
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Fax 608-241-2901 • E-mail wra@wra.org

NANCY SCHMELZER, CRB, CRS, GRI, President

WILLIAM MALKASIAN, CAE, Executive Vice President

August 24, 1995

Representative Dan Vrakas
P.O. Box 8953
Madison, WI 53708

Dear Representative ^{Dan}Vrakas:

Joe Murray mentioned that you asked him for additional modifications that could be made to improve the current property condition report form. The question came as part of the public hearing on AB 391 regarding a relatively minor change to the form concerning disclosure of a building's historic status.

Attached please find a list of recommended improvements we have been collecting from real estate practitioners and consumers across the state for the past several years. It occurs to us that AB 391 may provide an excellent vehicle to make these changes and thus significantly improve the disclosure form. We believe these changes are both germane to AB 391 and can be legitimately termed "technical" in nature.

I invite you to review these recommendations and if you agree, perhaps you could help us draft the changes as a friendly amendment to the bill. It is my understanding that the bill's author, Representative Wayne Wood, does not object to making additional changes to the bill so long as they are determined to be germane.

I look forward to pursuing these changes with you and the committee. As always, please feel free to call with any questions or comments you have. Again, thanks.

Sincerely:

Wisconsin REALTORS Association

Michael Theo
Vice President for Public Affairs

cc: Rep. Wayne Wood
Rep. Carol Owens

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**"The purpose
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SUGGESTED CHANGES FOR CHAPTER 709 - SELLER DISCLOSURE FORMS

1. Limit to Wisconsin Only

Amend Chapter 709 to clarify that it only applies to Wisconsin real estate by amending s.709.01 as follows: “...; who transfer real property located in the state of Wisconsin;”.

2. Consistent Reference to Property Owner

Amend s. 709.02 and 709.05 by substituting the term “owner” for the word “seller” throughout these sections to achieve consistency.

3. Inspector or Contractor Certification

Under the law, owners may rely upon an inspector or contractor’s certified information when completing the real estate disclosure report. For ease of obtaining and using this information, s.709.02 should be amended so that an inspector or contractor can provide their certified information on either their written report or on the real estate condition report.

4. Clarification for Condos

Amend the instructions in s. 709.03 to provide that if the property is a condominium unit, the report is to be completed by the owner with respect to the condominium unit, any limited common elements, and the common elements of the condominium.

5. Exemption for Court Appointed Representatives

Amend s. 709.01 to clarify that any fiduciary appointed by the court is exempt from completing the report if they have never occupied the property. This can be achieved as follows: “All persons; except personal representatives, trustees, conservators, and fiduciaries who are appointed by, or subject to supervision by a court, if those persons have never occupied the property:”.

6. Supplemental Information

Amend the law to say that the s. 709.03 form represents the mandatory minimum requirements for a report form, and that additional supplemental or explanatory material which does not alter nor supplant the substantive content or effect of the statute, may be added.

7. Clarify Answers

Change the column headings “correct” and “incorrect” to “yes” and “no” on the s. 709.03 report form and move the response lines from the left to the right of the questions. Also amend the report instructions accordingly.

8. Clarify Storage Tank Disclosures

Amend Statement 8 on the s. 709.03 report form as follows: “I am aware of underground or aboveground fuel storage tanks on the property (tanks in use or previously closed must be registered with DILHR, P.O. Box 7969, Madison, WI 53707; abandoned tanks no longer in use may need to be closed or removed in accordance with DILHR regulations.)”

9. Fire and Fireplace Disclosures

Amend Statement 20 on the s. 709.03 report form to provide: "I am aware of defects in a woodburning stove or fireplace, or of fires which have occurred in any stove or fireplace, or elsewhere on the property."

10. Property Taxes

Amend Statement 23 on the form to provide that: "I have received notice of property tax increases, other than normal annual increases, or am aware of pending property reassessments."

11. Amending Reports

Amend the law to provide that if an owner, prior to acceptance of an offer, becomes aware of additional information which changes his or her responses or which should be added to the report, the owner shall either complete a new report form or prepare an amendment which states the property's address, owner's name, date of the original report, the numbers of statements on the form that are affected by the additional information, and a description of the changes or additions to the owner's response.

12. Exercise of Options

Amend s. 709.02 to indicate the report must be given no later than 10 days after the exercise of the option to purchase. This might be done as follows: "In regard to transfers described in s. 709.01, the owner of the property shall furnish, not later than 10 days after acceptance of the contract of sale or the buyer's exercise of an option to purchase, to the prospective buyer..."

Also, amend s. 709.05 to provide that the date the buyer exercises the option should be used in place of the date of submission of the contract of sale for measuring the time in which a buyer exercising an option may rescind. This might be done as follows: "If a buyer receives a report after submission of a contract of sale to the owner or the owner's agent, or after the buyer's exercise of an option to purchase, the buyer may, ...". "A buyer may not rescind a contract of sale under this section if he or she receives a complete report before submitting the contract of sale to the owner or the owner's agent, or before he or she exercises the option to purchase."

13. Rescinding Contracts

Amend s. 709.05 to provide that a buyer may not rescind the contract of sale based upon the disclosure of a defect already known to the buyer when the offer to purchase was submitted. This might be done as follows: "...rescind in writing a contract of sale if a defect, as defined in the report, is disclosed, unless the buyer was aware or had written notice of the nature and extent of the defect at the time the contract of sale was submitted, without any liability..."

NANCY SCHMELZER, CRB, CRS, GRI, President

WILLIAM MALKASIAN, CAE, Executive Vice President

TO: Assembly Housing Committee Members

FROM: Michael Theo
Vice President for Public Affairs

DATE: August 24, 1995

RE: Assembly Bill 391 - Disclosure of Historic Properties

**YOUR
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**"The purpose
of the**

**Wisconsin
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Association
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**the success
of the
real estate
professional."**

The Wisconsin REALTORS Association supports Assembly Bill 391, a bill which modifies the placement of historic property disclosures on the property condition disclosure form. However, we would like to raise one question regarding implementation of the change.

Since 1992, sellers of one to four unit residential real estate in Wisconsin are required to complete a property condition report. The law is intended to provide buyers with additional disclosures of potential defects and special conditions of a property - disclosures beyond what is required of a real estate licensee and perhaps only known to the seller.

The current property condition form requires the seller to disclose whether or not their structure is designated a historic building or if any part of the property is in a historic district. While no one disputes disclosure of this information is valuable and necessary, the disclosure is contained in a portion of the form which discusses potential "defects" pertaining to the property. AB 391 simply moves the disclosure of this information from a section of the form regarding "defects" to a section titled "additional information".

Since the original legislation was never intended to imply that historic structure status constitutes a "defect", moving the placement of this disclosure on the form will not materially change the seller disclosure law or the benefits it provides to all parties in a transaction. Moreover, the changes proposed in AB 391 will improve the form by properly recognizing the value and importance of historic structures in Wisconsin.

Regarding implementation, we are concerned with the fact that many thousands of property condition report forms are currently in use and in storage across Wisconsin. Changing the form as proposed in this bill would make these forms obsolete and require the purchase of new forms. We would like to take whatever steps necessary to allow for real estate offices and others to exhaust their supply of

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AB 391
Page 2

the existing forms before they are required to purchase and use the new forms. We look forward to working with the committee to achieve this goal.

For these reasons, we respectfully encourage the committee to support AB 391 with any necessary modifications.

JANESVILLE HISTORIC COMMISSION

August 24, 1995

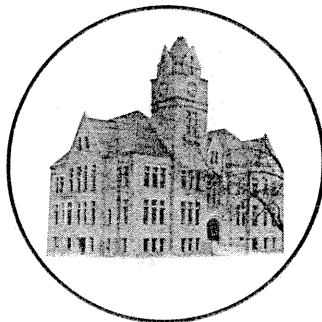
To: The Assembly Housing Committee

From: The Janesville Historic Commission
P.O. Box 5005
Janesville, WI 53547-5005

Re: Assembly Bill 391

The Janesville Historic Commission supports the passage of Assembly Bill 391. It was quite astonishing to learn that disclosure of designated historic buildings was listed as number 18 on the real estate condition disclosure form between statement number 17 which asks for disclosure of the presence of hazardous or toxic substances and number 19 which asks for an awareness of termites, powder post beetles or carpenter ants. The City of Janesville has had a historic preservation ordinance on the books since 1980. The ordinance designates the Janesville Historic Commission the power to advise and assist owners of historic properties regarding preservation, renovation and rehabilitation. Janesville has approximately 1700 properties on the National Register of Historic Places. This spring and summer, Historic Commission members have given tours of one of our historic districts to approximately 30 tour bus groups from out-of-town. Historic buildings are valued in our city. It is wrong to list them as defects on the real estate form.

Judy Berg
Vice-Chairman
Janesville Historic Commission



**P.O. Box 5005
Janesville, Wisconsin 53547-5005**

JANESVILLE HISTORIC COMMISSION

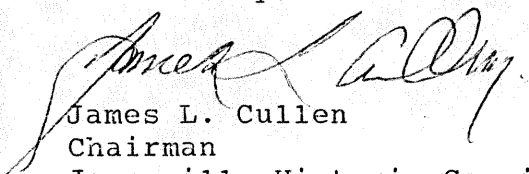
August 24, 1995

Rep. Carol Owens
Chair, Assembly Housing Committee
P.O. Box 8953
Madison, WI 53708

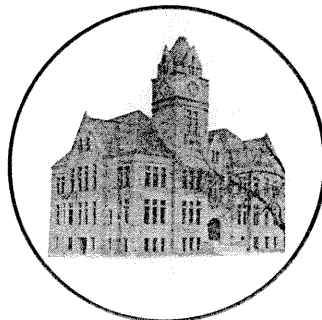
Dear Rep. Owens:

The Janesville Historic Commission supports passage of Assembly Bill 391 which removes historic district listing from the real estate disclosure form list of defects and places the statement in an "additional information" section. The City of Janesville has approximately 1700 properties on the National Register of Historic Places. The Janesville City Council has charged the Historic Commission with the responsibility to advise and assist owners of historic properties regarding preservation of these buildings. The city's preservation ordinance gives the commission the power to devise a system of markers for these historic districts. Such direction by the Janesville City Council through its preservation ordinance suggests that historic properties are valued by our citizens. Historic designation should not be considered a defect on the real estate disclosure form.

Yours truly,



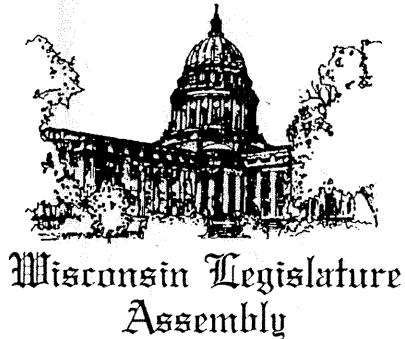
James L. Cullen
Chairman
Janesville Historic Commission
P.O. Box 5005
Janesville, WI 53547-5005



**P.O. Box 5005
Janesville, Wisconsin 53547-5005**

WAYNE W. WOOD
State Representative
44th Assembly District

COMMITTEE ASSIGNMENTS
Assembly Vice-Chair:
Criminal Justice & Corrections
Member:
Rules
Ways & Means
State Affairs



Home:
2429 Rockport Road
Janesville, WI 53545
(608) 752-5485

Office:
104 North, State Capitol
P.O. Box 8953
Madison, WI 53708
(608) 266-7503

**Madame Chairperson and Members of the Assembly Housing
Committee:**

I am Representative Wayne W. Wood of the 44th Assembly District, the author of Assembly Bill 391, which amends the residential real estate form. I drafted and introduced this bill after a constituent convinced me the present form sends the wrong signals in regard to its reference to historic properties.

The current form has a checklist of "Owner's Information" that is comprised mostly of defects to the property. Roof, well, electrical system and other defects are listed for check-off. Other matters which could detract from the value of the property, such as a joint well or underground fuel storage tanks, are also enumerated.

So if something is included on the check list on the form, that generally means that item is seen as undesirable. And right in the middle of this list (item 18 of the total 28 items) is a statement that requires

Page 2

the owner to indicate whether "a structure on the property is designated as a historic building".

I have been told that many historic preservationists find the implication that a historic property is a "defect" to be very objectionable. This is understandable since these structures are linkages to our past. Rather than being seen as undesirable, they should be considered treasures.

Indeed, the Local Preservation Coordinator of the State Historical Society of Wisconsin told me that "properties that are designated historic, including residences, receive a number of benefits and have advantages over non-historic properties, and they are generally considered very desirable properties to own." This statement, from a recognized and respected expert in the field of historic preservation, proves that we shouldn't be implying that properties are defective simply because they are historic.

Under the provisions of this bill, the presence of historic buildings continues to be revealed, but in a separate section of the form. This will result in full

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disclosure, but will not subject these structures to an unfair stigma.

I hope this committee will agree with the content behind this bill, and take early executive action on it.

Thank you, Madame Chairperson and Committee Members, for your kind attention today. I will be happy to answer any questions you may have.

Testimony for Assembly Committee on Housing
August 24, 1995