

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB723)

Received: **02/23/2000**

Received By: **kahlepj**

Wanted: **Soon**

Identical to LRB:

For: **John La Fave (608) 266-0486**

By/Representing: **Mary Matthias**

This file may be shown to any legislator: **NO**

Drafter: **kahlepj**

May Contact:

Alt. Drafters:

Subject: **Real Estate - condominiums**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Recording reserve account reports and voting to allow withdrawals or transfers from reserve accounts

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kahlepj 02/24/2000	gilfokm 02/24/2000		_____			
/1			martykr 02/25/2000	_____	lrb_docadmin 02/25/2000	lrb_docadmin 02/25/2000	

FE Sent For:

<END>

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Pre Topic:

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Topic:

Interest on amounts borrowed from reserve account

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1?	kahlepj	1-2-24-2000 king	ms	SELB 2/25			

FE Sent For:

<END>

Kahler, Pam

From: Matthias, Mary
Sent: Tuesday, February 22, 2000 5:50 PM
To: Kahler, Pam
cc: LaFave, John
Subject: AB 723 amendments

Hi Pam- looks like you have been busy, judging by the number of drafts I have received lately with your initials on them!! In case you **are** running out of things to do, Rep. Lafave asked me to submit a request for 3 amendments to his bill on condo reserves (A13 723) as follows:

1. Page 5, line 16, delete the material after "vote of" and replace with: "a majority of unit owners who are entitled to vote". *majority or maj present & voting?*
2. Require interest to be paid on any amounts borrowed from the reserve fund. Require the rate of interest to be equal to the annual rate of return on the reserve fund. Require the board of directors to execute a loan agreement that specifies the principal amount of the loan, the initial rate of interest, and a schedule of monthly amounts for the repayment of the principal and the payment of interest on the loan. *average from previous yr?*
3. Page 6, line 3 , delete the requirement to submit the report to the register of deeds.

Of course you may refine this language as necessary! Please call me if you have any questions.

I'm not sure if he will want these as one amendment or 3 separate. Might have a better idea after the hearing tomorrow. I think the Housing Comm. will exec the bill next Monday afternoon.

THANK YOU!

Mary Matthias
Senior Staff Attorney
Wisconsin Legislative Council **Staff**
ph.: (608)266-0932; fax: (608)266-3830
mary.matthias@legis.state.wi.us

Kahler, Pam

From: Kahler, Pam
Sent: Wednesday, February 23, 2000 10:18 AM
To: Matthias, Mary
Subject: Condo bill amendments

Hi, Mary:

I'm sorry, but I have a few questions about the instructions. For the first one, do you mean (and I realize it is probably not really you) a majority of unit owners, as that phrase is defined in s. 703.02 (1 1), or a majority of votes of the unit owners present and voting, as in s. 703.15 (4) (e)?

For the second one, would the interest rate be the average annual rate of return on the account in the previous calendar year? I assume that the rate of return on the account could very well change on a relatively frequent basis, depending on how the funds are invested. And what is meant by initial interest rate? A schedule of payments might be difficult to come up with if the interest rate changed over time.

Thanks. Let me know what you think.

++++
Pamela J. Kahler
Legislative Attorney
Legislative Reference Bureau
(608) 266-2682

Kahler. Pam

From: Kahler, Pam
Sent: Wednesday, February 23, 2000 10:22 AM
To: Matthias, Mary
Subject: Condo bill amendments again

Hi, Mary:

One other question, is it "borrowing" from the reserve account when a "withdrawal or transfer" occurs? If not, I assume we need to authorize borrowing from the reserve account again, as in the original versions of the bill.

++++
Pamela J. Kahler
Legislative Attorney
Legislative Reference Bureau
(608) 266-2682

per May Matthias 2-24

no need to ~~do~~ include

interest part of request

for "majority" question, not

only those present and voting



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBa1451

PJK.....
King

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

ASSEMBLY AMENDMENT,

TO 1999 ASSEMBLY BILL 723

*needed
Friday
D-note*

1 At the locations indicated, amend the bill as follows:

2 ✓ 1. Page 5, line 16: delete that line and substitute "vote of the unit owners
3 having at least 51% of the votes.")

4 ✓ 2. Page 6, line 3: delete that line and substitute "a".

5 (END)

D-note

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBa1451/dn

PJK...:....
Kmg

with
This amendment changes the vote for withdrawal or transfer from the reserve account and deletes the requirement that the reserve account report be recorded with the register of deeds.

I drafted the vote portion in the way that I did because it is consistent with the language of ch. 703. See, for example, ss. 703.10 (5), 703.18 (2) (b) and 703.19 (4). Although s. 703.15 (4) (b) provides that a unit owner who has not furnished the association his or her name and current mailing address may not vote, I was not sure if this is what you had in mind by requiring a unit owner to be "entitled to vote". I am not sure what that would mean, other than the unit owner having furnished name and address to the association, so I did not include that language. I think it would be open to interpretation, and it does not appear anywhere in the chapter.

This or her

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: Pam.Kahler@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBa1451/1dn
PJK:kmg:km

February 25, 2000

This amendment changes the vote for withdrawal or transfer from the reserve account and deletes the requirement that the reserve account report be recorded with the register of deeds.

I drafted the vote portion in the way that I did because it is consistent with the language of ch. 703. See, for example, ss. 703.10 (5), 703.18 (2) (b) and 703.19 (4). Although s. 703.15 (4) (b) provides that a unit owner who has not furnished the association with his or her name and current mailing address may not vote, I was not sure if this is what you had in mind by requiring a unit owner to be "entitled to vote". I am not sure what that would mean, other than the unit owner having furnished his or her name and address to the association, so I did not include that language. I think it would be open to interpretation, and it does not appear anywhere in the chapter.

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