

2001 DRAFTING REQUEST

Bill

Received: **11/19/2001**

Received By: **kahlepj**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Council - JLC**

By/Representing: **Don Dyke**

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

Drafter: **kahlepj**

May Contact: **Don Dyke**

Addl. Drafters:

Subject: **Real Estate - condominiums**

Extra Copies:

Submit via email: **YES**

Requester's email: **don.dyke@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Changes to condominium law

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 11/20/2001			_____			
/P1	kahlepj 12/10/2001	rschluet 12/14/2001	haugeca 12/10/2001	_____			
/P2			kfollet	_____	lrb_docadmin		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
			12/14/2001	_____	12/14/2001		
/P3	kahlepj 12/20/2001	csicilia 12/27/2001 csicilia 01/11/2002	kfollet 01/11/2002	_____ _____ _____	lrb_docadmin 01/11/2002		
/1	kahlepj 01/17/2002	csicilia 01/18/2002	rschluet 01/18/2002	_____ _____ _____ _____ _____ _____	lrb_docadmin 01/18/2002	lrb_docadmin 01/31/2002 lrb_docadmin lrb_docadmin lrb_docadmin lrb_docadmin lrb_docadmin lrb_docadmin	

FE Sent For:

↳ Not Needed

<END>

2001 DRAFTING REQUEST

Bill

Received: 11/19/2001

Received By: kahlepj

Wanted: As time permits

Identical to LRB:

For: Legislative Council - JLC

By/Representing: Don Dyke

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact: Don Dyke

Addl. Drafters:

Subject: Real Estate - condominiums

Extra Copies:

Submit via email: YES

Requester's email: don.dyke@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Changes to condominium law

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 11/20/2001			_____			
/P1	kahlepj 12/10/2001	rschluet 12/14/2001	haugeca 12/10/2001	_____			
/P2			kfollet	_____	lrb_docadmin		

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofcd</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
			12/14/2001	_____	12/14/2001		
/P3	kahlepj 12/20/2001	csicilia 12/27/2001	kfollet 01/11/2002	_____	lrb_docadmin 01/11/2002		
		csicilia 01/11/2002		_____ _____			
/1	kahlepj 01/17/2002	csicilia 01/18/2002	rschluet 01/18/2002	_____	lrb_docadmin 01/18/2002		

FE Sent For:

<END>

2001 DRAFTING REQUEST

Bill

Received: 11/19/2001

Received By: kahlepj

Wanted: As time permits

Identical to LRB:

For: Legislative Council - JLC

By/Representing: Don Dyke

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact: Don Dyke

Addl. Drafters:

Subject: Real Estate - condominiums

Extra Copies:

Submit via email: YES

Requester's email: don.dyke@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Changes to condominium law

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 11/20/2001						
/P1	kahlepj 12/10/2001	rschluet 12/14/2001	haugeca 12/10/2001				
/P2			kfollet		lrb_docadmin		

Handwritten initials and date:
KF
1-18-2

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
			12/14/2001	_____	12/14/2001		
/P3	kahlepj 12/20/2001	csicilia 12/27/2001	kfollet 01/11/2002	_____	lrb_docadmin 01/11/2002		
		csicilia 01/11/2002		_____			

FE Sent For:

1 jo 1/17
02

<END>

2001 DRAFTING REQUEST

Bill

Received: 11/19/2001

Received By: kahlepj

Wanted: As time permits

Identical to LRB:

For: Legislative Council - JLC

By/Representing: Don Dyke

This file may be shown to any legislator: NO

Drafter: kahlepj

May Contact: Don Dyke

Addl. Drafters:

Subject: Real Estate - condominiums

Extra Copies:

Submit via email: YES

Requester's email: don.dyke@legis.state.wi.us ✓

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Changes to condominium law

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 11/20/2001			_____			
/P1	kahlepj 12/10/2001	rschluet 12/14/2001	haugeca 12/10/2001	_____			
/P2			kfollet	_____	lrb_docadmin		

/P3 cjs 10/02/11
 18/ 18/18
 1/11

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofcd</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
			12/14/2001	_____	12/14/2001		

FE Sent For:

<END>

2001 DRAFTING REQUEST

Bill

Received: **11/19/2001**

Received By: **kahlepj**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Council - JLC**

By/Representing: **Don Dyke**

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

Drafter: **kahlepj**

May Contact: **Don Dyke**

Addl. Drafters:

Subject: **Real Estate - condominiums**

Extra Copies:

Submit via email: **YES**

Requester's email: **don.dyke@legis.state.wi.us** ✓

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Changes to condominium law

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		11/20 IC conversion p8 KJ 12/14				

FE Sent For: 8/1/jf
12/14
<END>

leg council
draft

Please convert this to

LRB format -

new LRB number is 4299

drafter is ATK

Thank you

1 **AN ACT** to repeal 703.02 (1d) and 703.255; to renumber 703.16 (2), 703.275 (2),
 2 703.33 (2) (b) 1. to 8., 703.33 (3), 703.33 (5) to (8) and 709.02; to renumber and
 3 amend 703.16 (3) to (9) and 703.33 (4); to amend 703.02 (7), 703.02 (14m), 703.06,
 4 703.08 (1) and (2) (intro.), 703.09 (1) (g), 703.09 (1) (h), 703.09 (1) (j), 703.09 (1)
 5 (k), 703.09 (2), 703.11 (2) (c), 703.13 (5) (a), 703.13 (6) (c) and (d), 703.15 (1),
 6 703.15 (3) (b) 1., 703.15 (4) (d) 1., 703.19 (8), 703.27, 703.275 (1), 703.33 (2)
 7 (intro.), 703.33 (2) (a) 2. and 3., 703.33 (2) (c), 703.365 (title), (1), (2) and (3),
 8 703.365 (4), (5), (6) (a) (intro.), (c), (7) and (8) and 703.37; to repeal and recreate
 9 703.24; and to create 703.08 (3), 703.09 (1m), 703.09 (4), 703.093, 703.10 (2g),
 10 703.11 (5), 703.13 (5m), 703.13 (8), 703.15 (3) (b) 8., 703.15 (6), 703.155 (7),
 11 703.16 (2) (b), 703.161, 703.163, 703.165 (title) and (1), 703.195, 703.20 (3),
 12 703.265, 703.275 (2) (a), 703.315, 703.33 (1) (h), 703.33 (1m), 703.33 (2) (b) 1.,
 13 703.33 (3), 703.33 (5) (b) and (c), 703.365 (3m), 703.38 (12), 709.02 (2) and
 14 823.015 of the statutes; relating to: revisions and additions to condominium law.

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

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: The draft was developed by the joint legislative council's special committee on condominium law review. The provisions of the draft are described throughout the draft in NOTES to individual provisions.

15 **SECTION 1.** 703.02 (1d) of the statutes is repealed.

NOTE: Repeals the definition of "allocated interests" from the general definitions section of ch. 703. The term is used only in s. 703.275, relating to merger or consolidation of condominiums. Consequently, the term is defined by this draft for purposes of s. 703.275. See SEC. 43 of the draft.

↑
 ↓ in s. 703.275

1 SECTION 2. 703.02 (7) of the statutes is amended to read:

2 703.02 (7) "Declarant" means any owner who subjects his or her property to a
3 condominium declaration established under this chapter. The term includes an assignee of the
4 declarant under s. 703.09 (4).

NOTE: The term "declarant" will include an assignee of the declarant if the conditions of new sub. (4) of current s. 703.09 are met. See SEC. 13 of the draft.

5 SECTION 3. 703.02 (14m) of the statutes is amended to read:

6 703.02 (14m) "Small residential condominium" means a condominium with no more
7 than 4 12 units, ~~all of which are restricted to residential uses.~~

Shirley → NOTE: Revises the definition of "small residential condominium" by increasing the maximum number of units from 4 to 12 and eliminating the requirement that all the units be restricted to residential uses. As a result, the defined term is changed to "small condominium". See also SECS. 57 to 59 of the draft, which make related changes to current s. 703.365, relating to small residential condominiums.

The expanded availability of the streamlined regulations for the creation and operation of "small" condominiums under s. 703.365 reflects the utility and acceptance of the regulations, enacted in 1986.

8 SECTION 4. 703.06 of the statutes is amended to read:

9 703.06 Alterations prohibited. Except as otherwise provided in this chapter, no unit
10 owner may ~~do~~ make any alteration ~~which that~~ would jeopardize the soundness or safety of the
11 property, reduce the value thereof, ~~or~~ ^{or} impair any easement or hereditament ^{or} change the
12 exterior appearance of a unit or any other portion of the condominium not part of the unit.

NOTE: For convenience, adds reference in this section to the general prohibition in s. 703.13 (5) (a) against changing the exterior appearance of a unit or of any other portion of the condominium without permission of the association board of directors.

13 SECTION 5. 703.08 (1) and (2) (intro.) of the statutes are amended to read:

1 703.08 (1) Residential real property may not be converted to a condominium unless the
2 owner of the residential real property gives ~~120 days'~~ prior written notice of the conversion
3 to each of the tenants of the building or buildings scheduled for conversion. ~~A tenant has the~~
4 ~~exclusive option to purchase the unit for a~~ During the 60-day period of 60 days immediately
5 following the date of delivery of the notice a tenant has the first right to purchase the unit, if
6 the unit is offered for sale at any time during that period, for any of the following:

7 (a) The price at which the unit is being offered on the market.

8 (b) The price contained in any accepted offer to purchase the unit.

9 (c) The price otherwise agreed to by the tenant and the seller.

10 (2) (intro.) A tenant may not be required to vacate the property during the 120-day
11 period immediately following the date of delivery of the notice required under sub. (1) except
12 for:

NOTE: Under current law, residential property may not be converted to a condominium unless the property owner gives 120 days' prior written notice of the conversion to each of the tenants of the building 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. This draft revises current law by:

1. Providing that the property may be converted to a condominium immediately upon completion of the notice requirement, rather than 120 days after notice. However, the tenant's rights relating to occupying and purchasing the property are preserved.

2. Clarifying that during the 60-day period immediately following the date of delivery of the conversion notice, a tenant has the "first right to purchase" (not the "exclusive option to purchase") the unit if the unit is offered for sale at any time during the 60-day period:

a. For the price at which the unit is being offered on the market.

b. For the price contained in any accepted offer to purchase the unit (from any prospective purchaser, not just the tenant).

c. For the price otherwise agreed to by the tenant and the seller.

3. Expressly authorizing the tenant to waive in writing his or her occupancy right and first right to purchase. See SEC. 6, below.

1 SECTION 6. 703.08 (3) of the statutes is created to read:

2 703.08 (3) A tenant may waive in writing his or her first right of purchase under sub.
3 (1), his or her right to remain on the property under sub. (2), or both.

NOTE: See the NOTE to SEC. 5, above.

4 SECTION 7. 703.09 (1) (g) of the statutes is amended to read:

5 703.09 (1) (g) Statement of the purposes for which the building and each of the units
6 are intended and restricted as to use, including any requirement applicable to or restriction on
7 the rental of residential units or reference to any such requirement or restriction in the bylaws.

NOTE: Requires the condominium declaration to include any requirement applicable to or restriction on the rental of residential condominium units or reference to any such requirement or restriction in the bylaws.

8 SECTION 8. 703.09 (1) (h) of the statutes is amended to read:

9 703.09 (1) (h) ~~The name of the person to receive service of process in the cases provided~~
10 ~~in this chapter, together with the and address of that person and the method by which the~~
11 ~~association may designate a successor to the person the resident agent under s. 703.23.~~

NOTE: Substitutes reference to the "resident agent under s. 703.23" for the current requirement that the declaration include the name of the person "to receive service of process in the cases provided in this chapter". Since s. 703.23, stats., also provides for changing the resident agent, the draft also removes the requirement that the declaration indicate the method by which the association may designate a successor to the person designated to receive service of process.

12 SECTION 9. 703.09 (1) (j) of the statutes is amended to read:

13 703.09 (1) (j) Any further details in connection with the property ^{that} which the person
14 executing the declaration deems desirable to set forth consistent with this chapter, except those
15 ^{that} provisions which are required to be included in the bylaws. The declaration may provide for

1 mandatory arbitration under ch. 788 of disputes arising out of the declaration, bylaws, or rules
2 involving the interests of the declarant, unit owners, ~~the~~ association, or ~~the~~ board of directors.
3 A mandatory arbitration provision in a declaration constitutes a written agreement between
4 or among the declarant, association, and board to submit to arbitration a dispute covered by
5 the arbitration provision in the declaration. Acceptance of a conveyance of a condominium
6 unit constitutes an agreement by the unit owner to submit to arbitration a dispute covered by
7 an arbitration provision that is included in the declaration at the time of the conveyance.

NOTE: Expressly allows the declaration to provide for mandatory arbitration under ch. 788, stats., of disputes involving the interests of the declarant, unit owners, the association, or the board of directors when the disputes arise out of the declaration, bylaws, or rules.

8 SECTION 10. 703.09 (1) (k) of the statutes is amended to read:

9 703.09 (1) (k) A condominium declaration shall be signed by the owners of the property
10 and any first mortgagee of the property or the holder of an equivalent security interest in the
11 property in the same manner as required in conveyances of real property.

NOTE: Requires the declaration to be signed by any first mortgagees of the property or the holders of an equivalent security interest, in addition to the owners of the property. This requirement applies only to the declaration submitted for recording under s. 703.07 (1) in order to establish the condominium; it does not apply to amendments to the declaration.

12 SECTION 11. 703.09 (1m) of the statutes is created to read:

13 703.09 (1m) (a) In this subsection, "violation" means failure to comply with the
14 declaration, bylaws, or rules of the condominium association or any grounds for eviction
15 under ch. 704.

16 (b) A condominium declaration may provide that a unit owner, as a condition of the
17 rental or lease of the unit owner's residential unit, grants the association power of attorney to
18 bring an eviction action against a tenant of the unit owner who has committed a violation if

1 the unit owner, after being requested to evict the tenant by the association, fails to take
2 reasonable action to evict the tenant. If within 60 days after the eviction request the unit owner
3 gives notice terminating or does not renew the tenant's lease or rental agreement, that
4 constitutes reasonable action to evict the tenant for purposes of this subsection. The
5 declaration may specify notice and procedural requirements for the exercise of power of
6 attorney by the association and the allocation of responsibility for eviction-related costs
7 between the unit owner and the association. An eviction action brought by an association is
8 subject to chs. 704 and 799.

9 (c) This section applies only to leases or rental agreements entered into 3 years after the
10 effective date of this section [revisor insert date].

NOTE: Expressly authorizes the condominium declaration to allow the condominium association, under specified circumstances, to bring an eviction action against a tenant who fails to comply with the declaration, bylaws, or association rules or when there are any grounds for eviction under current law (a "violation"). Specifically, a declaration may provide that a unit owner, as a condition of renting or leasing his or her residential unit, grants the association power of attorney to bring an eviction action against a tenant of the unit owner who commits a violation if the unit owner fails to take reasonable action to evict the tenant after being requested to evict the tenant by the association. If within 60 days after the eviction request the unit owner terminates or does not renew the tenant's lease or rental agreement, that constitutes reasonable action to evict a tenant. The declaration may specify notice and procedural requirements for the exercise of power of attorney by the association and the allocation of responsibility for eviction-related costs between the unit owner and the association. An eviction action brought by an association is subject to chs. 704 and 799, stats.

11 SECTION 12. 703.09 (2) of the statutes is amended to read:

12 703.09 (2) Except as provided in s. sub. (4) and ss. 703.093, 703.13 (6) (c) and (d) and
13 (8) (b) and 703.26, a condominium declaration may be amended with the written consent of
14 at least two-thirds of the unit-owners total votes established under sub. (1) (f) or a greater

1 percentage if provided in the declaration. An amendment becomes effective when it is
2 recorded in the same manner as the declaration. The document submitting the amendment for
3 recording shall state that the required consents and approvals for the amendment were
4 received. A unit owner's written consent is not effective unless it is approved in writing by
5 the first mortgagee of the unit, if any. Approval from the first mortgage lender or the person
6 servicing the mortgage loan on a unit constitutes approval of the mortgagee under this
7 subsection.

NOTE: 1. Amends the exception clause to add reference to s. 703.09 (4), created by SEC. 13 of the draft; to s. 703.093, created by SEC. 14 of the draft; and to s. 703.13 (6) (c) and (d) and (8) (b), treated by SECS. 20 and 21 of the draft. The added references contain different declaration amendment procedures than the general procedure contained in s. 703.09 (2).

2. Clarifies that reference to "two-thirds of the unit owners" is to "two-thirds of the total votes" (established under current s. 703.09 (1) (f)). The current reference is ambiguous.

3. Provides that the required mortgagee approval applies to first mortgagees only and must be in writing and that approval by the person serving the mortgage loan constitutes approval by the mortgagee.

4. Requires the document submitting the declaration amendment for recording to state that the required consents and approvals for the amendment were received.

8 SECTION 13. 703.09 (4) of the statutes is created to read:

9 703.09 (4) A declarant may assign his or her rights and obligations as a declarant under
10 this chapter by recording an amendment to the declaration that includes the assignment and
11 an acceptance of the assignment that is signed by the assignee and acknowledged. A declarant
12 may not assign under this subsection less than all of his or her rights and obligations as a
13 declarant under this chapter.

NOTE: Gives express authorization for a declarant to assign all of his or her rights and obligations as a declarant under ch. 703 if the declarant

records an amendment to the declaration that includes the assignment and an acceptance of the assignment that is signed by the assignee and acknowledged. Inclusion of this express authority is not intended to imply that a declarant currently may not assign rights and obligations.

1 **SECTION 14.** 703.093 of the statutes is created to read:

2 **703.093 Alternative procedure for amending declaration.** (1) As an alternative to
3 the procedure under s. 703.09 (2), a condominium declaration may be amended under this
4 section. A declaration may be amended under this section if at least two-thirds of the total
5 votes established under s. 703.09 (1) (f), or a greater percentage if provided in the declaration,
6 consent to the amendment in writing and those consents are approved by the mortgagee or
7 holder of an equivalent security interest on the unit. An amendment becomes effective when
8 it is recorded in the same manner as the declaration.

9 (2) The association has 180 days to secure the required consents and approvals under
10 this section, commencing upon the recording of an affidavit with the register of deeds of the
11 county in which the condominium is located. The affidavit shall:

12 (a) Set forth the text of the proposed amendment.

13 (b) Provide the name and address of the senior executive officer of the association to
14 whom inquiries should be directed with regard to the proposed amendment.

15 (c) State that a notice was sent to the owners of record and the lenders of record for each
16 unit of the association on the date the affidavit is recorded.

17 (d) Be signed by the senior executive officer of the association.

18 (3) Notice of a proposed amendment to a declaration under this section shall be mailed
19 on the date the affidavit is recorded under sub. (2) to the owner of each condominium unit and
20 the mortgagee, or holder of an equivalent security interest, of each unit, if any, as identified
21 in a title report prepared on the date the notice is sent.

1 (4) The notice mailed under sub. (3) shall:

2 (a) Contain a copy of the text of the proposed amendment and a current copy of this
3 section.

4 (b) Include a written ballot to be signed by the unit owner, identifying the unit casting
5 the ballot and identifying each owner of record of that unit as of the date of recording of the
6 affidavit under sub. (2). The ballot shall include a place for any lienholder to whom notice
7 is sent under sub. (3) to indicate its approval or objection under sub. (5) (b).

8 (c) State that if more than one person is an owner of the unit and the owners cannot agree
9 how to cast the ballot, the unit's vote shall be treated as a vote in opposition to the proposed
10 amendment.

11 (d) State that a ballot signed by only one owner shall count as the ballot of that unit,
12 unless more than one ballot is received for that unit, in which case all ballots received for that
13 unit must concur in the vote cast or the ballots, collectively, shall be treated as a vote in
14 opposition to the proposed amendment by that unit.

15 (e) State that the proposed amendment shall be voted on as written and that no changes
16 to the proposed amendment may be accomplished by this vote.

17 (f) Include the address to which the completed ballot shall be mailed.

18 (5) (a) The owner of each unit shall vote on the proposed amendment by signing the
19 ballot before a notary public and by mailing the signed and notarized ballot or by personally
20 delivering it to the association of unit owners at the address set forth in the affidavit.

21 (b) Each lienholder receiving the notice under sub. (3) shall signify its approval or
22 objection to the amendment by having an authorized person sign the ballot before a notary
23 public and by returning the signed, notarized ballot to the association.

1 (6) The association may rely on the list of owners of record set forth in a title report
2 obtained as of the date of recording the affidavit under sub. (2), unless the association receives
3 a written notice, signed and notarized by both the previous owner and the new owner, advising
4 the association that ownership of the unit has been conveyed. The association shall send a
5 copy of the notice under sub. (3) to the new owner of a unit and any lien holder promptly after
6 receiving notice of the transfer of ownership. It is the responsibility of the new unit owner to
7 comply with this section. If the prior owner had voted prior to the change in ownership, the
8 new owner may execute the ballot included in the notice under sub. (3) which, when returned
9 by the new owner, shall supersede and replace any ballot cast by the prior owner if any required
10 approval of a lienholder is also timely received. The 180-day period applicable to receipt of
11 the ballot for the unit shall be extended to a date 14 days after the ballot has been mailed by
12 the association if the ballot is mailed within 14 days before the end of the 180-day period.

13 (7) Any person acquiring a mortgage or equivalent security interest on a unit after the
14 recording of the affidavit under sub. (2) may notify the association in writing of the lender's
15 - lien, identifying the unit on which it holds a lien, and signify its approval of or objection to
16 the proposed amendment to the declaration.

17 (8) If the association receives the required number of consents and approvals from unit
18 owners and lenders within the required time following the recording of the affidavit under sub.
19 (2), the senior executive of the association shall record an affidavit in the register of deeds
20 office in the county in which the condominium is located, setting forth the facts satisfying the
21 requirements of this section and providing record notice to all interested persons that the
22 declaration has been revised, effective upon the recording of the affidavit, and restating the
23 entire declaration, as amended.

1 (9) The association shall retain on file and make available for inspection at the place
2 where the condominium financial records are maintained for a period of 2 years following the
3 recording of the amended declaration under sub. (8), all of the following:

4 (a) The title report under sub. (6) relied upon by the association.

5 (b) All of the ballots received by the association.

6 (c) All of the mortgage and other lien holder approval forms received by the association.

NOTE: Provides an alternative procedure for amending the declaration. The key feature is that the association has 180 days to secure the required consents and approvals and may rely on the list of owners of record contained in a title report at the beginning of the 180-day period. Provision is made for notice of the proposed amendment to new unit owners and lienholders during the 180-day period and for the new owners and lienholders to cast a ballot replacing the ballot of the previous owner and lienholder. Provision is made to extend the 180-day period 14 days if the ballot is mailed to the new owner and lienholder within 14 days before the end of the 180-day period.

The procedure contains substantial detail concerning the commencement of the 180-day period; required notice; voting by unit owners and lienholders and subsequent unit owners and lienholders; recording the amended declaration; and retention of materials related to the amendment for 2 years.

7 **SECTION 15.** 703.10 (2g) of the statutes is created to read:

8 703.10 (2g) OCCUPANCY REQUIREMENTS FOR BOARD MEMBERS. The bylaws may provide
9 that a unit owner may not serve as a director unless the owner occupies his or her unit or may
10 specify the proportion of nonoccupant unit owners that may serve as a director.

NOTE: Expressly provides that the condominium bylaws may provide that a unit owner may not serve as a director of the condominium association unless the unit owner occupies his or her unit or may specify the proportion of nonoccupant unit owners that may serve as a director. Note that under current s. 703.10 (2) (d), stats., not more than one "nonunit owner" may be on the board.

11 **SECTION 16.** 703.11 (2) (c) of the statutes is amended to read:

1 703.11 (2) (c) ~~Diagrammatic floor plans~~ Plans showing the location of each building
2 located or to be located on the property ~~which and, if there are units in the building, that show~~
3 the perimeters, approximate dimensions, floor area approximate square footage, and location
4 of each unit in ~~it that building.~~ Common elements shall be shown graphically to the extent
5 feasible.

NOTE: Simplifies the required content of a condominium plat by substituting "plans showing the location of each building" for "diagrammatic floor plans of each building"; adding "perimeters", and substituting "approximate square footage" for "floor area". Reference in the revised provision to "plans" is not intended to include the construction plans for the building, including all the separate plans that comprise the construction plans.

6 **SECTION 17.** 703.11 (5) of the statutes is created to read:

7 703.11 (5) **AMENDMENT.** Except as provided in s. 703.265, an addendum that is not
8 included as part of an amendment to the declaration shall be accomplished in the same manner
9 as an amendment to the declaration under s. 703.09 (2).

NOTE: Clarifies that an amendment to a condominium plat (addendum) that is not included as part of an amendment to the declaration is to be accomplished in the same manner as an amendment to the declaration.

10 **SECTION 18.** 703.13 (5) (a) of the statutes is amended to read:

11 703.13 (5) (a) A unit owner may make any improvements or alterations within his or
12 her unit that do not impair the structural integrity or lessen the support of any portion of the
13 condominium and that do not create a nuisance in the use and enjoyment of other units or the
14 common elements. A unit owner may not change the exterior appearance of a unit or of any
15 other portion of the condominium without permission of the board of directors of the
16 association.

NOTE: For convenience, expressly limits the unit improvements or alterations that a unit owner may make to exclude those that create a nuisance in the use and enjoyment of other units or the common

elements. Reference to "nuisance" is intended to include both nuisance under common law and nuisance under other law, e.g., ch. 823, stats.

1 **SECTION 19.** 703.13 (5m) of the statutes is created to read:

2 **703.13 (5m) IMPROVEMENTS TO LIMITED COMMON ELEMENTS.** (a) If permitted by the
3 condominium instruments and subject to par. (b) and to any restrictions and limitations
4 specified in the condominium instruments, a unit owner may improve, including the enclosure
5 of, the limited common elements appurtenant exclusively to that owner's unit if all of the
6 following are met:

7 1. A statement describing the improvement, including a description of the project, the
8 materials to be used, and the proposed impact on the appearance of the condominium and
9 identifying the project contractor is submitted to the board of directors of the association.

10 2. The improvement will not interfere with the use and enjoyment of the units of other
11 unit owners or the common elements or limited common elements of the condominium.

12 3. The improvement will not impair the structural integrity of the condominium.

13 4. Any change to the exterior appearance of the condominium is approved by the board
14 of directors of the association.

15 (b) All costs and expenses of an improvement under this subsection and any increased
16 costs of maintenance and repair of the limited common elements resulting from the
17 improvement are the obligation of the unit owner. The unit owner shall protect the association
18 and other unit owners from liens on property of the association or of other unit owners that
19 otherwise might result from the improvement.

NOTE: Allows a unit owner, at the owner's expense, to improve limited common elements appurtenant exclusively to that owner's unit if permitted by the condominium instruments and if the specified conditions are met.

20 **SECTION 20.** 703.13 (6) (c) and (d) of the statutes are amended to read:

1 703.13 (6) (c) An amendment to a declaration shall identify the units involved and shall
2 state that the boundaries between those units are being relocated by agreement of the unit
3 owners thereof. The amendment shall contain words of conveyance between those unit
4 owners, and when recorded shall also be indexed in the name of the grantor and grantee. If
5 the adjoining unit owners have specified in their written application the reallocation between
6 their units of the aggregate undivided interest in the common elements appertaining to those
7 units, the amendment to the declaration shall reflect that reallocation. An amendment to a
8 declaration under this paragraph shall be adopted, at the option of the adjoining unit owners,
9 either under s. 703.09 (2) or with the written consent of the owners of the adjoining units
10 involved and the mortgagees of the adjoining units.

NOTE: Current s. 703.13 (6), stats., contains a procedure for changing boundaries between adjoining condominium units when the condominium instruments permit a relocation and the adjoining unit owners desire the relocation. One element of that procedure is an amendment to the declaration, describing the boundary change and any reallocation of interests in the adjoining unit owners' respective interests in the common elements. [s. 703.13 (6) (c), stats.]

Section 703.13 (6) (c) is amended to allow a declaration amendment under the boundary change procedure to be accomplished simply with the approval of the adjoining unit owners and the mortgagees of the adjoining units, if any. (The general method of amending the declaration under s. 703.09 (2) may, at the option of the adjoining unit owners, continue to be used instead of the simplified procedure.)

11 (d) If the adjoining unit owners have specified in their written application a reasonable
12 reallocation, as determined by the board of directors, of the number of votes in the association
13 or liabilities for future common expenses not specially assessed, appertaining to their units,
14 an amendment to the condominium instruments shall reflect those reallocations. An
15 amendment to a declaration under this paragraph shall be adopted in the same manner as an
16 amendment to a declaration under par. (c).

NOTE: The procedure for relocating boundaries between adjoining condominium units also provides that if the adjoining unit owners have specified in the written application a reasonable allocation, as determined by the board of directors, of the number of votes in the association or liabilities for future common expenses not specially assessed that pertain to the units, an amendment to the condominium instruments is to reflect those reallocations. This draft provides that an amendment to a declaration under this provision is adopted in the same manner as described in paragraph 2 of the NOTE immediately above.

1 **SECTION 21.** 703.13 (8) of the statutes is created to read:

2 703.13 (8) **MERGER OF UNITS.** (a) If any condominium instruments expressly permit the
3 merger of 2 or more adjoining units into one unit, a merger shall be made in accordance with
4 this section and any restrictions and limitations specified in the condominium instruments.

5 (b) If the unit owners of adjoining units that may be merged desire to merge the units,
6 the unit owners, after 30 days' written notice to all other unit owners, shall prepare and execute
7 appropriate instruments under this subsection. An amendment to the condominium
8 instruments shall assign a new identifying number to the new unit created by the merger of
9 the units and shall allocate to the new unit all of the undivided interest in the common elements
10 and rights to use the limited common elements and the votes in the association formerly
11 appertaining to the separate units. The amendment shall reflect a proportionate allocation to
12 the new unit of the liability for common expenses and rights to common surpluses formerly
13 appertaining to the separate units. An amendment to a declaration under this paragraph shall
14 be adopted either under s. 703.09 (2) or with the written consent of the owners of the units to
15 be merged, the mortgagees of those units, if any, and the board of directors of the association.

16 (c) Plats and plans showing the boundaries and dimensions of the new unit together with
17 the new identifying number or letter shall be prepared. The plats and plans shall be certified
18 as to their accuracy and compliance with this subsection by a civil engineer, architect or
19 licensed land surveyor authorized to practice in this state.

1 (d) After appropriate instruments have been prepared and executed, they shall be
2 delivered promptly to the owner of the merged unit upon payment by him or her of all
3 reasonable costs for their preparation. Those instruments are effective when the owner of the
4 merged unit has executed them and the instruments are recorded. The recording of the
5 instruments is conclusive evidence that the merger did not violate any restriction or limitation
6 specified by the condominium instruments and that any reallocations made under this
7 subsection were reasonable.

NOTE: Provides a procedure for merging adjoining condominium units based on current procedures for: relocating boundaries between adjoining condominium units [s. 703.13 (6), stats.]; and separation of a unit into one or more units [s. 703.13 (7), stats.]. The procedure includes a simplified means of amending the declaration.

8 SECTION 22. 703.15 (1) of the statutes is amended to read:

9 703.15 (1) LEGAL ENTITY. The affairs of every condominium shall be governed by an
10 association which, even if unincorporated, is constituted a legal entity for all purposes. Except
11 for matters reserved by this chapter, the declaration, or bylaws to the association members or
12 unit owners, all policy and operational decisions of the association, including interpretation
13 of the condominium instruments, bylaws, rules, and other documents relating to the
14 condominium or the association, shall be made by its board of directors. This subsection does
15 not affect the deference accorded to or the standard of review of an action of the board of
16 directors by a court.

NOTE: Clarifies the prevailing, but not always known, view of the role of the association board of directors: with the exception of matters reserved to association members or unit owners by ch. 703, the declaration, or bylaws, all policy and operational decisions of the association are made by the board. Policy and operational decisions include, but are not limited to, interpretation of condominium instruments, bylaws, rules, and other documents relating to the condominium or the association.

1 **SECTION 23.** 703.15 (3) (b) 1. of the statutes is amended to read:

2 703.15 (3) (b) 1. Make contracts and incur liabilities, including, subject to s. 703.10 (2)
3 (f), borrowing funds in the name of the association.

NOTE: For illustrative purposes, expressly provides that a condominium association, subject to any restrictions and limitations specified by the declaration, may borrow funds in the name of the association as part of its general authority to make contracts and incur liabilities. The exercise of this authority by an association is subject to current s. 703.25, relating to the tort and contract liability of an association.

4 **SECTION 24.** 703.15 (3) (b) 8. of the statutes is created to read:

5 703.15 (3) (b) 8. Purchase goods and services jointly with other condominium
6 associations or other persons.

NOTE: Expressly authorizes a condominium association, subject to any restrictions and limitations specified by the declaration, to purchase goods and services jointly with other condominium associations or other persons.

7 **SECTION 25.** 703.15 (4) (d) 1. of the statutes is amended to read:

8 703.15 (4) (d) 1. At meetings of the association every unit owner is entitled to cast the
9 number of votes appurtenant to his or her unit, as established in the declaration under s. 703.09
10 (1) (f). Unit owners may vote by proxy, but, the proxy is effective only for a maximum period
11 of 180 days following its issuance, unless granted to a mortgagee or lessee. If only one of
12 multiple owners of a unit is present at a meeting of the association, the owner is entitled to cast
13 the votes allocated to that unit.

NOTE: For convenience, indicates by cross-reference that the number of votes appurtenant to a condominium unit is established in the declaration.

14 **SECTION 26.** 703.15 (6) of the statutes is created to read:

15 703.15 (6) NUISANCE ACTION AGAINST ASSOCIATION. An action to abate a nuisance may
16 be brought against an association as provided under s. 823.015.

NOTE: For convenience, cross-references the provision created by the draft in ch. 823. See SEC. 64 of the draft.

1 **SECTION 27.** 703.155 (7) of the statutes is created to read:

2 703.155 (7) REPRESENTATION OF CONDOMINIUM OR NONCONDOMINIUM PROPERTY. A master
3 association may represent condominium or noncondominium property on behalf of one or
4 more condominiums and property under a different form of ownership or for the benefit of the
5 unit owners of one or more condominiums and the owners of other property.

NOTE: Clarifies the authority of a master association to represent either condominium property or noncondominium property: (a) on behalf of one or more condominiums and property under a different form of ownership; or (b) for the benefit of the unit owners of one or more condominiums and the owners of other property.

6 **SECTION 28.** 703.16 (2) of the statutes is renumbered 703.16 (2) (a).

7 **SECTION 29.** 703.16 (2) (b) of the statutes is created to read:

8 703.16 (2) (b) During the period of declarant control of the association under s. 703.15
9 (2) (c), if any unit owned by the declarant is exempt from assessments for common expenses
10 until the unit is sold, the total amount assessed against units that are not exempt from
11 assessments may not exceed the nonexempt units' projected percentage share of common
12 expenses, based on the anticipated common expenses set forth in the annual budget under s.
13 703.161 (2) (a). The declarant is liable for the balance of the actual common expenses.

NOTE: Provides that, during the period of declarant control, if a unit owned by the declarant is exempt from assessments for common expenses until the unit is sold, the total amount that may be assessed against units that are not exempt from assessments may not exceed the units' projected percentage share of common expenses; the declarant is liable for the balance of the actual expenses.

14 **SECTION 30.** 703.16 (3) to (9) of the statutes are renumbered 703.165 (2) to (8) and
15 703.165 (2), (4), (5) (intro.) and (8), as renumbered, are amended to read:

1 703.16 (2) LIABILITY FOR ASSESSMENTS. A unit owner shall be liable for all assessments,
2 or instalments thereof, coming due while owning a unit, including any assessments coming
3 due during the pendency of any claim by the unit owner against the association or during any
4 period the unit is not occupied by the unit owner or is leased or rented to any other person.

5 In a voluntary grant, the grantee shall be jointly and severally liable with the grantor for all
6 unpaid assessments against the grantor for his or her share of the common expenses up to the
7 time of the voluntary grant for which a statement of condominium lien is recorded, without
8 prejudice to the rights of the grantee to recover from the grantor the amounts paid by the
9 grantee for such assessments. Liability for assessments may not be avoided by waiver of the
10 use or enjoyment of any common element or by abandonment of the unit for which the
11 assessments are made.

NOTE: Expressly provides that a condominium unit owner is liable for any assessments coming due during the pendency of any claim by the unit owner against the association or during any period the unit is not occupied by the unit owner or is leased or rented to any other person. While the new language is within the scope of current language, it is added for clarification.

12 (4) STATEMENT. Any grantee of a unit is entitled to a statement from the association or
13 the executive board, setting forth the amount of unpaid assessments against the grantor and
14 the grantee is not liable for, nor shall the unit conveyed be subject to a lien which is not filed
15 under sub. (4) (3) for, any unpaid assessment against the grantor in excess of the amount set
16 forth in the statement. If an association or a board of directors does not provide such a
17 statement within 10 business days after the grantee's request, they are barred from claiming
18 under any lien which is not filed under sub. (4) (3) prior to the request for the statement against
19 the grantee.

1 (5) (intro.) ~~All sums assessed by an association but unpaid for the share of the common~~
 2 ~~expenses chargeable to any unit constitutes a lien on the unit and on the undivided interest in~~
 3 ~~the common elements appurtenant thereto~~ A lien under this section is prior to all other liens
 4 except:

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

8 Statement of Condominium Lien

9 This is to certify that owner(s) of unit No. in
 10 Condominium (is) (are) indebted to the association in the amount of \$..... as of, ...
 11 (year) for (his) (her) (its) (their) (proportionate share of common expenses of the
 12 Condominium) (damages to the condominium) (penalties for violation of condominium
 13 bylaws or rules) for the period from (date) to (date), plus interest thereon at the rate of%,
 14 costs of collection, and actual attorney fees.

15 Association

16 By:

17 Officer's title (or agent)

18 Address

19 Phone number

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

23

24 Officer (or agent)

NOTE: See SEC. 33 of the draft which creates an expanded definition of "assessments" for purposes of the above lien provisions.

1 **SECTION 31.** 703.161 of the statutes is created to read:

2 **703.161 Annual budget. (1) APPLICATION.** This section applies to any condominium
3 that includes at least one unit that is restricted to residential use.

4 **(2) REQUIREMENT.** An association annually shall adopt and distribute to all unit owners
5 an annual budget setting forth all of the following:

6 (a) All anticipated common expenses and any amounts to be allocated to a statutory
7 reserve account under s. 703.163 and to any other funds for future expenditures.

8 (b) The amount and purpose of any other anticipated association expenditure.

9 (c) The amount in any statutory reserve account under s. 703.163 or any other funds held
10 for future expenditures.

11 (d) Any common surpluses.

12 (e) The amount and source of any income, other than unit owner assessments.

13 (f) The aggregate amount of any assessment to be levied against unit owners and the
14 purpose of the assessment.

NOTE: Requires the condominium association for condominiums that include at least one unit that is restricted to residential use to annually adopt and distribute to all unit owners an annual budget setting forth:

1. All anticipated common expenses and any amounts to be allocated to a statutory reserve account and to any other funds for future expenditures.

2. The amount and purpose of any other anticipated association expenditure.

3. The amount in any statutory reserve account or any other funds held for future expenditures.

4. Any common surpluses.

5. The amount and source of any income, other than unit owner assessments.

6. The aggregate amount of any assessment to be levied against unit owners and the purpose of the assessment.

If there is a statutory reserve account for the condominium, the annual budget must provide reserve funds for the account. See s. 703.163 (8) (intro.), created by SEC. 32 of the draft, below.

1 **SECTION 32.** 703.163 of the statutes is created to read:

2 **703.163 Statutory reserve account. (1) DEFINITIONS.** In this section:

3 (a) "Reserve funds" means funds derived from assessments against unit owners that are
4 deposited in a statutory reserve account. The term does not include funds for ordinary
5 operations, including amounts held for operational contingencies, or other funds derived from
6 assessments.

7 (b) "Statutory reserve account" means a separate account established under this section
8 to hold reserve funds.

9 (c) "Statutory reserve account statement" means a statement indicating whether a
10 statutory reserve account has been established for a condominium and, if there is no statutory
11 reserve account, indicating how it is anticipated that future expenditures for the repair and
12 replacement of common elements will be funded.

13 **(2) APPLICATION; OTHER RESERVE ACCOUNTS NOT AFFECTED.** (a) Except as provided in
14 subds. 1. and 2., this section applies to condominiums consisting exclusively of units that are
15 restricted to residential uses.

16 1. This section does not apply to a small condominium unless the declarant or the
17 association, with the written consent of a majority of the unit votes, elects to be governed by
18 this section.

19 2. This section applies to a condominium consisting both of residential and
20 nonresidential units if the declarant or the association, with the written consent of a majority

1 of the unit votes of the residential units and a majority of the unit votes of the nonresidential
2 units, elects to be governed by this section.

3 (b) This section does not affect a reserve account or a similar account existing on the
4 effective date of this subsection [revisor inserts date] or a reserve account or similar account
5 established on or after the effective date of this subsection [revisor inserts date] that is not
6 a statutory reserve account.

7 (3) NEW CONDOMINIUMS: ESTABLISHMENT OF STATUTORY RESERVE ACCOUNT BY
8 DECLARANT. (a) Except as provided in par. (c), the declarant of a condominium that is
9 established under s. 703.07 on or after the effective date of this paragraph [revisor inserts
10 date] shall establish a statutory reserve account when the condominium is established and shall
11 execute a statutory reserve account statement. The declarant shall determine the annual
12 amount to be assessed unit owners for reserve funds after considering the factors under sub.
13 (8) (a) to (e) and, if applicable, the report prepared under s. 703.33 (2) (cm) 1.

14 (b) Reserve fund assessments for the reserve account established under par. (a) may first
15 be assessed on a particular unit when a certificate of occupancy has been issued that applies
16 to that unit. The declarant may elect to defer payment of the accrued assessments for a
17 particular unit until the first conveyance of that unit. The declarant may not defer payment
18 of accrued reserve fund assessments for more than 5 years from the date the exterior
19 construction of the building in which the unit is located is completed. The declarant is liable
20 for any accrued reserve fund assessments on a unit until the unit is conveyed. If there are
21 accrued reserve fund assessments against a unit, the declarant shall disclose in writing to the
22 first purchaser of the unit whether the declarant has included any accrued reserve fund
23 assessments in the purchase price of the unit or, if not included, how any accrued assessment
24 will be paid.

1 (c) The declarant may elect not to establish a statutory reserve account under par. (a)
2 at the time the condominium is established under s. 703.07 or at any time thereafter may elect
3 to terminate a statutory reserve account during the period of declarant control under s. 703.15
4 (2) (c). An election under this paragraph shall be made by executing a statutory reserve
5 account statement.

6 (4) NEW CONDOMINIUM; DETERMINATION BY ASSOCIATION TO ESTABLISH STATUTORY
7 RESERVE ACCOUNT. If a declarant has elected under sub. (3) (c) not to establish a statutory
8 reserve account or to terminate an account, establishment of a statutory reserve account shall
9 be addressed at the first annual meeting of the association held after, or at a special meeting
10 of the association held within one year of, the expiration of any period of declarant control
11 under s. 703.15 (2) (c). A statutory reserve account is established under this subsection with
12 the written consent of a majority of the unit votes. If a statutory reserve account is established
13 under this subsection, the association shall execute a statutory reserve account statement.

14 (5) NEW CONDOMINIUM; OPTION OF ASSOCIATION NOT TO HAVE STATUTORY RESERVE
15 ACCOUNT. An association may elect to terminate a statutory reserve account established by a
16 declarant under sub. (3) (a) at any time after the expiration of any period of declarant control
17 under s. 703.15 (2) (c) with the written consent of at least two-thirds of the unit votes. If the
18 association elects to terminate the statutory reserve account, the association shall execute a
19 statutory reserve account statement.

20 (6) EXISTING CONDOMINIUMS; STATUTORY RESERVE ACCOUNT UNLESS ELECT OTHERWISE.
21 The association for a condominium established before the effective date of the subsection
22 [revisor inserts date] shall, within 18 months after the effective date of the subsection
23 [revisor inserts date] or within 18 months after the expiration of any period of declarant control
24 under s. 703.15 (2) (c), whichever is later, establish a statutory reserve account unless the

1 association, with the written consent of at least two-thirds of the unit votes, elects not to
2 establish a statutory reserve account. Upon the establishment of or the election not to establish
3 a statutory reserve account, the association shall execute a statutory reserve account statement.

4 (7) ELECTION BY ASSOCIATION TO ESTABLISH OR TERMINATE STATUTORY RESERVE ACCOUNT.

5 An association at any time may elect to establish a statutory reserve account with the written
6 consent of a majority of the unit votes. An association that establishes a statutory reserve
7 account under this subsection may terminate the statutory reserve account with the written
8 consent of at least two-thirds of the unit votes. Upon the establishment or termination of a
9 statutory reserve account, the association shall execute a statutory reserve account statement.

10 (8) RESERVE FUND. If there is a statutory reserve account for the condominium, the
11 annual budget adopted under s. 703.161 shall provide for reserve funds. Reserve funds may
12 be used as provided in sub. (9). The association shall determine the amount to be assessed unit
13 owners for reserve funds after considering:

14 (a) The reserve funds currently in the statutory reserve account.

15 (b) The estimated cost of repairing or replacing common elements, other than routine
16 maintenance.

17 (c) The estimated remaining useful life of common elements.

18 (d) The approximate proportion of the estimated cost of repairing or replacing common
19 elements that will be covered by the statutory reserve account and the approximate proportion
20 that will be funded by other means.

21 (e) Any other factor that the association considers relevant.

22 (9) USE OF STATUTORY RESERVE ACCOUNT. (a) Except as provided in par. (b), funds in
23 a statutory reserve account may be used for the repair and replacement of common elements
24 other than routine maintenance.

1 (b) Funds in a statutory reserve account may be used for normal repair or maintenance,
2 customary services or other operational costs in excess of amounts budgeted and any
3 contingency funds available for these purposes, with the written consent of at least two-thirds
4 of the unit votes. Funds from the statutory reserve account used under this paragraph shall be
5 replaced within 3 years from the date of withdrawal.

6 (10) PERMITTED INVESTMENT OF RESERVE FUNDS. Reserve funds may be invested in any
7 of the investments under s. 66.0603 (1m) (a).

8 (11) LIABILITY IMMUNITY. No declarant, unit owner, association or director, officer,
9 manager or employee of an association is liable in connection with the establishment or
10 termination or decision not to establish or terminate a statutory reserve account or for any
11 deficiencies in the statutory reserve account that are due to the determination of amounts to
12 be assessed for reserve funds. This subsection is in addition to any other liability protection
13 available under law.

14 (12) RECORDING OF STATUTORY RESERVE ACCOUNT STATEMENT. Each statutory reserve
15 account statement executed under this section shall bear the name of the condominium as it
16 appears on the declaration and shall be recorded with the register of deeds of the county where
17 the condominium instruments are recorded.

NOTE: Requires a declarant or association to establish a "statutory reserve account" to fund repairs and replacements of common elements other than routine maintenance, unless the declarant or association elects not to establish an account.

The statutory reserve account provisions generally apply only to exclusively residential condominiums, other than small condominiums. Small condominiums and mixed-use (residential and nonresidential units) condominiums may choose to be governed by the statutory reserve account provisions.

The statutory reserve account provisions expressly do not affect: (1) existing reserve accounts or similar accounts; or (2) reserve accounts or

similar accounts that are not statutory reserve accounts established on or after the effective date of the draft.

The declarant must establish a statutory reserve account for a new condominium (a condominium established on or after the effective date of the draft) but the declarant may opt out of the requirement. If the declarant establishes a statutory reserve account, assessments for the account may first be assessed against a particular unit when a certificate of occupancy has been issued that applies to that unit. The declarant may defer payment of assessments on a particular unit until the unit is conveyed, but for not more than 5 years from the date the exterior construction of the building in which the unit is located is completed. If there are accrued reserve fund assessments against a unit, the declarant must disclose to the first purchaser of the unit whether any of the accrued assessments are included in the purchase price and, if not, how any accrued assessment will be paid.

If the declarant has opted out, establishment of an account must be addressed at the first annual meeting of the association held after, or at a special meeting held within one year of, termination of declarant control. A statutory reserve account is established by the association with the written consent of a majority of the unit votes. If the declarant has not opted out of the statutory reserve account requirement for a new condominium, the association at any time after the expiration of declarant control may elect to terminate the account with the written consent of at least two-thirds of the unit votes.

Existing condominiums (condominiums established before the effective date of the draft) must, within 18 months after the draft's effective date, or within 18 months after the expiration of declarant control, whichever is later, establish a statutory reserve account unless, with the written consent of at least two-thirds of the unit votes, the association elects not to establish an account.

More generally, an association may at any time elect to establish a statutory reserve account, with the written consent of a majority of the unit votes, or to terminate a statutory reserve account, with the written consent of at least two-thirds of the unit votes.

Factors that a declarant or association is to consider in determining the amount to be assessed unit owners for the statutory reserve account include: funds currently in the account; the estimated cost of repairing or replacing common elements, other than routine maintenance; the estimated remaining useful life of common elements; the approximate proportion of the estimated cost of repairing or replacing common elements that will be covered by the account and the approximate

proportion that will be funded by other means; and any other factor considered relevant. In the case of a conversion condominium, the declarant must also consider the required report of an independent architect or engineer.

Funds in a statutory reserve account may be invested in any investment in which local governments are generally authorized to invest by statute.

Funds in a statutory reserve account may be used only for the repair and replacement of common elements, other than routine maintenance, unless there is written consent of at least two-thirds of the unit votes to use the funds for normal repair or maintenance, customary services or other operational costs in excess of amounts budgeted. If used for the latter purposes, the funds must be replaced within 3 years from the date of withdrawal from the account.

A "statutory reserve account statement" must be executed when a statutory reserve account is established or an election is made not to have or to terminate a statutory reserve account. If an election not to establish, or to terminate, a statutory reserve account is made, the statement must indicate how it is anticipated that future expenditures for repairs and replacements of common elements will be funded. The statement must be recorded with the register of deeds.

Finally, a declarant, unit owner, association, or director, officer, manager or employee of an association is not liable in connection with the establishment or termination, or decision not to establish or terminate, a statutory reserve account or for any deficiencies in a statutory reserve account that are due to the determination of amounts to be assessed for reserve funds.

1 SECTION 33. 703.165 (title) and (1) of the statutes are created to read:

2 **703.165 (title) Lien for unpaid common expenses, unpaid damages, and unpaid**
 3 **penalties. (1) DEFINITION.** In this section, "assessments" means regular and special
 4 assessments for common expenses and charges, fines, or assessments against specific units
 5 or unit owners for damages to the condominium or for penalties for violations of the
 6 declaration, bylaws, or association rules.

NOTE: Creates a title for new s. 703.165 and a definition of assessment for use throughout the section. The definition expands the scope of the lien provisions of current s. 703.16 (3) to (9) (renumbered s. 703.165 (2) to (8) by SEC. 30 of the draft). Currently, those lien provisions apply to

failure to pay assessments for common expenses. The new definition, in combination with the treatment of s. 703.16 (3) to (9) by SEC. 30 of the draft, expands the coverage of the lien provisions to include failure to pay charges, fines, or assessments for damages to the condominium and for violations of the declaration, bylaws, or association rules.

1 **SECTION 34.** 703.19 (8) of the statutes is amended to read:

2 **703.19 (8) PRESERVATION OF THE RIGHT OF APPEAL.** The owner of each unit taken shall
3 have the individual right of appeal of the necessity of taking and of the condemnation award
4 made for the taking. ~~An association shall have the right of appeal of the necessity of taking~~
5 ~~of the common elements and the right of appeal of the condemnation award made for the~~
6 ~~taking of the common elements. An appeal by an association shall be binding upon the~~
7 ~~individual unit owners for the necessity of taking or the condemnation award made for the~~
8 ~~taking of the common elements.~~ The unit owners having an interest in the ownership of
9 limited common elements may individually or as a group appeal the necessity of taking or the
10 condemnation award made for the taking of the limited common elements.

NOTE: Repeals the right of an association to appeal the necessity of taking, and the condemnation award made for the taking, of the common elements and the binding effect of the appeal upon individual unit owners. The revision reflects the policy judgment that individual unit owners should have the right of appeal. See, also, s. 703.195, created by SEC. 35 of the draft, below, for a related provision.

11 **SECTION 35.** 703.195 of the statutes is created to read:

12 **703.195 Acquisition of common elements by condemners. (1) DEFINITIONS:** In this
13 section:

14 (a) "Acquire" means to obtain title to real property by purchase or eminent domain.

15 (b) "Common elements" do not include limited common elements.

16 (c) "Condemnor" means a person, as defined in s. 32.01 (1), with authority to condemn
17 property under ch. 32.

1 (2) APPLICATION. This section may be used by a condemnor for the acquisition of a
2 portion of the common elements of a condominium for a public purpose. This section is in
3 addition to any applicable provision in ch. 32. This section may only be used by a condemnor
4 to acquire common elements of a condominium created 6 months after the effective date of
5 this section [revisor inserts date].

6 (3) NOTICE TO UNIT OWNERS. A condemnor who seeks to acquire a portion of the
7 common elements by utilizing this section shall notify the association and each unit owner of
8 the proposed acquisition at least 30 days before delivery of the appraisal required under s.
9 32.05 (2) (a) or 32.06 (2) (b). Notice by the condemnor to unit owners shall be in writing, shall
10 include the information under sub. (4), and shall be sent by certified mail, return receipt by
11 addressee only requested. Notice is deemed complete on the date the addressee acknowledges
12 receipt. The notice required under this subsection is in addition to any notice required under
13 s. 32.05 or 32.06 and shall be provided simultaneously with the pamphlets that are prepared
14 under s. 32.26 (6) and provided under ss. 32.05 (2a) and 32.06 (2a). The condemnor is
15 responsible for the expense of sending notification under this subsection.

16 (4) CONTENT OF NOTICE. The notice to unit owners required under sub. (3) shall, at a
17 minimum, contain all of the following:

18 (a) The name and address of the condemnor.

19 (b) The legal description of the property to be acquired.

20 (c) The public purpose for which the property is needed by the condemnor and a
21 statement that the condemnor in good faith intends to use the property for that purpose.

22 (d) The following statement in substantially identical language, prepared in at least
23 12-point bold type, if printed, or in capital letters, if typewritten:

1 THIS NOTICE IS REQUIRED BY SECTION 703.195 OF THE WISCONSIN
2 STATUTES. SECTION 703.195 OF THE WISCONSIN STATUTES PROVIDES THAT
3 THE CONDOMINIUM ASSOCIATION OF WHICH YOU ARE A MEMBER CAN ACT
4 AS YOUR AGENT TO CONVEY YOUR INTEREST IN THE CONDOMINIUM'S
5 COMMON ELEMENTS. HOWEVER, YOU HAVE THE RIGHT TO NEGOTIATE WITH
6 THE _____ (NAME OF ACQUIRING AGENCY) ON YOUR OWN AND MAY REFUSE
7 TO BE REPRESENTED BY THE ASSOCIATION.

8 IN ORDER FOR YOU TO PROCEED TO NEGOTIATE WITH THE _____ (NAME
9 OF ACQUIRING AGENCY) ON YOUR OWN, YOU MUST WITHIN 30 DAYS AFTER
10 RECEIPT OF THIS NOTICE SIGN THIS DOCUMENT AT THE INDICATED LOCATION
11 AND DEPOSIT IT IN THE UNITED STATES MAIL. _____ (NAME OF ACQUIRING
12 AGENCY) HAS ENCLOSED FOR YOUR CONVENIENCE A POSTAGE PRE-PAID,
13 ADDRESSED ENVELOPE FOR THIS PURPOSE. FAILURE TO SIGN AND RETURN
14 THIS NOTICE WILL MEAN THAT YOU CONSENT TO ALLOWING THE
15 ASSOCIATION TO NEGOTIATE AND CONVEY YOUR INTEREST IN THE
16 AFFECTED PORTION OF THE CONDOMINIUM COMMON ELEMENTS WHICH IS
17 THE SUBJECT OF THIS PUBLIC IMPROVEMENT PROJECT.

18 IF YOU ALLOW THE ASSOCIATION TO ACT AS YOUR AGENT, YOU WILL BE
19 LEGALLY BOUND BY THE DECISION OF THE ASSOCIATION'S BOARD OF
20 DIRECTORS. REGARDLESS OF WHETHER YOU CHOOSE TO NEGOTIATE ON
21 YOUR OWN OR TO ALLOW ANY OTHER PERSON OR ENTITY TO NEGOTIATE ON
22 YOUR BEHALF, YOU WILL RETAIN ALL RIGHTS TO CHALLENGE THE RIGHT OF
23 CONDEMNATION, THE NECESSITY OF CONDEMNATION, OR ANY AMOUNT OF

1 COMPENSATION AVAILABLE TO YOU UNDER CHAPTER 32 OF THE WISCONSIN
2 STATUTES.

3 (e) A prominent place for indicating the unit owner's objection to the association's
4 representation of the unit owner in the property acquisition.

5 (5) METHOD OF OBJECTING BY UNIT OWNER. A unit owner who objects to the association
6 acting as agent for the owner shall indicate the objection as provided on the form under sub.
7 (4) (e) and send the objection, within 30 days after the notice under sub. (3) is received, to the
8 condemnor by U.S. mail to the address indicated on the notice. The objection is deemed made
9 when the completed form is mailed to the condemnor. Before initiating negotiations with the
10 owner under ss. 32.05 (2a) and 32.06 (2a), the condemnor shall provide the association and
11 those unit owners who have objected a written list of unit owners who have objected.

12 (6) NO OBJECTION BY UNIT OWNER; ASSOCIATION MAY ACT. If a unit owner does not timely
13 object under sub. (5), the unit owner is deemed to have agreed to the association acting as the
14 unit owner's representative in the conveyance of the common elements at issue. Failure to
15 object within the required time does not affect any other rights of the unit owner under ch. 32.

16 (7) METHOD OF CONVEYANCE. The association shall execute any conveyance under this
17 section as the agent for each of the unit owners represented by the association. The unit owners
18 represented by the association shall be identified, by name, on the conveyance.

19 (8) OBJECTION BY UNIT OWNER; UNIT OWNER RETAINS RIGHTS. A unit owner who timely
20 objects under sub. (5) retains all of his or her rights with regard to the acquisition and all other
21 rights pertaining to unit ownership under ch. 32.

NOTE: Provides an optional procedure for acquiring a portion of the common elements for public projects, based on a Florida statute. [West's F.S.A. s. 73.073 (2001 Supplement).] The procedure applies to the acquisition of a portion of the common elements (not including limited common elements) by any condemnor for a public purpose.

"Acquisition" refers to obtaining title to real property by purchase or eminent domain.

In general terms, a condemnor who seeks to acquire a portion of the common elements under the procedure is required to notify the association and to give specified notice of the proposed acquisition to each unit owner. If a unit owner fails to object to the association representing the unit owner in the property acquisition within 30 days after receiving the notice, the owner is deemed to have agreed to that representation in any subsequent proceeding relating to the acquisition of common elements at issue.

A unit owner who timely objects to representation by the association in the acquisition retains all of his or her rights with regard to the acquisition and all other rights pertaining to unit ownership.

The optional procedure may be used only to acquire common elements of a condominium created 6 months after the effective date of the draft.

1 **SECTION 36.** 703.20 (3) of the statutes is created to read:

2 **703.20 (3) DECLARANT RESPONSIBILITIES FOR RECORDS.** During the period of declarant
3 control under s. 703.15 (2) (c), the declarant is responsible for creating and maintaining the
4 financial and operational records of the association and shall turn the records over to the
5 directors elected under s. 703.15 (2) (f). During the period of declarant control under s. 703.15
6 (2) (c) and for one year thereafter, upon written request to the association by the lesser of 3
7 unit owners or the owners of 10% of the units, not including units owned by the declarant, the
8 association shall arrange for an independent audit of its financial records, but no request may
9 be made for an audit within 24 months after the completion of a previous audit.

NOTE: Requires the creation and maintenance of, and provides means of access to, financial and operational records of the association during the period of declarant control. The declarant is responsible for the creation and maintenance of the records during the period of declarant control and must turn the records over to the board of directors elected after the period of declarant control expires.

Also, during the period of declarant control and one year thereafter, requires the association to arrange for an independent audit of the association's financial records if requested by the lesser of 3 unit owners

or the owners of 10% of the units (not including units owned by the declarant). A limit is provided on the frequency of requesting an audit.

1 **SECTION 37. 703.24** of the statutes is repealed and recreated to read:

2 **703.24 Remedies for violations by unit owner or tenant of a unit owner. (1)**

3 **DEFINITION.** In this section, "violation" means failure to comply with this chapter, the
4 declaration, bylaws, or association rules.

5 **(2) LIABILITY FOR UNIT OWNER VIOLATION.** A unit owner who commits a violation is liable
6 for any charges, fines, or assessments imposed by the association pursuant to the bylaws or
7 association rules as a result of the violation and may be subject to a temporary or permanent
8 injunction.

9 **(3) LIABILITY FOR VIOLATION BY TENANT. (a)** If a tenant of a unit commits a violation
10 that results in a charge, fine, or assessment imposed by the association pursuant to the bylaws
11 or association rules, the tenant is liable for the charge, fine, or assessment.

12 **(b)** If the association complies with the notice requirement of sub. (4), the owner of the
13 unit occupied by the tenant when the violation occurred is liable for any charges, fines, or
14 assessments imposed by the association for which the tenant is liable under par. (a) that are
15 not paid by the tenant within 30 days after receiving the notice under sub. (4). This paragraph
16 does not affect the liability of the tenant to the unit owner for any charges, fines, or assessments
17 paid by the unit owner under this paragraph.

18 **(4) VIOLATION BY TENANT: NOTICE REQUIREMENT.** If an association imposes a charge,
19 fine, or assessment as a result of a violation by a tenant of a unit in the condominium, the
20 association shall give notice to the tenant by any method under s. 704.21 (1) (a) to (e) and to
21 the owner of the unit occupied by the tenant by any method under s. 704.21 (2) (a) to (d). The
22 notice shall include all of the following:

1 (a) The amount of charges, fines, or assessments for which the tenant is liable.

2 (b) Notice that if the tenant fails to pay the association the amount for which the tenant
3 is liable within 30 days after receiving the notice, the owner is liable to the association for the
4 amount unpaid by the tenant although the tenant may be liable to the unit owner for any
5 amounts the unit owner pays.

6 (5) OTHER LIABILITY NOT AFFECTED. This section does not otherwise affect the liability
7 of a unit owner or tenant who commits a violation.

NOTE: 1. Repeals and recreates s. 703.24, relating to liability of a unit owner for damages or injunctive relief caused by the failure of the unit owner to comply with ch. 703, the declaration, or bylaws. Current s. 703.24 provides as follows:

"If any unit owner fails to comply with this chapter, the declaration or bylaws, the unit owner may be sued for damages caused by the failure or for injunctive relief, or both, by the association or by any other unit owner."

2. Subsection (2) revises current s. 703.24. It makes a unit owner who fails to comply with ch. 703, the declaration, the bylaws, or the association rules liable for any resulting charges, fines or assessments imposed pursuant to association bylaws or rules. Deletion of the current reference to suing a unit owner for damages for failure to comply is not intended to change the liability of a unit owner to the association or any other unit owner for damages caused by failure to comply with ch. 703, the declaration, bylaws, or rules. In this regard, see sub. (5).

3. Subsections (3) and (4) are new. The provisions make a tenant who commits a violation liable for any charges, fines, or assessments imposed by the association for the violation. Subsection (3) (b) provides that if the association complies with the notice requirement of sub. (4), the owner of the unit occupied by the tenant when the violation occurred is liable for any association charges, fines, or assessments for which the tenant is liable that remain unpaid 30 days after the tenant received notice. Double recovery by an association of any charges, fines, or assessments is not intended. Subsection (4) sets forth the notice requirement for holding the unit owner liable for a tenant's violation if the tenant does not pay the charges, fines, or assessments within the specified time.

See, also, SECS. 30 and 33, which expand the lien provisions of current s. 703.16 (3) to (9) (renumbered s. 703.165) to also include, among other things, unpaid assessments for penalties for violations of the declaration, bylaws, or association rules.

1 **SECTION 38.** 703.255 of the statutes is repealed.

NOTE: Repeals the current provision that deals with uncompleted units (other than those included in an expanding condominium under s. 703.26, stats.). Under that provision, if a declarant fails to complete any unit described in the declaration within 5 years after recording the declaration, the declarant must obtain the agreement of at least 75% of the unit owners permitting completion of the units within 5 years of the date of the agreement. If the agreement is not obtained, the declarant loses the uncompleted units (the declarant must remove the units from the declaration and adjust percentage interests and votes accordingly).

2 **SECTION 39.** 703.265 of the statutes is created to read:

3 **703.265 Addendum to plat to reflect changes in building codes or zoning**
4 **ordinances.** (1) If the revision or adoption of a building code or zoning ordinance prevents
5 or substantially affects the construction of a unit or common elements as platted, the declarant
6 may reasonably modify the condominium plat to the extent necessary to comply with the code
7 or ordinance in order to construct the unit or common elements.

8 (2) If the revision or adoption of a building code or zoning ordinance prevents or
9 substantially affects the reconstruction of a unit or common element as platted, the declarant,
10 unit owner, or association, as appropriate, may reasonably modify the condominium plat to
11 the extent necessary to comply with the code or ordinance in order to reconstruct the unit or
12 common elements.

13 (3) An addendum made under this section shall be recorded as provided under s.
14 703.095.

NOTE: Allows for the amendment of a condominium plat if the revision or adoption of a building code or zoning ordinance prevents or substantially affects the construction or reconstruction of a unit or common elements (including limited common elements) as platted. If

such a revision or adoption of a building code or zoning ordinance occurs, the declarant, unit owner, or association, as appropriate, may reasonably modify the condominium plat to the extent necessary to comply with the code or ordinance in order to construct or reconstruct the unit or common elements. An amendment under this section is not subject to s. 703.11 (5); see SEC. 17 of the draft.

1 **SECTION 40.** 703.27 of the statutes is amended to read:

2 **703.27 Zoning and building regulations.** (1) A zoning or other land use ordinance
3 or regulations may not prohibit the condominium form of ownership or impose any
4 requirements upon a condominium ~~which that~~ it would not impose upon a physically identical
5 if the development were under a different form of ownership. No provision of a state or local
6 building code may be applied differently to a building in a condominium than it would be
7 applied to a ~~if the building of similar structure or occupancy were~~ under a different form of
8 ownership unless the different application is expressly permitted in that provision and the
9 different application is reasonably related to the nature of condominium ownership. No
10 subdivision ordinance may apply to any condominium unless the ordinance is, by its express
11 terms, applicable to condominiums and the application is reasonably related to the nature of
12 condominium ownership.

13 (2) No county, city or other jurisdiction may enact any law, ordinance or regulation
14 ~~which that~~ would impose a greater burden or restriction on a condominium ~~that is not imposed~~
15 ~~on all other property of similar character not subjected to a condominium declaration or~~
16 provide a lesser level of services to a condominium than would be imposed or provided if the
17 condominium were under a different form of ownership.

NOTE: 1. Clarifies, with editorial changes, the prohibition on imposing requirements under zoning or other land use ordinances or regulations that discriminate against the condominium form of ownership.

2. Clarifies the prohibition on applying a provision of a state or local building code differently to a building in a condominium than it would

be applied if the building were under a different form of ownership, unless the different application is expressly permitted by the building code. Further clarifies that if the different application is expressly permitted, it must be reasonably related to the nature of condominium ownership. Similarly, clarifies that no subdivision ordinance may apply to a condominium unless, as currently required, the ordinance is expressly applicable to condominiums and, as added by the draft, its application is reasonably related to the nature of condominium ownership.

3. Clarifies the prohibition against enactment of any law, ordinance or regulation that 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 to specify that the law, ordinance or regulation may not impose a "greater" burden or restriction and, additionally, may not provide a lesser level of service to a condominium than would be imposed or provided if the condominium were under a different form of ownership.

1 **SECTION 41.** 703.275 (1) of the statutes is amended to read:

2 703.275 (1) **AGREEMENT; LEGAL EFFECT.** Any 2 or more condominiums, including 2 or
3 more small condominiums or any combination of small condominiums and other
4 condominiums, by agreement of the unit owners as provided in this section, may be merged
5 or consolidated into a single condominium. Unless the agreement otherwise provides, the
6 condominium resulting from a merger or consolidation is, for all purposes, the legal successor
7 of all of the preexisting condominiums and the operations and activities of all associations of
8 the preexisting condominiums shall be merged or consolidated into a single association which
9 shall hold all powers, rights, obligations, assets and liabilities of the preexisting associations.
10 The resultant condominium must bear the name of one of the preexisting condominiums.

NOTE: Authorizes 2 or more small condominiums, or any combination of small condominiums and other condominiums, to merge, as provided under the current merger provision—s. 703.275, stats.

11 **SECTION 42.** 703.275 (2) of the statutes is renumbered 703.275 (2) (b).

12 **SECTION 43.** 703.275 (2) (a) of the statutes is created to read:

1 703.275 (2) (a) In this subsection, "allocated interests" means the individual percentage
2 interest in the common elements, the liability for common expenses, and the number of votes
3 at meetings of the association appurtenant to each unit.

NOTE: Relocates the defined term from the general definition section of
ch. 703 (s. 703.02) to s. 703.275 (2), the only provision within the
chapter that uses the defined term.

4 **SECTION 44.** 703.315 of the statutes is created to read:

5 **703.315 Lease or rental agreements for residential units. (1) DEFINITIONS.** In this
6 section:

7 (a) "Condominium rental agreement" means an agreement, whether oral or written, for
8 the rental or lease of a residential condominium unit by the same tenant for a period of more
9 than one month. The term includes a periodic tenancy with a recurring interval of time of one
10 month or more.

11 (b) "Tenant" means a person occupying or entitled to present or future occupancy of
12 a condominium unit pursuant to a condominium rental agreement.

13 (c) "Unit owner" means the owner of a unit rented or leased under a condominium rental
14 agreement.

15 (2) **REQUIRED CONTENT OF AGREEMENT.** It is a covenant or condition of a condominium
16 rental agreement that the tenant agrees to comply with this chapter, the rules and bylaws of
17 the association, and the provisions of the declaration.

18 (3) **COPY OF WRITTEN AGREEMENT TO ASSOCIATION.** Within 5 business days after entering
19 into a written condominium rental agreement, the unit owner shall provide a copy of the
20 agreement to the association. The association shall keep a copy of any condominium rental
21 agreement on file while the agreement is in effect.

1 (4) CONTACT OF UNIT OWNER AND TENANT BY ASSOCIATION. The association may contact
2 or give notice to the tenant or unit owner by:

3 (a) Making the contact or giving the notice by the means indicated by the tenant or unit
4 owner in writing to the association.

5 (b) If par. (a) does not apply, by, in the case of the tenant, any method under s. 704.21
6 (1) (a) to (e), or, in the case of the unit owner, any method under s. 704.21 (2) (a) to (d).

7 (5) COPY OF CONDOMINIUM DOCUMENTS TO TENANT. A unit owner who enters into a
8 condominium rental agreement shall provide a copy of the declaration and the association
9 bylaws and rules to the tenant before the tenant occupies the unit or shall post the information
10 in the unit before the tenant occupies the unit.

11 (6) TIME SHARE NOT COVERED. This section does not apply to a time share governed
12 under ch. 707.

NOTE: Provides a measure of regulation relating to agreements, whether oral or written, for the rental or lease of a residential condominium unit by the same tenant for a period of more than one month or periodic tenancies with a recurring interval of time of one month or more ("condominium rental agreements").

Under sub. (2), it is a covenant or condition of a condominium rental agreement that the tenant agrees to comply with ch. 703 (condominiums), the rules and bylaws of the association, and the provisions of the declaration. By making compliance a covenant or condition of the agreement as a matter of law, failure of a tenant to comply with the chapter, declaration, bylaws, or rules will trigger the provisions of ch. 704 (landlord and tenant) that relate to breach of a rental agreement or lease by a tenant.

Under sub. (3), if a written condominium rental agreement is entered into, the unit owner must provide a copy within five business days to the association. The association must keep a copy of the agreement on file while the agreement is in effect.

Subsection (4) provides a means of contacting or giving notice to a tenant or unit owner who is party to a condominium rental agreement. Contact or notice may be made or given by the means indicated by the

tenant or unit owner in writing to the association or, if that does not apply, by any method currently provided under statutory landlord and tenant law for giving notice to a tenant or landlord.

Subsection (5) provides that a unit owner who is a party to a condominium rental agreement must provide a copy of the declaration and the association bylaws and rules to the tenant before the tenant occupies the unit or must post the information in the unit before the tenant occupies the unit.

Under sub. (6), the section expressly does not apply to a time share governed under ch. 707. The inclusion of sub. (6) is not intended to affect or raise any inference concerning the meaning of current s. 707.09, stats., relating to the relationship of ch. 703, condominiums, and ch. 707, time shares.

Section 703.315, as created by this SECTION, first applies to condominium rental agreements renewed or entered into 3 months after the effective date of the draft. See SEC. 65 (10) of the draft.

1 **SECTION 45.** 703.33 (1) (h) of the statutes is created to read:

2 703.33 (1) (h) An executive summary setting forth in clear plain language the following
3 information or location within the disclosure materials where the information may be
4 obtained:

5 1. 'Condominium identification.' The name of the condominium.

6 2. 'Expansion plans.' A description of the declarant's expansion plan for the
7 condominium and deadline for implementation and the identity of the condominium
8 management during the expansion period.

9 3. 'Governance.' The name and address of the condominium association; whether the
10 association is self-managed or has hired or retained management; and the name, address, and
11 telephone number of the individual or individuals who may be contacted regarding the
12 condominium, in general.

13 4. 'Special amenities.' A description of any special amenities such as an athletic club
14 or golf course and a statement of the obligation of a unit owner to join or support the amenity.

1 5. 'Maintenance and repair of units.' A description of an owner's responsibilities for
2 the repair and maintenance of the unit.

3 6. 'Maintenance, repair, and replacement of common elements.' The identity of the
4 person responsible for the maintenance, repair, and replacement of common elements and
5 limited common elements and whether repairs or replacements will be funded from unit owner
6 assessments, reserve funds or both.

7 7. 'Rental of units.' Whether unit owners may rent their units and any restrictions on
8 rentals.

9 8. 'Unit alterations.' A description of any rules, restrictions, or procedures governing
10 a unit owner's authority to alter the unit or use or enclose limited common elements.

11 9. 'Parking.' A description of the availability, restrictions, and costs of parking.

12 10. 'Pets.' A description of rules relating to unit owners' pets.

13 11. 'Reserves.' Whether the association maintains reserves for repairs and replacement
14 of common elements beyond routine maintenance and, if so, whether a statutory reserve
15 account under s. 703.163 is maintained.

16 12. 'Other restrictions or features.' At the option of the declarant or association a
17 description of other restrictions or features of the condominium.

NOTE: SECTIONS 45 to 47 require an executive summary highlighting important disclosure items to be included as the first document, following the index, in the disclosure materials that must be furnished by a seller of a condominium unit to a buyer. The executive summary is prepared and revised by the declarant or association, whichever is in control of the condominium. The executive summary must contain the following information, or indicate where the information may be found in the disclosure materials:

1. The name of the condominium.

2. A description of the declarant's expansion plans for the condominium, if any, and deadline for implementation.

3. Information identifying the condominium association and management authority and the individual who may be contacted regarding the condominium.
4. A description of special amenities such as an athletic club or golf course and the obligation of an owner to join or support the amenity.
5. A description of an owner's responsibilities relating to the repair and maintenance of the unit.
6. The identity of the person responsible for the maintenance, repair, and replacement of common elements and limited common elements and whether the repair or replacement will be funded from unit owner assessments or reserve funds.
7. Whether unit owners may rent their units and any restrictions on rentals.
8. A description of any rules, restrictions, or procedures governing a unit owner's authority to alter the unit or use or enclose limited common elements.
9. A description of the availability, restrictions, and costs of parking.
10. A description of rules relating to unit owners' pets.
11. Whether reserves are maintained by the association and, if so, whether a statutory reserve account is maintained.
12. At the option of the declarant or association of unit owners, a description of other restrictions or features of the condominium.

1 **SECTION 46.** 703.33 (1m) of the statutes is created to read:

2 703.33 (1m) PREPARATION OF EXECUTIVE SUMMARY. The executive summary under sub.
3 (1) (h) shall be prepared, and subsequently revised whenever a change is made in the
4 disclosure materials described in sub. (1) (a) to (g) that requires a revision of a statement in
5 the summary, by the declarant or the association, whichever is in control of the condominium
6 when the executive summary is prepared or revised.

NOTE: Imposes an obligation on the declarant or association to prepare the executive summary and to revise it consistent with changes in the required disclosure materials.

7 **SECTION 47.** 703.33 (2) (intro.) of the statutes is amended to read:

1 703.33 (2) DISCLOSURE FORM. (intro.) The materials required in sub. (1) shall be
2 delivered to a prospective purchaser with cover sheet, index and tables of contents as
3 prescribed in this section. A cover sheet and index shall precede all other materials required
4 in sub. (1). The executive summary required under sub. (1) (h) shall appear immediately
5 following the index. A table of contents shall precede the section to which it applies.

NOTE: Specifies the location of the executive summary: immediately following the index at the beginning of the disclosure materials.

6 SECTION 48. 703.33 (2) (a) 2. and 3. of the statutes are amended to read:

7 703.33 (2) (a) 2. THESE DISCLOSURE MATERIALS GIVEN TO YOU AS
8 REQUIRED BY LAW MAY BE RELIED UPON AS CORRECT AND BINDING. ORAL
9 STATEMENTS MAY NOT BE LEGALLY BINDING.

10 Or, if an executive summary under s. 703.33 (1) (h) under
11 s. 703.33 (1) (h) is required, the following
12 paragraph shall be substituted for the above paragraph:

13 THESE DISCLOSURE MATERIALS GIVEN TO YOU AS REQUIRED BY LAW
14 MAY, WITH THE EXCEPTION OF THE EXECUTIVE SUMMARY, BE RELIED UPON
15 AS CORRECT AND BINDING. FOR A COMPLETE UNDERSTANDING OF THE
16 EXECUTIVE SUMMARY, CONSULT THE DISCLOSURE DOCUMENTS TO WHICH A
17 PARTICULAR EXECUTIVE SUMMARY STATEMENT PERTAINS. ORAL
18 STATEMENTS MAY NOT BE LEGALLY BINDING.

19 3. YOU MAY AT ANY TIME WITHIN 5 BUSINESS DAYS FOLLOWING
20 RECEIPT OF THESE DOCUMENTS, OR FOLLOWING NOTICE OF ANY MATERIAL
21 CHANGES IN THESE DOCUMENTS, CANCEL IN WRITING THE CONTRACT OF
22 SALE AND RECEIVE A FULL REFUND OF ANY DEPOSITS MADE. IF THE SELLER
23 DELIVERS LESS THAN ALL OF THE DOCUMENTS REQUIRED, YOU MAY, WITHIN
24 5 BUSINESS DAYS FOLLOWING RECEIPT OF THE DOCUMENTS, DELIVER A

1 REQUEST FOR ANY MISSING DOCUMENTS. IF YOU TIMELY DELIVER A
2 REQUEST FOR MISSING DOCUMENTS, YOU MAY, AT ANY TIME WITHIN 5
3 BUSINESS DAYS FOLLOWING THE EARLIER OF EITHER THE RECEIPT OF THE
4 REQUESTED DOCUMENTS OR THE RECEIPT OF THE REQUEST BY THE SELLER.
5 CANCEL IN WRITING THE CONTRACT OF SALE AND RECEIVE A FULL REFUND
6 OF ANY DEPOSITS MADE.

NOTE: Revises 2 of the disclosure statements that must appear in bold face type and and capital letters on the cover sheet of the disclosure form given to a prospective purchaser of a condominium unit to indicate: (1) that the executive summary (when required; see SEC. 65 (11) of the draft) may not be relied upon as correct and binding and that the purchaser should consult the disclosure documents to which a particular executive summary statement pertains; and (2) that a buyer may request missing disclosure documents within 5 business days following receipt of the other documents and that, if a request is made, the 5-day cancellation period does not start to run until the earlier of the receipt of any missing documents that have been requested by the purchaser or the receipt by the seller of the request for missing documents. (See SECS. 53 and 56 of the draft.)

7 SECTION 49. 703.33 (2) (b) 1. to 8. of the statutes are renumbered 703.33 (2) (b) 2. to
8 9.

9 SECTION 50. 703.33 (2) (b) 1. of the statutes is created to read:

10 703.33 (2) (b) 1. 'Executive summary.' The executive summary highlights for a buyer
11 of a condominium unit essential information regarding the condominium. The executive
12 summary begins on page

NOTE: Places the executive summary required under this draft first in the list of items included in the index of disclosure materials that follows the cover sheet to the disclosure materials.

13 SECTION 51. 703.33 (2) (c) of the statutes is amended to read:

14 703.33 (2) (c) *Tables of contents and page numbers.* In addition to an index required
15 by par. (b), ~~there shall be provided~~ tables of contents for the declaration, and bylaws and

1 ~~articles of incorporation which shall identify~~ shall be provided, identifying each section of
2 these documents and ~~provide~~ providing a page number for each section. Each section of
3 disclosure material required in sub. (1) shall, on the first page of that material, identify contents
4 of that section but, with ~~an~~ the exception of the declaration, and bylaws ~~and articles of~~
5 ~~incorporation, shall is~~ not be required to have a table of contents. ~~Each page of disclosure~~
6 ~~materials shall contain a page number sufficient to identify it within the body of disclosure~~
7 ~~materials. Page numbers for the declaration, bylaws and articles of incorporation required in~~
8 ~~par. (b) shall be the first page of the table of contents for that section. All other page numbers~~
9 ~~required in the index shall refer to the first page of that section on which the title appears. Each~~
10 ~~section of disclosure materials shall be separately identified by a letter, tab or number. Pages~~
11 ~~within each section shall be consecutively numbered with an indication of the section as part~~
12 of the pagination.

NOTE: Clarifies that the entire body of disclosure materials furnished to purchasers of residential units need not be consecutively paginated by providing that the consecutive pagination requirement only applies to each section within the body of disclosure materials. Removes the requirement of a table of contents for the articles of incorporation. Also makes editorial changes.

13 **SECTION 52.** 703.33 (3) of the statutes is renumbered 703.33 (4).

14 **SECTION 53.** 703.33 (3) of the statutes is created to read:

15 703.33 (3) DELIVERY OF INCOMPLETE SET OF DISCLOSURE MATERIALS. If the seller delivers
16 disclosure materials that include the cover sheet required in sub. (2) (a), but which do not
17 include all of the documents required under sub. (1), the purchaser may, within 5 business days
18 from receipt of the disclosure materials, request any documents that were required to be
19 delivered under sub. (1), but that were not timely delivered. If no executive summary required
20 under subs. (1) (h) and (1m) has been prepared, the seller may so inform the purchaser when

1 the seller delivers the disclosure materials to the seller. The seller has 5 business days
2 following receipt of the purchaser's request to deliver the requested documents to the
3 purchaser.

NOTE: Authorizes the purchaser to request any documents that are not included in the disclosure materials within 5 business days of receipt of the materials. The seller has 5 business days following receipt of the request to deliver the requested documents. See, also, SEC. 56 of the draft.

4 **SECTION 54.** 703.33 (4) of the statutes is renumbered 703.33 (5) (a) and amended to
5 read:

6 703.33 (5) PURCHASER'S RIGHT TO RESCIND CONTRACT OF SALE. (a) Any purchaser may
7 at any time within 5 business days following receipt of all information of the documents
8 required under sub. (1) and within 5 business days following receipt of all information of the
9 amendments required under sub. ~~(3)~~ (4), rescind in writing a contract of sale without stating
10 any reason and without any liability on his or her part, ~~and the purchaser is entitled to the return~~
11 ~~of any deposits made in account of the contract.~~

12 **SECTION 55.** 703.33 (5) to (8) of the statutes are renumbered 703.33 (6) to (9).

13 **SECTION 56.** 703.33 (5) (b) and (c) of the statutes are created to read:

14 703.33 (5) (b) If the disclosure materials delivered by the seller do not include all the
15 documents required under sub. (1), the purchaser may rescind in writing a contract of sale
16 without stating any reason and without any liability on his or her part as follows:

17 1. If the purchaser does not give notice requesting missing documents under sub. (3),
18 the purchaser may rescind within 5 business days following receipt of the incomplete
19 disclosure materials.

20 2. If the purchaser gives notice requesting missing documents under sub. (3), the
21 purchaser may rescind within 5 business days following the earlier of receipt of the requested

1 documents or the deadline, under sub. (3), for the seller's delivery of the requested missing
2 documents.

3 (c) A purchaser who timely rescinds under par. (a) or (b) is entitled to the return of any
4 deposits made under the contract.

NOTE: Provides that the purchaser's 5-day cancellation period does not start to run until the earlier of the receipt of any missing disclosure documents that have been requested by the purchaser or 5 business days following the receipt by the seller of a request for the missing documents.

5 **SECTION 57. 703.365 (title), (1), (2) and (3) of the statutes are amended to read:**

6 **703.365 (title) Small residential condominiums.**

7 **(1) APPLICABILITY. (a)** The declaration for a small residential condominium may
8 provide that any or all of subs. (2) to (8) or any parts of those subsections apply to the small
9 residential condominium.

NOTE: Revises a defined term to reflect the revision of that term by SEC. 3 of the draft. See the NOTE to that SECTION. This change is made throughout provisions of s. 703.365, relating to small condominiums.

10 (b) If a declaration under par. (a) provides that any or all of subs. (2) to (8) or any parts
11 of those subsections apply, then, except as provided in those subsections or parts of those
12 subsections, this chapter applies to the small residential condominium in the same manner and
13 to the same extent as to other condominiums.

14 **(2) DECLARATION. (a)** The declaration for a small residential condominium need not
15 contain those provisions otherwise required under s. 703.09 (1) (e) to (g) and (i).

16 (b) The undivided percentage interest in a small residential condominium ~~shall be~~ is
17 allocated equally among the units.

18 (c) Each unit in a small residential condominium ~~shall have~~ has one vote at meetings
19 of the association.

1 (d) Commercial activity is permitted in a small ~~residential~~ condominium that consists
2 solely of units restricted to residential uses only to the extent that commercial activity is
3 permitted in residences in a zoning ordinance adopted under s. 59.69, 60.61, 61.35 or 62.23.

NOTE: Revised to reflect the revised defined term and the change in
substance of that term.

4 (e) All actions taken under this chapter which require a vote of units or unit owners must
5 be approved by an affirmative vote or written consent of at least 75% of the unit votes of a small
6 ~~residential~~ condominium, or a greater percentage if required by the declaration or this chapter.

7 (3) BYLAWS. (a) Notwithstanding s. 703.10 (2) (a), all aspects of the management,
8 operation and duties of the association of a small ~~residential~~ condominium shall be delegated
9 to the board of directors, which may retain a manager, including a master association under
10 s. 703.155, for the small ~~residential~~ condominium, and the bylaws shall so specify.

NOTE: Expressly allows a small condominium to utilize a master
association.

11 (b) Under s. 703.10 (2) (c), notice of meetings shall be given in a manner best calculated
12 to assure that actual notice is received by the owners of all units of a small ~~residential~~
13 condominium, and the bylaws shall so specify.

14 (c) Section 703.10 (2) (d) does not apply to a small ~~residential~~ condominium. The board
15 of directors shall be composed of one representative from each unit, chosen by and from
16 among the unit owners of that unit.

17 (d) All actions taken by the board of directors of a small ~~residential~~ condominium under
18 this chapter must be approved by an affirmative vote or written consent of at least 75% of the
19 board.

20 (e) Section 703.10 (4) does not apply to a small ~~residential~~ condominium.

21 **SECTION 58.** 703.365 (3m) of the statutes is created to read:

1 703.365 (3m) AGREEMENT IN LIEU OF BYLAWS. If approved by written consent of all of
2 the unit votes of a small condominium, an agreement may be substituted for the bylaws under
3 sub. (3). The terms of the agreement shall include the requirements of sub. (3) (a) to (d) and
4 shall be consistent with this section. An amendment to an agreement may be made with the
5 affirmative vote or written consent of all the unit votes of the small condominium.

NOTE: Authorizes a small condominium, if approved by written consent of all of the unit votes, to substitute an agreement for the bylaws. The terms of the agreement must include the requirements of current s. 703.365 (3) and must otherwise be consistent with s. 703.365. An amendment to an agreement may be made with affirmative vote or written consent of all of the unit votes of the small condominium. Compare ss. 180.1823 and 180.1825, stats., relating to agreements in place of bylaws for statutory close corporations.

6 SECTION 59. 703.365 (4), (5), (6) (a) (intro.), (c), (7) and (8) of the statutes are amended
7 to read:

8 703.365 (4) CONDOMINIUM PLAT. (a) The survey under s. 703.11 (2) (b) shall be an
9 as-built survey of the property described in the declaration, building and other improvements
10 on the land which are part of the small residential condominium.

11 (b) The floor plans under s. 703.11 (2) (c) need only show the location and designation
12 of each unit in the building and the limited common elements appurtenant to each unit of a
13 small residential condominium. These plans may be supplemented by an agreement among
14 all unit owners and mortgagees regarding the allocation of use and enjoyment of common
15 elements which, in both its original and any amended form, shall be recorded.

16 (5) ASSOCIATION. (a) Under s. 703.15 (2), an association shall exist immediately upon
17 establishment of a small residential condominium and the declarant shall have rights in the
18 association only as an owner of a unit or units.

1 (b) Directors of a small ~~residential~~ condominium shall be chosen in accordance with
2 sub. (3) (c). The board of directors shall meet at least quarterly.

3 (c) Unless included in the bylaws, s. 703.15 (4) (b) to (d) does not apply to a small
4 ~~residential~~ condominium.

5 (6) (a) (intro.) Paragraphs (b) to (e) apply to a small ~~residential~~ condominium if any of
6 the following criteria is met:

7 (c) The unit owner or owners may challenge the decision after reconsideration by the
8 board of directors under par. (b) only in an arbitration proceeding under ch. 788. Acceptance
9 of a conveyance of a small ~~residential~~ condominium which is subject to pars. (b) to (e) is
10 deemed to constitute an agreement by the unit owner to submit challenges to decisions of the
11 board of directors to arbitration.

12 (7) EXPANDING CONDOMINIUMS. Section 703.26 does not apply to a small ~~residential~~
13 condominium.

14 (8) DISCLOSURE REQUIREMENTS. The disclosure required for a small ~~residential~~
15 condominium under s. 703.33 ~~shall be~~ is limited to the disclosure required under s. 703.33 (1)
16 (a) to (e), if applicable, and a copy of the condominium plat.

17 SECTION 60. 703.37 of the statutes is amended to read:

18 **703.37 Interpretation.** For purposes of interpretation of this chapter, a condominium
19 is a form of ownership, not a form of land use, and is not a subdivision as defined in ch. 236.

NOTE: Clarifies the current interpretation directive which provides that,
for purposes of interpreting ch. 703, a condominium is not a subdivision
under ch. 236, stats., by adding the statement that a condominium is "a
form of ownership, not a form of land use".

20 SECTION 61. 703.38 (12) of the statutes is created to read:

1 (12) The treatment of ss. 703.02 (14m) and 763.365 by 2001 Wisconsin Act [this
2 act] applies to condominiums created after the effective date of this subsection [revisor
3 inserts date], and to condominiums created before the effective date of this subsection
4 [revisor inserts date] that elect to become subject to ss. 703.02 (14m) and 703.365 as treated
5 by 2001 Wisconsin Act [this act].

6 **SECTION 62.** 709.02 of the statutes is renumbered 709.02 (1).

7 **SECTION 63.** 709.02 (2) of the statutes is created to read:

8 709.02 (2) In regard to a transfer of a condominium unit, as defined in s. 703.02 (15),
9 the owner shall furnish, in addition to and at the same time as the information required under
10 sub. (1) is furnished, all the following information as an addendum to the real estate condition
11 report under s. 709.03:

12 (a) The name of the condominium and the date the condominium was created by
13 recording condominium instruments with the register of deeds under s. 703.07; the unit
14 number of the property offered for sale; and the name, address, and telephone number of the
15 seller or the seller's agent.

16 (b) The name and address of the condominium association and a statement specifying
17 whether the association is self-managed or has hired or retained management and the name,
18 address, and telephone number of the individual who may be contacted as a representative of
19 the association regarding this sale, in particular, or the condominium, in general.

20 (c) The amount of current condominium assessments, fees, special assessments or other
21 charges for which a unit owner is responsible and whether the current charges for the unit have
22 been paid.

23 (d) A copy of the executive summary required under s. 703.33 (1) (h).

NOTE: Requires an owner of a condominium unit who is transferring ownership of the unit to include certain information in an addendum to the real estate condition report pertaining to the condominium unit. The information must include the name of the condominium and other identifying information; the condominium association and management authority; and the amount of current condominium assessments, fees, and other charges for which a unit owner is responsible and whether the current charges have been paid. The addendum must also include a copy of the executive summary under s. 703.33 (1) (h), stats., as created in SEC. 45 of the draft, if an executive summary is required under the initial applicability schedule set forth in SEC. 65 (11) of the draft.

1 **SECTION 64.** 823.015 of the statutes is created to read:

2 **823.015 Action against condominium association.** If a city, village, town, or county
3 may bring an action under this chapter to abate a nuisance and the failure of a condominium
4 association to perform its duties to maintain and control the common elements is a reason the
5 nuisance has not been abated, the action to abate the nuisance may be brought against the
6 condominium association, whether incorporated or unincorporated.

NOTE: Allows a city, village, town, or county to proceed directly against a condominium association in an action to abate a nuisance if the city, village, town, or county may bring the abatement action under ch. 823 (nuisances) and the failure of the condominium association to perform its duties to maintain and control the common elements is a reason the nuisance has not been abated.

7 **SECTION 65. Initial applicability.**

8 (1) The treatment of section 703.08 (1) and (2) (intro.) of the statutes first applies to
9 proceedings to convert residential real property to a condominium commenced on before the
10 effective date of this subsection.

11 (2) The treatment of section 703.09 (1) (k) of the statutes first applies to condominium
12 declarations recorded on the effective date of this subsection.

13 (3) The treatment of section 703.11 (2) (c) of the statutes first applies to plats, or
14 amendments to plats, recorded on the effective date of this subsection.

1 (4) The treatment of section 703.11 (5) of the statutes first applies to addenda recorded
2 on the effective date of this subsection.

3 (5) The treatment of section 703.13 (6) (c) and (d) of the statutes first applies to
4 boundary relocations commenced on the effective date of this subsection.

5 (6) The treatment of section 703.16 (2) (b) of the statutes first applies to condominiums
6 created on the effective date of this subsection.

7 (7) The treatment of section 703.20 (3) of the statutes first applies to condominiums
8 created on the effective date of this subsection.

9 (8) The treatment of section 703.24 of the statutes first applies to violations committed
10 on the effective date of this subsection.

11 (9) The treatment of section 703.265 of the statutes first applies to revisions or adoption
12 of building codes or zoning ordinances on the effective date of this subsection.

13 (10) The treatment of section 703.315 of the statutes first applies to condominium rental
14 agreements renewed or entered into 3 months after the effective date of this subsection.

15 (11) The treatment of section 703.33 (1) (h), (1m) and (2) (b) 1. of the statutes first
16 applies to condominiums created on the first day of the 6th month after the effective date of
17 this subsection [revisor inserts date]. As to condominiums created prior to the first day of
18 the 6th month after the effective date of these provisions [revisor inserts date], the treatment
19 of these provisions first applies on the first day of the 18th month after the effective date of
20 this subsection [revisor inserts date].

NOTE: Subsection (11) specifies that the executive summary requirements first apply to condominiums created on the first day of the 6th month after the effective date of the draft. As to condominiums created prior to that date, the executive summary requirements first apply on the first day of the 18th month after the effective date of the draft.

