



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2007 Senate Bill 11**

**Assembly  
Amendment 1**

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*Current law* prohibits the creation of time-share licenses in Wisconsin. A time-share license is defined as a right to occupy a unit or any of several units under a license or lease agreement during at least four separated periods over at least four years, including renewal options, not coupled with an interest in property.

*2007 Senate Bill 11* repeals the prohibition under current law and permits the creation and sale of time-share licenses.

*Assembly Amendment 1* contains several modifications intended to correct discrepancies between current Wisconsin law, which requires all time shares to have a real property interest, and Senate Bill 11 which permits the sale of time-share licenses that are not coupled with an interest in real property. The modifications are as follows:

### *1. Exception for Licenses*

The amendment adds time-share licenses to the time-share instrument exception for time-share easements with units in more than one time-share property. Under this provision, a time-share instrument describing a time-share license, like a time-share instrument describing a time-share easement, will not be required to include certain specific property information if the time-share license applies to units in more than one time-share property. This provision, originally derived from the model time-share act on which Wisconsin law is based, will exempt time-share easements and licenses from certain instrument disclosures, apparently because a description of all properties involved in a time-share easement or license would likely be onerous for both the developer and prospective customers.

In addition, several of the time-share instrument requirements under s. 707.21, Stats., refer to items of real property interest such as specific plat location and the method for allocating real property taxes that do not generally apply to time-share licenses.

## **2. Enforcement of Lien**

The amendment clarifies that the enforcement of a lien against a time-share license must be pursued under the Uniform Commercial Code (chs. 401 to 411, Stats.) rather than in the manner of a foreclosure of mortgage on real property in this state. The absence of a real property interest in a time-share license renders the statutory requirements regarding the foreclosure of mortgage on real property inapplicable.

## **3. Purpose of Advertising Material**

The amendment deletes the reference to “real” property on advertising disclosures for time shares and substitutes the term “time-share” property. The sale of a time-share license does not convey a real property interest, thus, the current disclosure language required for time-share advertising materials is not applicable.

## **Legislative History**

Assembly Amendment 1 was introduced and recommended for adoption by the Assembly Committee on Tourism, Recreation and State Properties on May 10, 2007, by a vote of Ayes, 10; Noes, 0. The committee also recommended passage of 2007 Senate Bill 11, as amended, by a vote of Ayes, 10; Noes, 0, on May 10, 2007.

DWS:jal