



2007 SENATE BILL 565

March 10, 2008 - Introduced by Senator PLALE. Referred to Committee on Commerce, Utilities and Rail.

- 1 **AN ACT to amend** 706.09 (3) (a) and 893.33 (5) of the statutes; **relating to:**
2 exemption for interstate natural gas companies from certain requirements
3 regarding real estate transactions and court actions.

Analysis by the Legislative Reference Bureau

Current law provides that a person who acquires an interest in property for valuable consideration without notice that there is a prior adverse interest takes the interest free and clear of the prior interest, if that prior interest is based on any of a number of situations specified in the statute. The statute provides exceptions for certain prior interests in real estate, such as real estate owned by a public service corporation, railroad corporation, electric cooperative, or the United States, the state, or a political subdivision. This bill creates an additional exception for real estate owned by a "natural gas company," as defined under a federal law that provides that "natural gas company" means a person engaged in either of the following: 1) the transportation of natural gas in interstate commerce; or 2) the sale in interstate commerce of natural gas for resale.

Current law also bars a person from commencing an action related to an interest in real property unless an instrument expressly referring to the existence of that interest has been recorded in the register of deeds of the county where the real estate is located within 30 years before the date of commencing the action. In addition, current law bars all claims to an interest in real property unless, within the last 30 years, an instrument has been recorded expressly referring to the interest in the real property. Current law also provides an exception to these provisions if the

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record title of the property remains with a railroad corporation, a public service corporation, a electric cooperative, the state, or a political subdivision of the state. This bill creates an additional exception if the record title of the property remains with a natural gas company, which is defined as described above.

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

1 **SECTION 1.** 706.09 (3) (a) of the statutes is amended to read:

2 706.09 (3) (a) *Public service corporations, railroads, electric cooperatives,*
3 *trustees, natural gas companies, governmental units.* While owned, occupied or used
4 by any public service corporation, any railroad corporation as defined in s. 195.02 (1),
5 any water carrier as defined in s. 195.02 (5), any electric cooperative organized and
6 operating on a nonprofit basis under ch. 185, any natural gas company, as defined
7 in 15 USC 717a (6), or any trustee or receiver of any such corporation ~~or~~, electric
8 cooperative, or natural gas company, or any mortgagee or trust deed trustee or
9 receiver thereof; nor any such interest while held by the United States, the state or
10 any political subdivision or municipal corporation thereof; or

11 **SECTION 2.** 893.33 (5) of the statutes is amended to read:

12 893.33 (5) This section bars all claims to an interest in real property, whether
13 rights based on marriage, remainders, reversions and reverter clauses in covenants
14 restricting the use of real estate, mortgage liens, old tax deeds, death and income or
15 franchise tax liens, rights as heirs or under will, or any claim of any nature, however
16 denominated, and whether such claims are asserted by a person sui juris or under
17 disability, whether such person is within or without the state, and whether such
18 person is natural or corporate, or private or governmental, unless within the 30-year
19 period provided by sub. (2) there has been recorded in the office of the register of
20 deeds some instrument expressly referring to the existence of the claim, or a notice

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1 pursuant to this section. This section does not apply to any action commenced or any
2 defense or counterclaim asserted, by any person who is in possession of the real
3 estate involved as owner at the time the action is commenced. This section does not
4 apply to any real estate or interest in real estate while the record title to the real
5 estate or interest in real estate remains in a railroad corporation, a public service
6 corporation as defined in s. 201.01, an electric cooperative organized and operating
7 on a nonprofit basis under ch. 185, a natural gas company, as defined in 15 USC 717a
8 (6), or any trustee or receiver of a railroad corporation, a public service corporation
9 ~~or~~, an electric cooperative, or a natural gas company, or to claims or actions founded
10 upon mortgages or trust deeds executed by that cooperative ~~or~~, corporation, company,
11 or trustees or receivers of that cooperative ~~or~~, corporation, or company. This section
12 also does not apply to real estate or an interest in real estate while the record title
13 to the real estate or interest in real estate remains in the state or a political
14 subdivision or municipal corporation of this state.

15 **SECTION 3. Initial applicability.**

16 (1) CLAIMS BARRED. The treatment of section 893.33 (5) of the statutes first
17 applies to an action commenced or defense or counterclaim asserted on the effective
18 date of this subsection.

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(END)