

**2017 Assembly Bill 607 (LRB -2804)**

An Act to renumber and amend 705.15 (1), 705.15 (2), 708.15 (3) (f) and 867.03 (2m) (a); to amend 705.15 (3), 705.15 (4), 708.15 (3) (d) (intro.) and 867.03 (1g) (intro.); and to create 705.15 (1b), 705.15 (1m) (a) to (e), 705.15 (2) (a) 2., 3. and 4., 705.15 (7), 705.15 (8), 708.15 (3) (f) 2., 867.03 (1p), 867.03 (2m) (a) 1. and 2. and 867.03 (2m) (c) of the statutes; relating to: nonprobate transfers of real estate, the transfer by affidavit procedure for small estates, and the payoff amount in a mortgage payoff statement.

**2017**

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2017 ENROLLED BILL

Adopted Documents

Original

Engrossed

Substitute Amdt

17 2809, 1

Amendments:  None or  Listed below.

AA 1      AA 2

Corrections:  None or  Listed by date below.

Topic:  Same as relating clause or  other, indicated below.

3/27/17

Castro

Date

Enrolling Drafter



State of Wisconsin  
2017-2018 LEGISLATURE

**CORRECTIONS IN:**

**2017 ASSEMBLY BILL 607**

Prepared by the Legislative Reference Bureau  
(March 28, 2018)

In enrolling, the following corrections were made:

1. Page 7, line 5: delete "statutes" and substitute "statutes, as affected by 2017 Wisconsin Act 90,".
2. Page 7, line 6: delete that line and substitute "867.03 (1g) GENERALLY (intro.) Except as provided in sub. (1h) and subject to ~~sub. subs.~~ (1j) and (1p), when a decedent".
3. Page 7, line 9: after "decedent," insert "a person named in the will to act as personal representative,".
4. Page 7, line 12: after "trustee," insert "person named in the will to act ~~a~~ as personal representative,".

\*\*\*\*NOTE: Inserts text inserted by 2017 Wisconsin Act 90.

(END)



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRB-2804/1  
FFK:amn

## 2017 ASSEMBLY BILL 607

October 27, 2017 - Introduced by Representatives BALLWEG, SUMMERFIELD, KATSMA, HORLACHER, MURPHY and KULP, cosponsored by Senators LASEE and OLSEN. Referred to Committee on Housing and Real Estate.

1     **AN ACT** *to renumber and amend* 705.15 (1), 705.15 (2), 708.15 (3) (f) and 867.03  
2           (2m) (a); *to amend* 705.15 (3), 705.15 (4), 708.15 (3) (d) (intro.) and 867.03 (1g)  
3           (intro.); and *to create* 705.15 (1b), 705.15 (1m) (a) to (e), 705.15 (2) (a) 2., 3. and  
4           4., 705.15 (7), 705.15 (8), 708.15 (3) (f) 2., 867.03 (1p), 867.03 (2m) (a) 1. and 2.  
5           and 867.03 (2m) (c) of the statutes; **relating to:** nonprobate transfers of real  
6           estate, the transfer by affidavit procedure for small estates, and the payoff  
7           amount in a mortgage payoff statement.

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### *Analysis by the Legislative Reference Bureau*

#### **NONPROBATE TRANSFERS OF REAL PROPERTY ON DEATH**

Under current law, a person may transfer an interest in real property that is solely owned, owned by spouses as survivorship marital property, or owned by two or more persons as joint tenants to a designated beneficiary without probate by designating a beneficiary on a transfer of death (TOD) deed. A beneficiary designation on a TOD deed does not affect ownership of the interest in real property until the owner's death.

Under the bill, a person may designate a TOD beneficiary in any document, not solely in a deed. The bill also provides that the interests in real property that may be transferred using a TOD document include a fractional interest in real property owned as tenants in common and an interest in real property owned by a spouse as

**ASSEMBLY BILL 607**

marital property without a right of survivorship. Under the bill, a TOD beneficiary designation is not effective unless the TOD document and any fees required to record the document are submitted to the register of deeds office of the county in which the real property is located prior to the death of the owner.

Lastly, the bill creates a statute of limitations for claims to recover real property transferred to a beneficiary using a TOD document. Under the bill, such a claim is barred unless, within 120 days after the death of the sole owner or the last to die of the multiple owners who executed the TOD document, a complaint is filed and a lis pendens is filed or recorded in each county where any part of the real property is located.

**TRANSFER BY AFFIDAVIT PROCEDURE FOR SMALL ESTATES**

Under current law, an heir, trustee, or person who was a guardian of a decedent at the time of the decedent's death may use a transfer by affidavit procedure to settle a decedent's estate if the value of the decedent's property does not exceed \$50,000. This bill specifies that the transfer by affidavit procedure may be utilized only if the gross value of the decedent's estate does not exceed \$50,000. If the transfer by affidavit procedure is used to transfer an interest in or lien on real property, the bill requires the person making the affidavit to provide notice to the decedent's heirs at least 30 days before recording the affidavit in the office of the register of deeds in each county where the real property is located. Under current law and under the bill, the recording of the affidavit constitutes the transfer of real property to the affiant under the transfer by affidavit procedure. Finally, under the bill, if an interest in real property transferred using the transfer by affidavit procedure is subsequently acquired by a purchaser or lender in good faith, for value and without actual notice that the transfer was improper, the purchaser or lender takes title to the real property free of any claims of the decedent's estate, regardless of whether the transfer was proper.

**MORTGAGE PAYOFF STATEMENTS**

Under current law, a secured creditor must provide a payoff statement to certain persons, upon request. Under current law, a secured creditor may not qualify a payoff amount or state that the payoff amount is subject to change before the payoff date. Under the bill, a secured creditor may qualify a payoff amount, state that the payoff amount is not practicably determinable, or state that the payoff amount is subject to change before the payoff date if the security instrument secures nonresidential real property and the payoff statement provides instructions for how to obtain an updated payoff amount at no charge.

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

1           **SECTION 1.** 705.15 (1) of the statutes is renumbered 705.15 (1m) (intro.) and  
2 amended to read:

**ASSEMBLY BILL 607****SECTION 1**

1           705.15 (1m) (intro.) ~~An interest in real property that is solely owned, owned~~  
2 ~~by spouses as survivorship marital property, or owned by 2 or more persons as joint~~  
3 ~~tenants~~ Any of the following interests in real property may be transferred without  
4 probate to a designated TOD beneficiary as provided in this section on the death of  
5 the sole owner or the last to die of the multiple owners.:

6           **SECTION 2.** 705.15 (1b) of the statutes is created to read:

7           705.15 (1b) In this section:

8           (a) "Person" means an individual, corporation, business trust, estate, trust,  
9 partnership, limited liability company, association, joint venture, government,  
10 government subdivision, agency or instrumentality, public corporation, or any other  
11 legal or commercial entity.

12           (b) "Sole owner" means the owner of an interest in real property described in  
13 sub. (1m) (a) to (c).

14           (c) "TOD beneficiary" means a person designated as a beneficiary in a  
15 document that complies with sub. (2) (a).

16           **SECTION 3.** 705.15 (1m) (a) to (e) of the statutes are created to read:

17           705.15 (1m) (a) An interest in real property that is owned by one individual and  
18 is not concurrently owned by any other person.

19           (b) A fractional interest in real property that is owned by an individual as a  
20 tenant in common.

21           (c) An interest in real property that is owned by a spouse as marital property.  
22 This paragraph does not include an interest in real property owned as survivorship  
23 marital property.

24           (d) An interest in real property owned by spouses as survivorship marital  
25 property.

## ASSEMBLY BILL 607

## SECTION 3

1 (e) An interest in real property owned by 2 or more individuals as joint tenants.

2 SECTION 4. 705.15 (2) of the statutes is renumbered 705.15 (2) (a) (intro.) and  
3 amended to read:

4 705.15 (2) (a) (intro.) A TOD beneficiary may be designated on a deed document  
5 that ~~evidences ownership of the property interest in~~ includes all of the following:

6 1. The name of the owner or owners of the interest in real property that will be  
7 transferred.

8 (b) The designation of a TOD beneficiary may be made by including use of the  
9 words “transfer on death” or “pay on death,” or the abbreviation “TOD” or “POD,”  
10 after the name of the owner or owners of the property and before the name of the TOD  
11 beneficiary or beneficiaries. The owner or owners may designate one or more persons  
12 as a primary TOD beneficiary and may designate one or more persons as a contingent  
13 TOD beneficiary if a primary TOD beneficiary does not survive the sole owner or the  
14 last to die of multiple owners. The designation may be included on the original deed  
15 document that passes the property interest to the owner or owners or may be made  
16 at a later time by the sole owner or all then surviving owners by executing and  
17 recording another deed document that designates a TOD beneficiary.

18 (c) A TOD beneficiary designation is not effective unless the deed document on  
19 which the designation is made ~~is recorded,~~ and any fees required to record the  
20 document, are submitted for recording to the register of deeds office of the county in  
21 which the real property is located before the death of the sole owner or the last to die  
22 of multiple owners.

23 SECTION 5. 705.15 (2) (a) 2., 3. and 4. of the statutes are created to read:

24 705.15 (2) (a) 2. The name of the designated TOD beneficiary.

25 3. That the transfer is effective only upon the death of the owner or owners.

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1           4. If the interest that will be transferred is an interest in real property owned  
2           by a spouse as marital property, the signatures of both spouses who have an interest  
3           in the marital property.

4           **SECTION 6.** 705.15 (3) of the statutes is amended to read:

5           705.15 (3) The designation of a TOD beneficiary on a deed document does not  
6           affect ownership of the property until the owner's death of the sole owner or the last  
7           to die of multiple owners regardless of whether the document provides otherwise.

8           The designation may be canceled or changed at any time by the sole owner or all then  
9           surviving owners, without the consent of the TOD beneficiary, by executing and  
10          recording another deed document that designates a different TOD beneficiary or no  
11          beneficiary. The recording of a deed document that designates a TOD beneficiary or  
12          no beneficiary revokes any designation made in a previously recorded deed document  
13          relating to the same property interest.

14          **SECTION 7.** 705.15 (4) of the statutes is amended to read:

15          705.15 (4) On the death of the sole owner or the last to die of multiple owners,  
16          ownership of the interest in the real property passes, subject to any lien or ~~other~~  
17          encumbrance against the real property, to the designated TOD beneficiary or  
18          beneficiaries who survive all owners and to any predeceased beneficiary's issue who  
19          would take under s. 854.06 (3). If no TOD beneficiary or predeceased TOD  
20          beneficiary's issue who would take under s. 854.06 (3) survives the death of all  
21          owners, the interest in the real property passes to the estate of the deceased sole  
22          owner or the estate of the last to die of the multiple owners.

23          **SECTION 8.** 705.15 (7) of the statutes is created to read:



**ASSEMBLY BILL 607****SECTION 8**

1           705.15 (7) The capacity required to designate a TOD beneficiary or to revoke  
2 a designation of a TOD beneficiary is the same as the capacity to make or revoke a  
3 will under s. 853.01.

4           **SECTION 9.** 705.15 (8) of the statutes is created to read:

5           705.15 (8) Unless previously adjudicated in a formal testacy proceeding or  
6 otherwise barred, the claim of any claimant to recover real property transferred to  
7 a TOD beneficiary under this section is barred unless, by no later than 120 days after  
8 the death of the sole owner or the last to die of multiple owners, a complaint is filed  
9 in an action in which the relief demanded may confirm or change interests in the real  
10 property transferred under this section and a lis pendens is filed or recorded in each  
11 county where any part of the real property is located.

12           **SECTION 10.** 708.15 (3) (d) (intro.) of the statutes is amended to read:

13           708.15 (3) (d) (intro.) ~~A~~ Except as provided in par. (f) 2., a payoff statement  
14 must shall contain all of the following:

15           **SECTION 11.** 708.15 (3) (f) of the statutes is renumbered 708.15 (3) (f) 1. and  
16 amended to read:

17           708.15 (3) (f) 1. ~~A~~ If the security instrument secures an interest in residential  
18 real property, a secured creditor may not qualify a payoff amount or state that the  
19 payoff amount is subject to change before the payoff date.

20           **SECTION 12.** 708.15 (3) (f) 2. of the statutes is created to read:

21           708.15 (3) (f) 2. A secured creditor may qualify a payoff amount or state that  
22 the payoff amount is not practicably determinable or is subject to change before the  
23 payoff date if all of the following apply:

24           a. The security instrument secures an interest in real property that is not  
25 residential real property.

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1 b. The payoff statement provides instructions for how the entitled person or an  
2 authorized agent of the entitled person may obtain an updated payoff amount at no  
3 charge during the secured creditor's normal business hours on the payoff date or the  
4 immediately preceding business day.

*as affected by 2017 Wisconsin Act 90,*

5 SECTION 13. 867.03 (1g) (intro.) of the statutes is amended to read:

*Except as provided in sub. (1h) and subject to sub.*

6 867.03 (1g) GENERALLY. (intro.) ~~When~~ Subject to sub. (1p), when a decedent

*Subs.*

7 leaves property subject to administration in this state which that does not exceed

*(1j)*

8 \$50,000 in gross value, any heir of the decedent, trustee of a revocable trust created

*and*

9 by the decedent, *a person named in the will to act as personal representative,* or person who was guardian of the decedent at the time of the

*(1p)*

*when*

10 decedent's death may collect any money due the decedent, receive the property of the

*plan*

11 decedent, and have any evidence of interest, obligation to, or right of the decedent

12 transferred to the affiant if the heir, trustee, *person named in the will to act as personal representative,* or guardian provides to the person owing

*(2)*

13 the money, having custody of the property, or acting as registrar or transfer agent of

14 the evidences of interest, obligation to, or right, ~~or, if the property is an interest in~~

15 ~~or lien on real property, provides to the register of deeds preliminary to the recording~~

16 ~~required under sub. (2m), proof of prior mailed notice under sub. (1m) if applicable~~

17 and an affidavit in duplicate showing all of the following:

18 SECTION 14. 867.03 (1p) of the statutes is created to read:

19 867.03 (1p) REAL PROPERTY; NOTICE. If the affidavit under sub. (1g) describes

20 an interest in or lien on real property, at least 30 days before submitting the affidavit

21 to an office of register of deeds under sub. (2m), the heir, trustee, or person who was

22 a guardian of the decedent at the time of the decedent's death shall provide to the

23 decedent's heirs a copy of the affidavit under sub. (1g) and notice that the heir,

24 trustee, or person who was a guardian intends to record the affidavit under sub. (1g)

25 in the office of the register of deeds in each county in this state in which the real

*cccl.*

*ccc2.*

*ccc3.*

*ccc4.*

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APP 2  
1.*

## ASSEMBLY BILL 607

## SECTION 14

1 property is located. The heir, trustee, or person who was a guardian of the decedent  
2 at the time of the decedent's death shall give the notice required under this  
3 paragraph by <sup>or certified</sup> (1st class) mail or by personal service.

4 **SECTION 15.** 867.03 (2m) (a) of the statutes is renumbered 867.03 (2m) (a)  
5 (intro.) and amended to read:

6 867.03 (2m) (a) (intro.) If an affidavit under sub. (1g) describes an interest in  
7 or lien on real property ~~a certified copy or duplicate original of the affidavit shall be~~  
8 recorded, the heir, trustee, or person who was a guardian of the decedent at the time  
9 of the decedent's death shall submit for recording in the office of the register of deeds  
10 in each county in this state in which the real property is located. a certified copy or  
11 duplicate original of the affidavit under sub. (1g) with all of the following attached:

12 **SECTION 16.** 867.03 (2m) (a) 1. and 2. of the statutes are created to read:

13 867.03 (2m) (a) 1. Proof of providing notice under sub. (1p), as described in s.  
14 879.07 (1) or (2), at least 30 days before submitting the affidavit under sub. (1g) to  
15 the office of the register of deeds.

16 2. Proof of prior mailed notice under sub. (1m), if applicable.

17 **SECTION 17.** 867.03 (2m) (c) of the statutes is created to read:

18 867.03 (2m) (c) If an interest in real property transferred under this section is  
19 acquired by a purchaser or lender in good faith, for value and without actual notice  
20 that the transfer was improper, the purchaser or lender takes title free of any claims  
21 of the decedent's estate and incurs no personal liability to the estate, whether or not  
22 the transfer was proper. Purchasers and lenders have no duty to inquire whether  
23 a transfer was proper.

24 (END)

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State of Wisconsin  
2017 - 2018 LEGISLATURE

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**ASSEMBLY AMENDMENT 2,  
TO ASSEMBLY BILL 607**

January 22, 2018 - Offered by Representative BALLWEG.

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

2 **1.** Page 7, line 17: after that line insert:

3 **“SECTION 13d.** 867.03 (1h) of the statutes, as created by 2017 Wisconsin Act 90,  
4 is amended to read:

5 867.03 (1h) EXCEPTION FOR REAL PROPERTY. A person named in the will as  
6 personal representative may not receive any real property of the decedent by  
7 providing an affidavit under sub. (1g) or have any evidence of interest, obligation to,  
8 or right of the decedent in any real property of the decedent transferred to the person  
9 named in the will as personal representative by providing an affidavit under sub.  
10 (1g). This subsection does not apply to a person named in the will to act as personal  
11 representative if the person is also an heir of the decedent, a trustee of a revocable  
12 trust created by the decedent, or a person who was guardian of the decedent at the  
13 time of the decedent's death.

INJ MAR 2  
1.

