



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-4752/1  
FFK:skw

## 2019 SENATE BILL 550

November 8, 2019 - Introduced by Senators OLSEN, COWLES and PETROWSKI, cosponsored by Representatives BALLWEG, MILROY, MURPHY, NOVAK, SPIROS, VANDERMEER, VRUWINK and EDMING. Referred to Committee on Utilities and Housing.

1     **AN ACT** *to repeal* 703.275 (5) and 703.28 (1m) (a); *to renumber* 703.13 (7) (a)  
2             and 703.275 (1) (title); *to renumber and amend* 703.095, 703.11 (2) (b), 703.13  
3             (6) (c), 703.26 (2) (b), 703.275 (1) and 703.28 (1m) (b); *to consolidate,*  
4             *renumber and amend* 703.08 (2) (intro.), (a) and (b); *to amend* 703.02 (1b),  
5             703.02 (1h), 703.02 (3), 703.02 (6m), 703.02 (14g), 703.07 (2), 703.09 (2), 703.09  
6             (4), 703.093 (1), 703.093 (7), 703.10 (5), 703.11 (2) (d), 703.11 (5), 703.115 (1) (a),  
7             703.115 (1) (b), 703.12, 703.13 (4), 703.13 (6) (d), 703.13 (6) (e), 703.13 (6) (f),  
8             703.13 (7) (b), 703.13 (7) (c), 703.13 (7) (d), 703.13 (8) (b), 703.13 (8) (c), 703.163  
9             (11), 703.165 (3), 703.19 (5), 703.26 (2) (intro.), 703.26 (2) (a), 703.26 (2) (c),  
10            703.26 (2) (d), 703.26 (3), 703.265 (3), 703.30 (2), 703.365 (3m) and 706.01 (7r)  
11            (b); and *to create* 703.02 (3m), 703.02 (8m), 703.065, 703.09 (1) (title), 703.09  
12            (1b), 703.09 (1c) (title), 703.09 (2m) (title), 703.09 (3) (title), 703.095 (2) (d),  
13            703.095 (3), 703.11 (2) (b) 3., 703.13 (7) (ac), 703.26 (3) (d), 703.275 (1c) and

**SENATE BILL 550**

1           703.275 (1m) (b) of the statutes; **relating to:** requirements related to  
2           condominium documents and technical changes to condominium law.

---

***Analysis by the Legislative Reference Bureau***

This bill makes various changes to condominium law and clarifies requirements related to various types of condominium documents.

***General recording requirements; condominium instruments***

This bill specifies that every instrument related to a condominium other than a plat or an addendum (a modification to a plat) that is offered to a register of deeds for recording must meet the following criteria:

1. The instrument must include the name of the condominium as it appears in the declaration.
2. The instrument must meet the standard formatting requirements for recorded documents.
3. The instrument must include any signatures required by law and must be notarized or authenticated.
4. If the county in which the instrument is to be recorded has an ordinance that requires local review of condominium instruments before recording, the instrument must be accompanied by the certified written approval of the person who performed the local review.

In addition, the bill specifies that a register of deeds may record an amendment, addendum, or correction instrument only if the document satisfies the above criteria, if applicable, and satisfies the following:

1. It refers to the instrument being modified or corrected.
2. It is numbered consecutively or states that it is an amendment and restatement of the instrument being modified or corrected.
3. It identifies all units in the condominium.
4. It clearly states the changes being made to the document being modified or corrected.

***Expanding condominiums***

Under current law, a declarant may reserve the right to expand a condominium by subjecting additional property to the condominium declaration. Current law provides various conditions that must be met in order for a reservation of a right to expand a condominium to be valid. For example, the condominium declaration must describe each parcel of property that may be added to the condominium under the reservation of the right to expand and the condominium plat must include, in general terms, the outline of the land, buildings, and common elements of the property that may be added as part of the expansion.

The bill clarifies that the condominium plat must include the outline of the expansion property and, in general terms, the buildings and common elements on the expansion property. The bill also clarifies that property included in a reservation of the right to expand is not subject to the condominium declaration (i.e., is not part

**SENATE BILL 550**

of the condominium) until an amendment and addendum that add the property to the condominium are recorded.

***Merger or consolidation of condominiums***

Under current law, any two or more condominiums may be merged or consolidated into a single condominium by agreement of the unit owners of the existing condominiums. Current law requires that the condominium that results from the merger or consolidation must have the same name as one of the preexisting condominiums. The merger or consolidation agreement must reallocate the allocated interests among the units of the resultant condominium.

The bill specifies that a condominium may be created by merger or consolidation only by recording a restatement of the declaration for the resultant condominium that includes the merger or consolidation agreement and a resultant condominium plat. Under the bill, the register of deeds must reference the document number of the resultant condominium plat on the plat of each preexisting condominium plat that is merged or consolidated. The bill also specifies that it is not necessary to remove the preexisting condominiums prior to a merger or consolidation.

***Local review of condominium instruments***

Current law allows a county to adopt an ordinance that requires condominium instruments to be reviewed by employees of the county of recording or of a city, village or town located in the county of recording before the condominium instruments are recorded if the ordinance meets certain criteria. One of the criteria is that the ordinance must require that the local review be completed within ten working days after the condominium instrument is submitted and provide that, if the review is not completed within those ten working days, the condominium instrument is considered to be approved. The bill extends the deadline for local review in this requirement to 15 working days.

***Declaration; declarant rights***

Under the bill, after the period of declarant control, a condominium declaration may not provide a declarant with a right that is not provided to other unit owners.

***Condominium plat***

Under current law, a condominium plat must include a survey of the property that shows the location of any unit or building on the property and comply with the minimum standards adopted by the examining board of architects, landscape architects, professional engineers, designers, and professional land surveyors. Under the bill, the survey of the property must also include a clear and concise description of the surveyed property that meets the requirements for a professional land surveyor certificate included on a recorded certified survey map.

***Bylaws***

Under the bill, whenever condominium bylaws are amended by a condominium association, the condominium association must promptly deliver a copy of the approved amendment to each unit owner.

**SENATE BILL 550*****Correction instruments***

Under current law, a correction instrument is an instrument drafted by a professional land surveyor that, upon recording, corrects an error in a condominium plat. The bill specifies that a correction instrument may be used only to correct scrivener errors on a condominium plat, such as incorrect distances, angles, directions, building or unit numbers, or street names.

***Small condominiums***

Current law provides alternative procedures for small condominiums. A small condominium is a condominium with no more than 12 units. Under current law, an agreement may be substituted for bylaws if approved by all of the unit votes in a small condominium. Current law further provides that the affirmative vote or written consent of all the unit votes of the small condominium is required to amend such an agreement. Under the bill, 75 percent of the unit votes of the small condominium are required to amend such an agreement.

---

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

1           **SECTION 1.** 703.02 (1b) of the statutes is amended to read:

2           703.02 **(1b)** “Addendum” means ~~a condominium~~ an instrument that modifies  
3 a recorded condominium plat.

4           **SECTION 2.** 703.02 (1h) of the statutes is amended to read:

5           703.02 **(1h)** “Amendment” means ~~a condominium~~ an instrument that modifies  
6 a recorded condominium declaration. “Amendment” includes a modification to a  
7 declaration to relocate unit boundaries under s. 703.13 (6), to separate or merge units  
8 under s. 703.13 (7) or (8), and to merge or consolidate a condominium under s.  
9 703.275.

10          **SECTION 3.** 703.02 (3) of the statutes is amended to read:

11          703.02 **(3)** “Common expenses ~~and common surpluses~~” mean the expenses ~~and~~  
12 ~~surpluses~~ of an association.

13          **SECTION 4.** 703.02 (3m) of the statutes is created to read:

14          703.02 **(3m)** “Common surpluses” mean the surpluses of an association.

**SENATE BILL 550**

1           **SECTION 5.** 703.02 (6m) of the statutes is amended to read:

2           703.02 **(6m)** “Correction instrument” means an instrument drafted by a  
3 professional land surveyor ~~that complies with the requirements of s. 59.43 (2m) and~~  
4 that, upon recording, corrects an error in a condominium plat. “Correction  
5 instrument” does not include an instrument of conveyance.

6           **SECTION 6.** 703.02 (8m) of the statutes is created to read:

7           703.02 **(8m)** “Deliver” includes to deliver by hand, U.S. mail, commercial  
8 delivery, facsimile transmission, or electronic mail.

9           **SECTION 7.** 703.02 (14g) of the statutes is amended to read:

10          703.02 **(14g)** “Removal instrument” means an instrument ~~that complies with~~  
11 ~~the requirements of s. 59.43 (2m) and~~ that removes property from the provisions of  
12 this chapter upon recording. “Removal instrument” does not include an instrument  
13 of conveyance.

14          **SECTION 8.** 703.065 of the statutes is created to read:

15          **703.065 Recording requirements; general.** Every instrument offered for  
16 record related to a condominium other than a plat or addendum shall satisfy all of  
17 the following criteria:

18           **(1)** The instrument shall include the name of the condominium as it appears  
19 in the declaration.

20           **(2)** The instrument shall be prepared in the standard format for recorded  
21 documents under s. 59.43 (2m) and (5) (a).

22           **(3)** The instrument shall comply with s. 706.05 (2) (a) and (b).

23           **(4)** If the instrument is a condominium instrument or an instrument that  
24 modifies a condominium instrument and the county in which the instrument is to be  
25 recorded has adopted an ordinance under s. 703.115, the instrument is accompanied

**SENATE BILL 550****SECTION 8**

1 by the certified written approval of the person who performed the review under the  
2 ordinance.

3 **SECTION 9.** 703.07 (2) of the statutes is amended to read:

4 703.07 (2) A condominium instrument, and all amendments, addenda and  
5 certifications of a condominium instrument, shall be recorded in every county in  
6 which any portion of the condominium is located, and shall be indexed in each county  
7 in the name of the declarant and the name of the condominium grantor and grantee  
8 and the description of the condominium property that is located in that county.

9 Subsequent instruments affecting the title to a unit which is physically located  
10 entirely within a single county shall be recorded only in that county, notwithstanding  
11 the fact that the common elements are not physically located entirely within that  
12 county. Subsequent amendments and addenda shall be indexed under the name of  
13 the condominium.

14 **SECTION 10.** 703.08 (2) (intro.), (a) and (b) of the statutes are consolidated,  
15 renumbered 703.08 (2) and amended to read:

16 703.08 (2) A tenant may not be required to vacate the property during the  
17 120-day period immediately following the date of delivery of the notice required  
18 under sub. (1) ~~except for: (a) Violation of~~ unless the tenant violates a covenant in the  
19 lease; or ~~(b) Nonpayment of~~ fails to pay rent.

20 **SECTION 11.** 703.09 (1) (title) of the statutes is created to read:

21 703.09 (1) (title) REQUIREMENTS.

22 **SECTION 12.** 703.09 (1b) of the statutes is created to read:

23 703.09 (1b) DECLARANT RIGHTS AFTER PERIOD OF DECLARANT CONTROL;  
24 PROHIBITION. A condominium declaration may not provide a declarant with a right

**SENATE BILL 550**

1 in the association of unit owners after the period of declarant control ends under s.  
2 703.15 (2) (c) if the right is not granted to unit owners who are not the declarant.

3 **SECTION 13.** 703.09 (1c) (title) of the statutes is created to read:

4 703.09 (1c) (title) CONSENT OF PROPERTY OWNERS AND MORTGAGEES; DECLARATION.

5 **SECTION 14.** 703.09 (2) of the statutes is amended to read:

6 703.09 (2) AMENDMENT. Except as provided in sub. (4) and ss. 703.093, 703.13  
7 (6) (c), (cm), and (d), (7) (b) and (bm), and (8) (b), (bm), and (bp), and 703.26, a  
8 condominium declaration may be amended with the written consent of at least  
9 two-thirds of the aggregate of the votes established under sub. (1) (f) or a greater  
10 percentage if provided in the declaration. An amendment becomes effective when  
11 it is recorded ~~in the same manner as the declaration.~~ The document submitting the  
12 amendment for recording shall state that the required consents and approvals for the  
13 amendment were received. Except as provided in sub. (2m), a unit owner's written  
14 consent is not effective unless it is approved in writing by the first mortgagee of the  
15 unit, or the holder of an equivalent security interest, if any. Approval from the first  
16 mortgage lender or equivalent security interest holder, or the person servicing the  
17 first mortgage loan or its equivalent on a unit, constitutes approval of the first  
18 mortgagee or equivalent security interest holder under this subsection.

19 **SECTION 15.** 703.09 (2m) (title) of the statutes is created to read:

20 703.09 (2m) (title) CONSENT OF UNIT OWNERS AND MORTGAGEES; AMENDMENTS.

21 **SECTION 16.** 703.09 (3) (title) of the statutes is created to read:

22 703.09 (3) (title) COMPENSATION FOR REDUCTION IN VALUE; AMENDMENTS.

23 **SECTION 17.** 703.09 (4) of the statutes is amended to read:

24 703.09 (4) ASSIGNMENT OF DECLARANT'S INTEREST. A declarant may assign his or  
25 her rights and obligations as a declarant under this chapter by recording an

**SENATE BILL 550****SECTION 17**

1 amendment to the declaration that includes the assignment and an acceptance of the  
2 assignment that is signed by the assignee and acknowledged. A declarant may not  
3 assign under this subsection less than all of his or her rights and obligations as a  
4 declarant under this chapter.

5 **SECTION 18.** 703.093 (1) of the statutes is amended to read:

6 703.093 (1) As an alternative to s. 703.09 (2), a condominium declaration may  
7 be amended under this section if at least two-thirds of the aggregate of the votes  
8 established under s. 703.09 (1) (f), or a greater percentage if provided in the  
9 declaration, consent to the amendment in writing and those consents are approved  
10 by the mortgagees or holders of equivalent security interests in the units. An  
11 amendment becomes effective when it is recorded ~~in the same manner as the~~  
12 ~~declaration.~~

13 **SECTION 19.** 703.093 (7) of the statutes is amended to read:

14 703.093 (7) Any person acquiring a mortgage or equivalent security interest  
15 on a unit after the affidavit is recorded under sub. (2) may notify the association in  
16 writing of the mortgage or equivalent security interest lien, identifying the unit on  
17 which it holds a lien, and signify its approval of or objection to the proposed  
18 amendment to the declaration.

19 **SECTION 20.** 703.095 of the statutes is renumbered 703.095 (1) and amended  
20 to read:

21 703.095 (1) MODIFICATIONS. A recorded condominium instrument, amendment,  
22 or addendum may ~~only~~ be modified only by recording an amendment, addendum, or  
23 correction instrument, or by removal from the provisions of this chapter under s.  
24 703.28 (1).

**SENATE BILL 550**

1           **(2) REQUIREMENTS.** The register of deeds may not record an amendment,  
2           addendum, or correction instrument only if it does not refer the document complies  
3           with s. 703.065, if applicable, and satisfies all of the following criteria:

4           (a) It refers to the condominium instrument, amendment, or addendum being  
5           modified or corrected, including the document number assigned to the document  
6           being modified, and may not record an amendment or addendum unless it if volume  
7           and page numbers are assigned to the document being modified or corrected, the  
8           volume and page where the document is recorded.

9           (b) It is numbered consecutively or states that it is an amendment and  
10           restatement of the condominium instrument being modified or corrected, bears the  
11           name of the condominium as it appears in the declaration, and identifies.

12           (c) Identifies all units in the condominium.

13           **SECTION 21.** 703.095 (2) (d) of the statutes is created to read:

14           703.095 (2) (d) Clearly states the changes being made to the condominium  
15           instrument, amendment, or addendum it is modifying or correcting.

16           **SECTION 22.** 703.095 (3) of the statutes is created to read:

17           703.095 (3) CORRECTION INSTRUMENT. A correction instrument may be used only  
18           to correct a scrivener error on a condominium plat, including erroneous distances,  
19           angles, directions, bearings, chords, building or unit numbers, and street names.

20           **SECTION 23.** 703.10 (5) of the statutes is amended to read:

21           703.10 (5) AMENDMENT. The bylaws may be amended by the affirmative vote  
22           of unit owners having 67 percent or more of the votes. Each particular set forth in  
23           sub. (2) shall be expressed in the bylaws as amended. Following an amendment to  
24           the bylaws, the association shall promptly deliver to each unit owner a copy of the  
25           approved amendment.

**SENATE BILL 550****SECTION 24**

1           **SECTION 24.** 703.11 (2) (b) of the statutes is renumbered 703.11 (2) (b) (intro.)  
2 and amended to read:

3           703.11 **(2)** (b) (intro.) A survey of the property described in the declaration  
4 ~~complying~~ that satisfies all of the following criteria:

5           1. The survey complies with minimum standards for property surveys adopted  
6 by the examining board of architects, landscape architects, professional engineers,  
7 designers and professional land surveyors ~~and showing.~~

8           2. The survey shows the location of any unit or building located or to be located  
9 on the property.

10          **SECTION 25.** 703.11 (2) (b) 3. of the statutes is created to read:

11          703.11 **(2)** (b) 3. The survey includes a clear and concise description of the  
12 surveyed property, as described in s. 236.34 (1m) (d) 2.

13          **SECTION 26.** 703.11 (2) (d) of the statutes is amended to read:

14          703.11 **(2)** (d) All survey maps and floor plans submitted for ~~filing~~ recording  
15 shall be legibly prepared with a binding margin of 1.5 inches on the left side and a  
16 one-inch margin on all other sides on durable white media that is 14 inches long by  
17 22 inches wide with a permanent nonfading black image. The maps and plans shall  
18 be drawn to a convenient scale.

19          **SECTION 27.** 703.11 (5) of the statutes is amended to read:

20          703.11 **(5)** ~~AMENDMENT~~ ADDENDUM. Except as provided in s. ~~ss. 703.095 and~~  
21 ~~703.265, amendment of a condominium plat~~ may be modified only by an addendum  
22 ~~that is not included as part of an amendment to the declaration shall be~~ that is  
23 accomplished in the same manner as an amendment to the declaration under s.  
24 703.09 (2). An addendum is effective when it is recorded in the manner described  
25 under s. 703.07 (2).

**SENATE BILL 550**

1           **SECTION 28.** 703.115 (1) (a) of the statutes is amended to read:

2           703.115 (1) (a) Requires the review to be completed within ~~10~~ 15 working days  
3 after submission of the condominium instrument and provides that, if the review is  
4 not completed within this period, the condominium instrument is approved for  
5 recording.

6           **SECTION 29.** 703.115 (1) (b) of the statutes is amended to read:

7           703.115 (1) (b) Provides that a condominium instrument may be rejected only  
8 if it fails to comply with the applicable requirements of ss. 703.065, 703.095, 703.11  
9 (2) (a), (am), (c) and (d) and (3), 703.275 ~~(5)~~ (1m) (b) and 703.28 (1m) or if the  
10 professional land surveyor's certificate under s. 703.11 (4) is not attached to or  
11 included in the condominium plat.

12           **SECTION 30.** 703.12 of the statutes is amended to read:

13           **703.12 Description of units.** A description in any deed or other instrument  
14 affecting title to any unit, including a conveyance, as defined in s. 706.01 (4), that  
15 makes reference to the letter or number, or other appropriate designation of the unit  
16 on the condominium plat ~~together with a reference to the condominium instruments~~  
17 ~~and~~, the name of the condominium as it appears in the declaration, the name of the  
18 county where the condominium is located, the document numbers assigned to the  
19 declaration, and if volume and page numbers are assigned to the declaration, the  
20 volume and page where the declaration is recorded, shall be a good and sufficient  
21 description for all purposes.

22           **SECTION 31.** 703.13 (4) of the statutes is amended to read:

23           703.13 (4) CHANGE IN PERCENTAGE INTEREST. The percentage interests shall have  
24 a permanent character and, except as specifically provided by this chapter, may not  
25 be changed without the written consent of all of the unit owners and their

**SENATE BILL 550****SECTION 31**

1 mortgagees. Any change shall be evidenced by an amendment to the declaration and  
2 recorded among the appropriate land records. The percentage interests may not be  
3 separated from the unit to which they appertain. Any instrument, matter,  
4 circumstance, action, occurrence, or proceeding in any manner affecting a unit also  
5 shall affect, in like manner, the percentage interests appurtenant to the unit.

6 **SECTION 32.** 703.13 (6) (c) of the statutes is renumbered 703.13 (6) (c) (intro.)  
7 and amended to read:

8 703.13 (6) (c) (intro.) An amendment to a declaration shall identify do all of the  
9 following:

10 1. Identify the units involved and shall state that the boundaries between those  
11 units are being relocated by agreement of the unit owners thereof. ~~The amendment~~  
12 ~~shall contain~~

13 2. Contain words of conveyance between those unit the owners, and when  
14 recorded shall also be indexed in the name of the grantor and grantee of the units  
15 identified in subd. 1.

16 3. If the adjoining unit owners have specified in their written application the  
17 reallocation between their units of the aggregate undivided interest in the common  
18 elements appertaining to those units, ~~the amendment to the declaration shall reflect~~  
19 that reallocation.

20 (cm) An amendment to a declaration under ~~this paragraph~~ par. (c) shall be  
21 adopted, at the option of the adjoining unit owners, either under s. 703.09 (2) or by  
22 the written consent of the owners of the adjoining units involved and the mortgagees  
23 of the adjoining units.

24 **SECTION 33.** 703.13 (6) (d) of the statutes is amended to read:

**SENATE BILL 550**

1           703.13 (6) (d) If the adjoining unit owners have specified in their written  
2 application a reasonable reallocation, as determined by the board of directors, of the  
3 number of votes in the association or liabilities for future common expenses not  
4 specially assessed, appertaining to their units, ~~an amendment~~ modifications to the  
5 condominium instruments shall reflect those reallocations. An amendment ~~to a~~  
6 ~~declaration~~ under this paragraph shall be adopted in the manner specified in par. (e)  
7 (cm).

8           **SECTION 34.** 703.13 (6) (e) of the statutes is amended to read:

9           703.13 (6) (e) ~~Plats and plans~~ An addendum showing the altered boundaries  
10 and the dimensions thereof between adjoining units, and their identifying numbers  
11 or letters, shall be prepared. ~~The plats and plans~~ addendum shall be certified as to  
12 ~~their~~ its accuracy in compliance with this subsection by a professional land surveyor.

13           **SECTION 35.** 703.13 (6) (f) of the statutes is amended to read:

14           703.13 (6) (f) After appropriate instruments have been prepared and executed,  
15 they shall be delivered promptly to the adjoining unit owners upon payment by them  
16 of all reasonable ~~charges~~ costs for the preparation thereof. Those instruments are  
17 effective when the adjoining unit owners have executed them and they are recorded  
18 in the name of the grantor and grantee. The recordation thereof is conclusive  
19 evidence that the relocation of boundaries did not violate any restriction or limitation  
20 in the condominium instruments.

21           **SECTION 36.** 703.13 (7) (a) of the statutes is renumbered 703.13 (7) (am).

22           **SECTION 37.** 703.13 (7) (ac) of the statutes is created to read:

23           703.13 (7) (ac) In this subsection, “separator” means a person proposing the  
24 separation of a unit.

25           **SECTION 38.** 703.13 (7) (b) of the statutes is amended to read:

**SENATE BILL 550****SECTION 38**

1           703.13 (7) (b) The principal officer of the association, upon written application  
2 of a person proposing the separation of a unit (separator) separator and after 30 days'  
3 written notice to all other unit owners, shall promptly prepare and execute  
4 appropriate instruments under this subsection. ~~An amendment to the condominium~~  
5 ~~instruments~~

6           **(bm)** An amendment to separate a unit into 2 or more units shall assign do all  
7 of the following:

8           1. Assign a new identifying number to each new unit created by the separation  
9 of a unit, ~~shall allocate.~~

10           2. Allocate to those units each new unit, on a reasonable basis acceptable to the  
11 separator and the executive board, all of the undivided interest in the common  
12 element and rights to use the limited common elements and the votes in the  
13 association formerly appertaining to the separated unit. ~~The amendment shall~~  
14 ~~reflect~~

15           3. Reflect a proportionate allocation to the new units of the liability for common  
16 expenses and rights to common surpluses formerly appertaining to the subdivided  
17 unit.

18           **SECTION 39.** 703.13 (7) (c) of the statutes is amended to read:

19           703.13 (7) (c) ~~Plats and plans~~ An addendum showing the boundaries and  
20 dimensions separating the new units together with their other boundaries and their  
21 new identifying numbers or letters shall be prepared. ~~The plats and plans~~ addendum  
22 shall be certified as to ~~their~~ its accuracy and compliance with this subsection by a  
23 professional land surveyor.

24           **SECTION 40.** 703.13 (7) (d) of the statutes is amended to read:

**SENATE BILL 550****SECTION 40**

1           703.13 (7) (d) After appropriate instruments have been prepared and executed,  
2 they shall be delivered promptly to the separator upon payment by him or her of all  
3 reasonable cost for their preparation. Those instruments are effective when the  
4 separator has executed them and they are recorded in the name of the separator. The  
5 recording of the instruments is conclusive evidence that the separation did not  
6 violate any restrictions or limitation specified by the condominium instruments and  
7 that any reallocations made under this subsection were reasonable.

8           **SECTION 41.** 703.13 (8) (b) of the statutes is amended to read:

9           703.13 (8) (b) If the unit owners of adjoining units that may be merged desire  
10 to merge the units, the unit owners, after 30 days' written notice to all other unit  
11 owners, shall prepare and execute appropriate instruments under this subsection.

12           **(bm)** An amendment to the condominium instruments shall ~~assign~~ do all of the  
13 following:

14           1. Assign a new identifying number to the new unit created by the merger of  
15 the units and ~~shall allocate~~.

16           2. Allocate to the new unit all of the undivided interest in the common elements  
17 and rights to use the limited common elements and the votes in the association  
18 formerly appertaining to the separate units. ~~The amendment shall reflect~~

19           3. Reflect an allocation to the new unit of the liability for common expenses and  
20 rights to common surpluses formerly appertaining to the separate units.

21           **(bp)** An amendment ~~to a declaration under this paragraph par.~~ (bm) shall be  
22 adopted either under s. 703.09 (2) or by the written consent of the owners of the units  
23 to be merged, the mortgagees of those units, if any, and the board of directors of the  
24 association.

25           **SECTION 42.** 703.13 (8) (c) of the statutes is amended to read:

**SENATE BILL 550****SECTION 42**

1           703.13 (8) (c) ~~Plats and plans~~ An addendum showing the boundaries and  
2 dimensions of the new unit together with the new identifying number or letter shall  
3 be prepared. The ~~plats and plans~~ addendum shall be certified as to ~~their~~ its accuracy  
4 and compliance with this subsection by a professional land surveyor.

5           **SECTION 43.** 703.163 (11) of the statutes is amended to read:

6           703.163 (11) RECORDING OF STATUTORY RESERVE ACCOUNT STATEMENT. Each  
7 statutory reserve account statement executed under this section shall bear the name  
8 of the condominium as it appears on the declaration, shall be prepared in the  
9 standard format for recorded documents under s. 59.43 (2m) and (5) (a), shall comply  
10 with s. 706.05 (2) (a) and (b), and shall be recorded with the register of deeds of the  
11 county where the condominium instruments are recorded.

12           **SECTION 44.** 703.165 (3) of the statutes is amended to read:

13           703.165 (3) ASSESSMENTS CONSTITUTE LIEN. All assessments, until paid,  
14 together with interest on them and actual costs of collection, constitute a lien on the  
15 units on which they are assessed, if a statement of lien is filed within 2 years after  
16 the date the assessment becomes due. The lien is effective against a unit at the time  
17 the assessment became due regardless of when within the 2-year period it is filed.  
18 A statement of condominium lien is filed ~~in the land records of~~ with the clerk of circuit  
19 court of the county where the unit is located, stating the description of the unit, the  
20 name of the record owner, the amount due and the period for which the assessment  
21 was due. The clerk of circuit court shall index the statement of condominium lien  
22 under the name of the record owner in the judgment and lien docket. The statement  
23 of condominium lien shall be signed and verified by an officer or agent of the  
24 association as specified in the bylaws and then may be filed. On full payment of the

**SENATE BILL 550****SECTION 44**

1 assessment for which the lien is claimed, the unit owner shall be entitled to a  
2 satisfaction of the lien that may be filed with the clerk of circuit court.

3 **SECTION 45.** 703.19 (5) of the statutes is amended to read:

4 703.19 (5) ADJUSTMENT OF PERCENTAGE INTERESTS FOLLOWING TAKING; EFFECT OF  
5 TAKING ON VOTES APPURTENANT TO UNIT. Following the taking of all or a part of any unit,  
6 the percentage interests appurtenant to the unit shall be adjusted in proportion as  
7 provided in the condominium instruments or bylaws. The association promptly shall  
8 prepare and record an amendment to the declaration reflecting the new percentage  
9 interests appurtenant to the unit. Subject to sub. (7), following the taking of part of  
10 a unit, the votes appurtenant to that unit shall be appurtenant to the remainder of  
11 that unit, and following the taking of all of a unit, the right to vote appurtenant to  
12 the unit shall terminate.

13 **SECTION 46.** 703.26 (2) (intro.) of the statutes is amended to read:

14 703.26 (2) CONDITIONS TO WHICH RESERVATION SUBJECT. (intro.) A reservation of  
15 the right to expand a condominium is subject to all of the following conditions  
16 ~~provided in this subsection.:~~

17 **SECTION 47.** 703.26 (2) (a) of the statutes is amended to read:

18 703.26 (2) (a) ~~A~~ The declaration establishing a the condominium shall describe  
19 describes each parcel of property ~~which~~ that may be added to the condominium.

20 **SECTION 48.** 703.26 (2) (b) of the statutes is renumbered 703.26 (2) (b) 1. (intro.)  
21 and amended to read:

22 703.26 (2) (b) 1. (intro.) ~~A~~ The declaration establishing ~~a~~ the condominium  
23 ~~shall show the~~ shows all of the following:

24 a. The maximum number of units ~~which~~ that may be added, ~~and the~~ to the  
25 condominium.

**SENATE BILL 550****SECTION 48**

1           **b.** ~~The percentage interests in the common elements, the liabilities for common~~  
2 ~~expenses, and the rights to common surpluses, and the~~ appurtenant to each unit  
3 following the addition of property to the condominium.

4           **c.** The number of votes appurtenant to each unit following the addition of  
5 property to the condominium, if added. The percentage interests in the common  
6 elements, the liabilities for common expenses and the rights to common surpluses,  
7 and the number of votes that each unit owner will have

8           **2.** The information under subd. 1. b. and c. may be shown by reference to a  
9 formula or other appropriate method of determining them following each expansion  
10 of the condominium.

11           **SECTION 49.** 703.26 (2) (c) of the statutes is amended to read:

12           703.26 (2) (c) ~~A condominium~~ The plat for an ~~the~~ original condominium shall  
13 include, in general terms, includes the outlines of the land, and, in general terms, the  
14 location of the buildings, and common elements of new property that may be added  
15 to the condominium.

16           **SECTION 50.** 703.26 (2) (d) of the statutes is amended to read:

17           703.26 (2) (d) ~~In a declaration establishing a condominium, a~~ The ~~right to~~  
18 ~~expand the condominium may be~~ is ~~reserved in the declaration for a period not~~  
19 ~~exceeding 10 years from the date of recording of the declaration.~~

20           **SECTION 51.** 703.26 (3) of the statutes is amended to read:

21           703.26 (3) ~~RECORDATION OF~~ RECORDING ~~AMENDMENTS TO DECLARATION AND PLAT~~  
22 ADDENDA. (a) If the conditions of sub. (2) are ~~complied with~~ met, property may be  
23 ~~added to a condominium if the declarant records an~~ all of the following:

**SENATE BILL 550****SECTION 51**

1           1. ~~An amendment to the declaration, showing that shows~~ the new percentage  
2 interests of the unit owners, and the votes ~~which~~ that each unit owner may cast in  
3 the condominium as expanded, ~~and records an~~.

4           2. ~~An~~ addendum ~~to the condominium plat~~ that includes the detail and  
5 information concerning the new property as required in the original condominium  
6 that is required for a plat under s. 703.11 (2), (3), and (4).

7           (b) On recording of an amendment of a ~~declaration~~ and an addendum to a ~~plat~~  
8 under par. (a), each unit owner, by operation of law, has ~~the~~ all of the following:

9           1. The percentage interests in the common elements, liabilities in the common  
10 expenses, and rights to common surpluses, ~~and shall have the as set forth in the~~  
11 amendment.

12           2. The number of votes, appurtenant to the unit owner's unit, as set forth in the  
13 amendment ~~to the declaration.~~

14           (c) Following any expansion, the interest of any mortgagee shall attach, by  
15 operation of law, to the new percentage interests in the common elements  
16 appurtenant to the unit on which it is a lien.

17           **SECTION 52.** 703.26 (3) (d) of the statutes is created to read:

18           703.26 (3) (d) Property included in a reservation of the right to expand is not  
19 subject to the condominium declaration and is not part of the condominium until an  
20 amendment and addendum adding the property to the condominium are recorded.

21           **SECTION 53.** 703.265 (3) of the statutes is amended to read:

22           703.265 (3) An addendum made under this section shall be recorded as  
23 provided under s. 703.095 (2).

24           **SECTION 54.** 703.275 (1) (title) of the statutes is renumbered 703.275 (1m)  
25 (title).

**SENATE BILL 550****SECTION 55**

1           **SECTION 55.** 703.275 (1) of the statutes is renumbered 703.275 (1m) (a) and  
2 amended to read:

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

13           **SECTION 56.** 703.275 (1c) of the statutes is created to read:

14           703.275 **(1c)** DEFINITIONS. In this section:

15           (a) “Preexisting condominium” means a condominium that existed before a  
16 merger or consolidation under this section.

17           (b) “Restatement of the declaration of a resultant condominium” means an  
18 amendment to the declaration of the preexisting condominium that bears the same  
19 name as the resultant condominium that complies with s. 703.09.

20           (c) “Resultant condominium” means a condominium that results from a merger  
21 or consolidation under this section.

22           (d) “Resultant condominium plat” means an addendum to the plat of the  
23 preexisting condominium that bears the same name as the resultant condominium  
24 that complies with s. 703.11.

25           **SECTION 57.** 703.275 (1m) (b) of the statutes is created to read:

**SENATE BILL 550**

1           703.275 (1m) (b) 1. Except as otherwise provided in this section, a resultant  
2           condominium may be created only by recording all of the following, as provided under  
3           s. 703.07:

4           a. A restatement of the declaration of the resultant condominium that includes  
5           the merger or consolidation agreement.

6           b. A resultant condominium plat.

7           2. a. The documents under subd. 1. shall be presented together to the register  
8           of deeds for recording.

9           b. The register of deeds may not record a resultant condominium plat without  
10          the restatement of the declaration of the resultant condominium and the merger or  
11          consolidation agreement.

12          c. On the plat of each preexisting condominium that is merged or consolidated  
13          to create a resultant condominium, the register of deeds shall reference the  
14          document number of the resultant condominium plat and, if the plat of the resultant  
15          condominium is assigned a volume and page number, the volume and page where the  
16          resultant condominium plat is recorded and shall note that the preexisting  
17          condominium was merged or consolidated. In a county that maintains a tract index  
18          pursuant to s. 59.43 (12m), the register of deeds shall make references to document  
19          numbers in the tract index.

20          **SECTION 58.** 703.275 (5) of the statutes is repealed.

21          **SECTION 59.** 703.28 (1m) (a) of the statutes is repealed.

22          **SECTION 60.** 703.28 (1m) (b) of the statutes is renumbered 703.28 (1m) and  
23          amended to read:

24          703.28 (1m) Before a certified survey map, condominium plat, subdivision plat  
25          or other plat may be recorded and filed for ~~the same property~~ that is subject to a

**SENATE BILL 550****SECTION 60**

1 condominium declaration, the condominium shall first be removed from the  
2 provisions of this chapter by recording a removal instrument. This subdivision does  
3 not apply to a merger or consolidation under s. 703.275.

4 **SECTION 61.** 703.30 (2) of the statutes is amended to read:

5 703.30 (2) SUBSTANTIAL CONFORMITY OF CONDOMINIUM INSTRUMENTS AND BYLAWS  
6 SUFFICIENT. The provisions of any condominium instruments and bylaws filed  
7 recorded under this chapter shall be liberally construed to facilitate the creation and  
8 operation of the condominium. So long as the condominium instruments and bylaws  
9 substantially conform with the requirements of this chapter, no variance from the  
10 requirements shall affect the condominium status of the property in question nor the  
11 title of any unit owner to his or her unit, votes and percentage interests in the  
12 common elements and in common expenses and common surpluses.

13 **SECTION 62.** 703.365 (3m) of the statutes is amended to read:

14 703.365 (3m) AGREEMENT IN LIEU OF BYLAWS. If approved by written consent of  
15 all of the unit votes of a small condominium, an agreement may be substituted for  
16 the bylaws under sub. (3). The terms of the agreement shall include the  
17 requirements of sub. (3) (a) to (d) and shall be consistent with this section. An  
18 amendment to an agreement may be made with the affirmative vote or written  
19 consent of all 75 percent of the unit votes of the small condominium.

20 **SECTION 63.** 706.01 (7r) (b) of the statutes is amended to read:

21 706.01 (7r) (b) By condominium name, and unit number, ~~and appurtenance~~  
22 ~~number~~ in a platted condominium development.

23 **SECTION 64. Initial applicability.**

**SENATE BILL 550**

1           (1) RECORDING AND INDEXING REQUIREMENTS. The treatment of ss. 703.065,  
2           703.07 (2), and 703.12 first applies to deeds and other instruments that are  
3           submitted for recording on the effective date of this subsection.

4           (2) BYLAWS. The treatment of s. 703.10 (5) first applies to an amendment to  
5           condominium bylaws that is approved under s. 703.10 on the effective date of this  
6           subsection.

7           (3) LOCAL ORDINANCE; REVIEW OF CONDOMINIUM INSTRUMENTS. The treatment of  
8           s. 703.115 (1) (a) and (b) first applies to an ordinance adopted on the effective date  
9           of this subsection.

10           **SECTION 65. Effective date.**

11           (1) This act takes effect on first day of the 7th month beginning after  
12           publication.

13

(END)