Wisconsin Legislative Council AMENDMENT MEMO

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2025 Assembly Bill 157

Assembly Amendments 1 and 2

BACKGROUND

Generally, a properly filed legal instrument that affects title to land in Wisconsin is entitled to be recorded in the office of the register of deeds of the county where the land is located. An example of a legal instrument that is entitled to be recorded include a maintenance lien, which homeowners' associations are permitted to use to recoup costs associated with maintaining, improving, policing, or preserving properties common to members of the association.

2025 ASSEMBLY BILL 157

Assembly Bill 157 generally prohibits the filing or recording of a non-improvement contract, as defined in the bill, or an instrument related to a non-improvement contract and provides certain civil remedies and criminal penalties.¹ Under the bill, a county register of deeds may reject a non-improvement contract or related instrument and then return it unrecorded. Also, the bill specifically excludes certain recorded instruments from the prohibition on filing or recording a non-improvement contract or related instrument.

ASSEMBLY AMENDMENT 1

Assembly Amendment 1 removes the discretionary power provided to a county register of deeds to reject and return as unrecorded a non-improvement contract or related instrument. Under the amendment, a county register of deeds is required to record a properly filed non-improvement contract or related instrument.

ASSEMBLY AMENDMENT 2

Senate Amendment 2 adds maintenance liens to the list of recorded instruments that are specifically excluded from the bill's prohibition on filing or recording a non-improvement contract or related instrument.

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¹ The bill defines "non-improvement contract" to mean a contract to which all of the following apply: (a) the contract is a contract under which a person agrees to perform, furnish, or procure any work, labor, service, materials, plans, or specifications that are not used or consumed for the improvement of real estate; and (b) the contract purports to create a lien, encumbrance, or other security interest on real estate.

BILL HISTORY

Representative Maxey offered Assembly Amendment 1 on April 4, 2025, and offered Assembly Amendment 2 on May 7, 2025. On May 15, 2025, the Assembly Committee on Housing and Real Estate recommended adoption of Assembly Amendments 1 and 2, and recommended passage of the bill, as amended, on votes of Ayes, 13; Noes, 0.

For a full history of the bill, visit the Legislature's <u>bill history page</u>.

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