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State of Misconsin 2017 - 2018 LEGISLATURE

LRBa1550/1 KRP:klm

ASSEMBLY AMENDMENT 3, TO ASSEMBLY BILL 518

November 7, 2017 - Offered by Representatives BARCA and ZAMARRIPA.

At the locations indicated, amend the bill as follows:

- **1.** Page 1, line 4: after "statements" insert "and creating a right for minority unit owners to object to the amendment of certain condominium documents".
 - **2.** Page 2, line 1: before that line insert:
- "Section 1b. 703.09 (2) of the statutes is renumbered 703.09 (2) (a) and amended to read:

703.09 (2) (a) Except as provided in sub. (4) and ss. 703.093, 703.13 (6) (c) and (d) and (8) (b), and 703.26, a condominium declaration may be amended with the written consent of at least two-thirds of the aggregate of the votes established under sub. (1) (f) or a greater percentage if provided in the declaration. An amendment becomes effective when it is recorded in the same manner as the declaration. The document submitting the amendment for recording shall state that the required consents and approvals for the amendment were received. A unit owner's written

consent is not effective unless it is approved in writing by the first mortgagee of the unit, or the holder of an equivalent security interest, if any. Approval from the first mortgage lender or equivalent security interest holder, or the person servicing the first mortgage loan or its equivalent on a unit, constitutes approval of the first mortgagee or equivalent security interest holder under this subsection paragraph.

Section 1c. 703.09 (2) (b) of the statutes is created to read:

703.09 (2) (b) Notwithstanding par. (a), if a single person or 2 or more persons acting jointly by formal agreement have the power to unilaterally amend the declaration under par. (a), a simple majority of unit owners may object in writing to an amendment under par. (a) proposed by the person or persons. If a simple majority of unit owners objects, the proposed amendment is void. For purposes of this paragraph, a unit owner is entitled to one objection vote, regardless of the number of units owned by the unit owner or the number of votes appurtenant to the units owned by the unit owner, and the person or persons that proposed the amendment are entitled to one objection vote, regardless of the number of persons, the number of units owned by the persons, or the number of votes appurtenant to the units owned by the persons.

Section 1e. 703.093 (1) of the statutes is renumbered 703.093 (1) (a).

Section 1f. 703.093 (1) (b) of the statutes is created to read:

703.093 (1) (b) Notwithstanding par. (a), if a single person or 2 or more persons acting jointly by formal agreement have the power to unilaterally amend the declaration under par. (a), a simple majority of unit owners may object in writing to an amendment under par. (a) proposed by the person or persons. If a simple majority of unit owners objects, the proposed amendment is void. For purposes of this paragraph, a unit owner is entitled to one objection vote, regardless of the number

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of units owned by the unit owner or the number of votes appurtenant to the units owned by the unit owner, and the person or persons that proposed the amendment are entitled to one objection vote, regardless of the number of persons, the number of units owned by the persons, or the number of votes appurtenant to the units owned by the persons.

Section 1h. 703.093 (8) of the statutes is amended to read:

703.093 (8) If the association receives the required number of consents and approvals from unit owners and mortgagees and equivalent security interest holders within the required time after the affidavit is recorded under sub. (2) and has not received a written objection under sub. (1) (b), the senior executive officer of the association shall record an amendment in the office of the register of deeds of the county in which the condominium is located, setting forth the facts satisfying the requirements of this section and providing record notice to all interested persons that the declaration has been revised, effective upon the recording of the amendment, and restating the entire declaration, as amended.

Section 1j. 703.10 (5) of the statutes is renumbered 703.10 (5) (a).

Section 1k. 703.10 (5) (b) of the statutes is created to read:

703.10 (5) (b) Notwithstanding par. (a), if a single person or 2 or more persons acting jointly by formal agreement have the power to unilaterally amend the bylaws under par. (a), a simple majority of unit owners may object in writing to an amendment under par. (a) proposed by the person or persons. If a simple majority of unit owners objects, the proposed amendment is void. For purposes of this paragraph, a unit owner is entitled to one objection vote, regardless of the number of units owned by the unit owner or the number of votes appurtenant to the units owned by the unit owner, and the person or persons that proposed the amendment

are entitled to one objection vote, regardless of the number of persons, the number of units owned by the persons, or the number of votes appurtenant to the units owned by the persons.

Section 1m. 703.13 (6) (c) of the statutes is amended to read:

703.13 (6) (c) An amendment to a declaration shall identify the units involved and shall state that the boundaries between those units are being relocated by agreement of the unit owners thereof. The amendment shall contain words of conveyance between those unit owners, and when recorded shall also be indexed in the name of the grantor and grantee. If the adjoining unit owners have specified in their written application the reallocation between their units of the aggregate undivided interest in the common elements appertaining to those units, the amendment to the declaration shall reflect that reallocation. An amendment to a declaration under this paragraph shall be adopted, at the option of the adjoining unit owners, either in the manner provided under s. 703.09 (2) (a) or by the written consent of the owners of the adjoining units involved and the mortgagees of the adjoining units.

Section 1r. 703.13 (8) (b) of the statutes is amended to read:

703.13 (8) (b) If the unit owners of adjoining units that may be merged desire to merge the units, the unit owners, after 30 days' written notice to all other unit owners, shall prepare and execute appropriate instruments under this subsection. An amendment to the condominium instruments shall assign a new identifying number to the new unit created by the merger of the units and shall allocate to the new unit all of the undivided interest in the common elements and rights to use the limited common elements and the votes in the association formerly appertaining to the separate units. The amendment shall reflect an allocation to the new unit of the

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liability for common expenses and rights to common surpluses formerly
appertaining to the separate units. An amendment to a declaration under this
paragraph shall be adopted either <u>in the manner provided</u> under s. $703.09(2)(\underline{a})$ or
by the written consent of the owners of the units to be merged, the mortgagees of
those units, if any, and the board of directors of the association.".

3. Page 4, line 19: after that line insert:

"Section 8m. 703.38 (11) of the statutes is created to read:

703.38 (11) Sections 703.09 (2) (b), 703.093 (1) (b), and 703.10 (5) (b) are not applicable to a condominium existing on the effective date of this subsection [LRB inserts date], if the existing declaration or bylaws provide otherwise.".

11 (END)