

Wisconsin Legislative Council

ACT MEMO



Prepared by: Abby Gorzlaneyk, Staff Attorney

August 11, 2025

2025 Wisconsin Act 32 [2025 Senate Bill 172]

Prohibition on Filing or Recording Non-Improvement Contracts

2025 WISCONSIN ACT 32

2025 Wisconsin Act 32 generally prohibits filing or recording a non-improvement contract or an instrument related to a non-improvement contract. The act defines a “non-improvement contract” as a contract to which all of the following apply: (1) the contract requires a person to agree 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 (2) the contract purports to create a lien, encumbrance, or other security interest on real estate. The prohibition first applies to instruments recorded or filed on or after the effective date of the act.

If a person files or records a non-improvement contract or related document, the owner of the affected real estate may bring a civil action. If the property owner is successful, the court must enter an order releasing the real estate from the instrument, and may award actual damages, including costs and reasonable attorney fees. Additionally, whoever files or records a non-improvement contract or related document may be fined no more than \$10,000, imprisoned for no more than nine months, or both.

The act specifically excludes the following from the general prohibition on filing or recording a non-improvement contract or related instrument:

- An instrument that evidences or is related to a security interest for the repayment of a loan or other extension of credit.
- The following instruments required or allowed to be filed under statute: a cropper’s contract under s. 241.03 (1), Stats.; the covenants and restrictions that create a homeowner’s association under s. 710.18 (2) (a), Stats.; a document evidencing an access easement for the use and maintenance of a private road under s. 710.20, Stats.; a maintenance lien under s. 779.70, Stats.; an instrument related to a condominium association under ch. 703, Stats.; or a timeshare ownership under ch. 707, Stats.
- A declaration, covenant, or other instrument related to the creation or operation of a homeowners’ association, housing cooperative, or other common-interest community.
- An instrument related to a commercial lease.
- A lien or encumbrance arising from a covenant or agreement contained in an instrument of conveyance that creates or imposes ongoing obligations, like contributions for maintenance, access easements, commercial operations, or property management.
- A commission lien filed or recorded under s. 779.32, Stats.

Effective date: August 10, 2025

For a full history of the bill, visit the Legislature’s [bill history page](#).

AG:kp