



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-2472/1

KRP:cjs

2025 SENATE BILL 172

April 3, 2025 - Introduced by Senators QUINN, MARKLEIN, DASSLER-ALFHEIM, NASS, SPREITZER and WALL, cosponsored by Representatives MAXEY, PIWOWARCZYK, BEHNKE, DITTRICH, KNODL, KREIBICH, MURPHY, PRONSCHINSKE, SUMMERFIELD and ORTIZ-VELEZ. Referred to Committee on Insurance, Housing, Rural Issues and Forestry.

1 **AN ACT** *to amend* 59.43 (1c) (intro.) and 706.05 (1); *to create* 59.43 (1k) and
2 710.27 of the statutes; **relating to:** prohibiting filing or recording contracts
3 for services or materials that do not improve real estate and providing a
4 penalty.

Analysis by the Legislative Reference Bureau

This bill provides that, with certain, specified exceptions, no person may file or record with, or present for filing or recording to, a register of deeds a non-improvement contract or a notice, memorandum, or other instrument related to a non-improvement contract (document) and authorizes the register of deeds to reject such a document and return it unrecorded. The bill defines “non-improvement contract” as a contract 1) 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 2) that purports to create a lien, encumbrance, or other security interest on real estate. A person that violates the recording or filing prohibition in the bill may be fined not more than \$10,000 or imprisoned for not more than nine months, or both.

In addition, under the bill, an owner of real estate affected by such a filing or recording may bring a civil action against the person that files or records the document. If the owner prevails in the action, the court must order the real estate

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released from the effect of the document and may award actual damages, costs, and reasonable attorney fees.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report.

For further information see the local fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 59.43 (1c) (intro.) of the statutes is amended to read:

59.43 (1c) REGISTER OF DEEDS; DUTIES. (intro.) Subject to ~~sub.~~ subs. (1k) and (1m), the register of deeds shall:

SECTION 2. 59.43 (1k) of the statutes is created to read:

59.43 (1k) AUTHORITY TO REJECT NON-IMPROVEMENT CONTRACTS. If a register of deeds is presented with a non-improvement contract, as defined in s. 710.27 (1) (c), or a notice, memorandum, or other instrument related to a non-improvement contract, for recording, the register of deeds may reject the non-improvement contract, notice, memorandum, or other instrument and return it unrecorded.

SECTION 3. 706.05 (1) of the statutes is amended to read:

706.05 (1) Subject to s. 59.43 (1k) and (2m), every conveyance, and every other instrument ~~which~~ that affects title to land in this state, shall be entitled to record in the office of the register of deeds of each county in which land affected thereby may lie.

SECTION 4. 710.27 of the statutes is created to read:

710.27 Non-improvement contracts; recording prohibited. (1)

DEFINITIONS. In this section:

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1 (a) "Improvement" has the meaning given in s. 779.01 (2) (a).

2 (b) "Materials" has the meaning given in s. 779.01 (2) (bm).

3 (c) "Non-improvement contract" means a contract to which all of the following
4 apply:

5 1. The contract is a contract under which a person agrees to perform, furnish,
6 or procure any work, labor, service, materials, plans, or specifications that are not
7 used or consumed for the improvement of real estate.

8 2. The contract purports to create a lien, encumbrance, or other security
9 interest on real estate.

10 **(2) RECORDING PROHIBITED.** No person may file or record with, or present for
11 filing or recording to, a register of deeds a non-improvement contract or a notice,
12 memorandum, or other instrument related to a non-improvement contract.

13 **(3) EXCEPTIONS.** Subsection (2) does not apply to any of the following:

14 (a) An instrument that evidences security given for the repayment of a loan or
15 other extension of credit or an instrument related to such an evidence of security.

16 (b) An instrument required or allowed to be filed or recorded under s. 241.03
17 (1), 710.18 (2) (a), or 710.20 or ch. 703 or 707.

18 (c) A declaration, covenant, or other instrument related to the creation or
19 operation of a homeowners' association, housing cooperative, or other common
20 interest community.

21 (d) An instrument related to a commercial lease.

22 (e) A lien or encumbrance arising from a covenant or agreement contained in
23 an instrument of conveyance that creates or imposes ongoing obligations, such as

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1 contributions for maintenance, access easements, commercial operations, or
2 property management.

3 (f) A lien filed or recorded under s. 779.32.

4 **(4) REMEDIES.** (a) If a person files or records an instrument in violation of
5 sub. (2), an owner of the real estate affected by the filing or recording may bring a
6 civil action against the person. If the owner prevails in an action under this
7 paragraph, the court shall enter an order releasing the real estate from the effect of
8 the instrument and may award to the owner actual damages and the costs of the
9 action, including, notwithstanding s. 814.04 (1), reasonable attorney fees incurred
10 in connection with the action, and the owner may record the order with the register
11 of deeds for the county in which the real estate is located.

12 (b) In addition to the remedy under par. (a), whoever violates sub. (2) may be
13 fined not more than \$10,000 or imprisoned for not more than 9 months, or both.

14 (c) This subsection does not apply to a register of deeds or other government
15 employee who acts in the course of the employee's official duties and files, enters, or
16 records any instrument relating to title on behalf of another person.

17 (d) The rights and remedies under this subsection are in addition to, and not
18 in lieu of, any other rights or remedies that the owner may have.

19 **SECTION 5. Initial applicability.**

20 (1) This act first applies to an instrument that is filed or recorded with a
21 register of deeds on the effective date of this subsection.

22 **(END)**