



Wisconsin State Representative • 64th Assembly District

January 11, 2018

Assembly Committee on Housing and Real Estate
Assembly Bill 470
Representative Peter Barca

Chairman Jagler and members of the Assembly Committee on Housing and Real Estate; thank you for holding a public hearing on Assembly Bill 470, bipartisan legislation which will preserve the property rights of condominium unit owners to ensure that they can protect the rights and privileges they were contractually assured when they purchased their condo.

This is legislation that came directly from the experience of constituents in my district. During the 2008-09 recession, a condominium development in Kenosha was hit hard by the collapse of the real estate market. It had sold only a small fraction of the total units and went into foreclosure.

After the development and remaining units were acquired by another company, the new company was able to use the supermajority of units they owned to make substantial changes to the rights and amenities included in the initial condominium documents by out-voting the rest of the residents and set up the building for apartment rentals. Residents soon found inadequate garbage and snow removal, higher association fees, a community room that was turned into a rental office, and when the remaining units were rented as apartments, in some cases, they were not cared for properly. The condominium owners were powerless to stop the changes.

My office was contacted by a group of owners, led by a retired couple, and based on their experience and at their request I have developed this proposal to prevent a similar situation from happening in the future.

Currently, changes can generally be made to the bylaws and declaration of a condo association with the written consent of 2/3 of unit owners. Under this bill, if a person or company controls more than 67% of units, or the number of votes needed to act unilaterally, each owner is given one vote and only a simple majority of total unit owners would be needed to oppose to block changes to the bylaws or declaration.

For example, if a condo association has 30 units, but a developer owned 21 units and individuals owned the other nine, the nine individual owners would be able to reject changes proposed to the declaration or bylaws by the developer. Rather than failing on a vote of 21-9, the individual owners would be able to block a change on a vote of 9-1. This does not give the group of individual owners the ability to make any new changes. They can only block the type of changes that adversely impact their investment.

Thank you for your time today, and I would appreciate your support when Assembly Bill 470 comes for a vote before this committee.