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STATE REPRESENTATIVE • 1ST ASSEMBLY DISTRICT

Testimony for the Assembly Committee on Housing and Real Estate Assembly Bill 685 Thursday, Jan. 16, 2020

Thank you Chairman Jagler and committee members for holding a public hearing and allowing me to testify in support of Assembly Bill 685. This bill creates certain requirements for condominium associations and unit owners when a dispute occurs before they file with a circuit court.

There has been an increase in condominium developments in Wisconsin over the years. This has resulted in more condominium unit owners facing challenges when they try to resolve disagreements between themselves and their condo associations. There is currently no statutory dispute resolution to help associations and owners resolve their disputes.

While most condo associations have strong, open relationships with the owners, this bill will help protect the property rights of owners in cases where that type of relationship does not exist.

The need for this bill came to light when a group of Sen. Cowles' constituents, who own condos in my district, came to us with their story. These owners had specific questions regarding decisions made by their condo association. The board was unresponsive and, because there is no resolution process in place, they were forced to file in circuit court to obtain the information they desired.

This bill helps to facilitate a conversation between condo associations and unit owners through a direct negotiation conference. The association or unit owner would be required to provide a notice of claim, and either party would have 10 business days to request a direct negotiation conference.

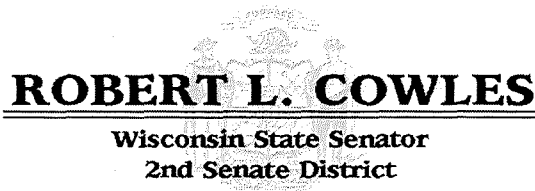
The goal of the direct negotiation conference is to find a resolution through an exchange of offers and counteroffers by the two parties, without the use of a third person. This bill gives unit owners a seat at the table when working out a dispute between themselves and the association.

After the notice of claim is given by the association or unit owner, either party may then file the claim in circuit court when neither party timely requests a negotiation conference, fails to resolve the dispute, fails to timely conduct the conference or when one party feels the negotiations have not resulted in a resolution and therefore terminates direct negotiations.

Thank you for taking the time to listen to my testimony and I hope you consider supporting this bill. I would like to thank everyone who has worked on Assembly Bill 683, including the other authors and their staff. I am happy to answer any questions you may have.

STANDING COMMITTEES:

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JOINT COMMITTEES:
Audit Committee, Co-Chair

Testimony on 2019 Assembly Bill 685

Senator Robert Cowles

Assembly Committee on Housing and Real Estate - January 16, 2020

Thank you, Chairman Jagler and Committee Members, for hearing 2019 Assembly Bill 685 to create a pre-filing notice requirement applicable to a dispute between a condominium association and a unit owner.

Over the past 20 years, Wisconsin has seen a surge in condominium developments. Owners of condominiums buy for many reasons, including the ease of maintenance, affordability, a choice to downsize from a larger home, or the hope of proving a long-term investment or rental income.

While many condominium associations and unit owners have strong relationships, there are some that have not. This bill came to my office after a meeting 18-months ago with a few constituents from my district that owned properties in the same condominium complex that's located in Representative Kitchens' district.

These constituents had several questions on why the condominium association board was not answering their questions regarding specific decisions the board had made. These constituents ended up having to go to circuit court to obtain the answers they were looking for. The reason being, condo unit owners currently have no statutory dispute resolution process to resolve issues between condo associations and unit owners.

Assembly Bill 685 provides basic guidelines to ensure that unit owners have a seat at the table with their condominium associations to protect their private property rights. This bill would help facilitate a conversation to resolve issues between condominium associations and unit owners through a direct negotiation conference.

This legislation requires notice to be given by the aggrieved party that a direct negotiation conference is requested. Receipt of this notice sets forth a timeline for the parties to meet in a direct negotiation conference for dispute resolution that could hopefully avoid costly litigation expenses and untimely delays for both parties and alleviate court congestion.

By establishing a statutory process that gives unit owners a seat at the table when condominium associations are obstructing the ability for the unit owners to maintain or modify their condos, or questions decisions that affect their property, we can ensure that Wisconsinites have their property rights protected; no matter what their property looks like.