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2021 Senate Bill 590 Testimony of Representative Cody Horlacher December 7, 2021

Chairman Jagler and members of the Senate Committee on Housing, Commerce and Trade, thank you for having me here today to testify on Senate Bill 590. This bill was drafted in consultation with the Wisconsin Register of Deeds Association and has the support of the Wisconsin Counties Association. It is an updated version of 2019 AB 598/SB 550, which unanimously passed the Senate Committee and the full Assembly on a voice vote.

This bill aims to clean up and streamline Chapter 703, Condominiums, so that register of deeds offices, condominium owners, and condominium operators are all on the same page when it comes to recording.

Currently, register of deeds offices deal with an unclear and difficult statutory framework regarding condominium law. The issues they face include inconsistencies among recording requirements, difficulties locating bylaws and a lack of clarity regarding expansion or merging of condominiums. That's because under current law, only some instruments are required to be reported and some instruments do not have specifications for recording requirements. For example, it is unclear when expansion condominium areas become part of a condo plat. This lack of clarity is detrimental to all parties involved, any of whom may want to have legal certainty during such a process. In addition, the process for merging or consolidating condominiums is a gray area within Chapter 703, resulting in instruments being submitted any number of different ways. Generally speaking, Chapter 703 is difficult to navigate for owners, register of deeds offices, attorneys, and more.

This bill cleans up Chapter 703 and provides clarity to all parties involved by specifying exactly what needs to be recorded and in what manner. Additionally, bylaws would no longer be difficult to locate, since the condo association would deliver a copy to each unit owner.

Thank you for your time and I would be happy to answer any questions.



JOAN BALLWEG

STATE SENATOR · 14TH SENATE DISTRICT

Senate Bill 590: Requirements Related to Condominium Documents and Technical
Changes to Condominium Law
Senate Committee on Housing, Commerce and Trade
Testimony of Senator Joan Ballweg
December 7, 2021

Thank you, Chairman Jagler and members of the committee, for holding this hearing on SB 590. Some years ago, the Wisconsin Register of Deeds Association (WRDA) came to me with an idea to clean up condominium law. The drafting included the WRDA and several stakeholder groups, which resulted in this bill that will streamline and clarify Chapter 703 to the benefit of all parties. Last session, the bill (AB 598/SB 550) passed the full Assembly and the Senate committee unanimously, but it did not make it to the Senate floor before the end of session.

Register of Deeds offices deal with an unclear and difficult statutory framework regarding condominium law. The issues they face include inconsistencies among recording requirements, difficulties locating bylaws and a lack of clarity regarding expansion or merging of condominiums. This bill aims to cleanup and streamline Chapter 703 by creating greater specificity regarding recording so that Register of Deeds offices, condominium owners and condominium operators are all on the same page when it comes to recording these documents.

Additionally, bylaws will be more accessible to condominium owners, since the condominium association would be required to deliver a copy of approved amendments of bylaws to each unit owner. In other instances, Chapter 703 is not as clear nor as specific as it should be, making the position of Register of Deeds a complicated profession. The changes in this bill will allow Register of Deeds offices and private attorneys to be able to point to statutory authority in any disputes by removing ambiguities that may arise within the recording, expansion or merging processes.

Overall, SB 590 gives clarity regarding the processes within condominium law and streamlines the chapter to facilitate smoother property transactions. This bill is supported by the WRDA, Wisconsin Counties Association, Wisconsin Land Title Association and the Wisconsin Society of Land Surveyors. Thank you for considering this bill.



SB 590 – Condo Legislation

Good Morning. I am Staci Hoffman, the Jefferson County Register of Deeds and serve on the legislative committee for the Wisconsin Register of Deeds Association. We did plan to have other members of the WRDA attend and speak today, but COVID is still causing havoc in some of our counties.

Thank you, Chairman Jagler and members of the Committee on Housing, Commerce & Trade for holding this hearing on Senate Bill 590. The Wisconsin Register of Deeds Association and its real estate partners have been working on changes to Chapter 703 for quite a few years. The members of our association are extremely excited to see this bill moving forward again.

Registrars statewide are regularly asked questions regarding condominiums. Answering those questions and fulfilling the request of the constituents and *real estate professionals can be* challenging due to the vagueness and inconsistencies throughout Chapter 703. Generally speaking, Chapter 703 is difficult to navigate for owners, register of deeds offices, attorneys, and more. We believe this bill provides some clarity and consistency throughout Chapter 703 for all stakeholders.

The bill addresses the top five issues our association identified through a survey of the association.

- **Recording requirements and inconsistencies.** Under current law, only some instruments are required to be recorded. This bill specifies that all instruments shall be recorded and meet all recording requirements.
- **Difficulties locating bylaws.** Currently, it can be difficult and frustrating for real estate professionals, sellers and potential buyers to locate the bylaws to fulfill their statutory obligations or to do their due diligence. Under this bill, amendments to condominium bylaws must be delivered to each unit owner.
- **Clarification on expansion condominiums.** This bill clarifies that the expansion lands reserved in the declaration and designated on the condominium plat become part of the condominium only once they are added by means of recording an amendment to the declaration and an addendum to the condominium plat.
- **Clarification and requirements to merge condominiums.** Under current law, the process for merging two or more condominiums is gray resulting in instruments being submitted for recording inconsistently. This bill specifies that the only way to create a merger of condominiums is by recording a restatement of declaration that includes the merger agreement and a resultant plat.

- **General clean up throughout.** Mainly terms and processes have been brought up to date.

Our first step to remedy these issues was in 2014 trying to come to a consensus on improving the condo statute, but as with many attempts our group could not refine our issues.

Then in 2018 we formed a condo workgroup and got the general concepts we wanted to improve. On January 9, 2019 we met with our business partners to improve and refine our suggested changes to the condo statute. With the help from the Wisconsin Realtors Association, Wisconsin Land Title Association, Wisconsin Counties Association, Wisconsin Bar Association and Wisconsin Society of Land Surveyors we were able to move our initiatives forward.

After our very productive meeting, we honed down what started as a 52 page document to a 23 page bill with the expert assistance of the bill writer and Representative – now Senator Ballweg and her staff, our condo workgroup and business partners.

This bill is an updated version of 2019 AB 598/SB 550, which unanimously passed the Senate Committee and the full Assembly on a voice vote; we were almost there before the session time ran out and hope this doesn't happen again this session.

This bill clarifies and assists the public, attorneys and many business partners to not only understand the condominium process better, but have consistencies throughout the state of Wisconsin.

I ask for your support of SB 590. This has been an outstanding collaboration with our business partners to serve the great citizens of Wisconsin!

Thank you for your time and continued support of the Wisconsin Register of Deeds Association.

Staci M. Hoffman

Jefferson County Register of Deeds

Wisconsin Register of Deeds Association, Legislative Committee and Past President

REGISTER OF DEEDS

Brown County



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Cheryl Berken
Register of Deeds

December 7, 2021

Good Morning,

My name is **Cheryl Berken**, I am Register of Deeds for **Brown County and Legislative chair for the WRDA.**

I would like to thank Chairman Jagler and members of the Committee on Housing, Commerce & Trade for holding this hearing on SB 590.

The Wisconsin Register of Deeds Association prides itself in constituent-based solutions for real life issues the public and our business partners experience.

As mentioned, we had 5 reoccurring issues:

1. Inconsistencies with recording requirements.
2. Difficulties locating bylaws and any amendments thereof.
3. Lack of clarity on expansion condominiums.
4. Lack of clarity and requirements to merge condominiums.
5. General clean up throughout

Our first step to remedy these issues was in 2014 trying to come to a consensus on improving the condo statute, but as with many attempts our group could not refine our issues.

Then in 2018 we formed a condo workgroup and got the general concepts we wanted to improve. On January 9, 2019 we met with our business partners in Green Lake County to improve and refine our suggested changes to the condo statute. With the help from the Wisconsin Realtors Association, Wisconsin Land Title Association, Wisconsin Counties Association, Wisconsin Bar Association and Wisconsin Society of Land Surveyors we were able to move our initiatives forward.

After our very productive meeting, we honed down what started as a 52-page document to a 23-page bill with the expert assistance of the bill writer and Representative Ballweg and her staff, our condo workgroup and business partners.

After passing the Assembly in early 2020, the bill was stalled when the Covid-29 pandemic hit. In early 2021, again with the help of Senator Ballweg and her staff, the bill is being introduced.

This bill clarifies and assists the public, attorneys and many business partners to not only understand the condominium process better but have consistencies throughout the state of Wisconsin.

I ask for your support of SB 590. This has been an outstanding collaboration with our business partners to serve the great citizens of Wisconsin!

Thank you

Cheryl Berken



Wood County

WISCONSIN

REGISTER OF
DEEDS OFFICE

Tiffany R. Ringer
Register of Deeds

December 7, 2021

RE: Support of SB590

Good Morning. My name is Tiffany Ringer. I am the Register of Deeds for Wood County.

Thank you, Chairman Jagler and members of the Committee on Housing, Commerce & Trade for holding this hearing on Senate Bill 590. The Wisconsin Register of Deeds Association and its real estate partners have been working on changes to Chapter 703 for quite a few years. The members of our association are extremely excited to see this bill moving forward again.

Members of the Wisconsin Register of Deeds are regularly asked questions regarding condominiums. Answering those questions and fulfilling the request of the constituents and real estate professionals can be challenging due to the vagueness and inconsistencies throughout Chapter 703. We believe this bill provides some clarity and consistency throughout Chapter 703 to all stakeholders.

The bill addresses the top five issues our association identified through a survey of the association.

This bill assists us in better fulfilling the needs of our constituents and real estate professionals. I respectfully ask that you support this legislation.

Thank you for your time.

Tiffany Ringer
Wood County Register of Deeds