



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2017 Assembly Bill 818**

**Assembly Amendment 2**

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### **2017 ASSEMBLY BILL 818**

Assembly Bill 818 makes various changes to condominium law, including the following:

- Creation of a procedure that a condominium association may use to raise funds to repair or replace significant defects to common elements of a condominium that are related to initial construction or performed by or for a declarant during the period of declarant control. As part of this procedure, the mortgagee of a mortgage executed after the effective date of the bill would be required to release its security interest in a unit or accept a quit claim deed following foreclosure by the association for failure of a unit owner to pay the assessment related to repair of the defects.
- Specification that a mortgagee who forecloses on a first mortgage is jointly and severally liable with the former unit owner for 12 months of unpaid assessments preceding the date on which a foreclosure sale is confirmed.
- Creation of a passive-approval procedure under which a unit owner or condominium association may mail notice of amendment of a condominium declaration to a first mortgagee.
- Specification that only a professional land surveyor, and not a civil engineer or architect, may certify the accuracy of condominium documents that are amended to reflect altered unit boundaries.
- For new condominiums, specification that, after the period of declarant control has expired, no unit owner may vote at an association meeting if the unit is partially or fully exempt from condominium assessments.

- For new condominiums, revision to the percentage of votes required to remove property from a condominium. Under the bill, 80% of votes would be required to remove property, while current law specifies a unanimous vote.
- For new condominiums, creation of alternative procedures for determination of owners' interests in property after removal and for division of proceeds following partition of condominium property.

## **ASSEMBLY AMENDMENT 2**

Assembly Amendment 2 makes substantial revisions to Assembly Bill 818, including removal of provisions of the bill affecting voting rights of owners of units exempt from condominium assessments; mortgagee liability for unpaid assessments upon foreclosure; creation of new procedures for repair or replacement of defective common elements and options of first mortgagees under those circumstances; percentage of votes required for removal of property; and creation of alternative procedures for division of interests upon removal and division of proceeds upon partition of condominium property.

Thus, the provisions of the bill remaining under Assembly Amendment 2 include:

- The creation of a passive-approval procedure under which a unit owner or association may mail notice of amendment of a condominium declaration to a first mortgagee, with the clarification that the notice must be sent by certified mail to the last known address of the mortgagee.
- The specification that only a professional land surveyor may certify the accuracy of condominium documents amended to reflect altered unit boundaries.
- Terminology changes relating to references to amendments and addenda for recording purposes in s. 703.095, Stats., and to references to construction liens instead of mechanic's liens in ch. 703, Stats.

## **BILL HISTORY**

2017 Assembly Bill 818 was introduced by Representative Ballweg on January 8, 2018. Representative Ballweg offered Assembly Amendment 2 on January 25, 2018. On February 6, 2018, the Assembly Committee on Housing and Real Estate recommended adoption of Assembly Amendment 2 and passage of Assembly Bill 818, as amended, on votes of Ayes, 9; Noes, 0.

SG:jal