



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2007 Wisconsin Act 18
[2007 Senate Bill 11]

Time-Share Licenses

Current law prohibits the creation of time-share licenses in Wisconsin. A time-share license is defined as a right to occupy a unit or any of several units under a license or lease agreement during at least four separated periods over at least four years, including renewal options, not coupled with an interest in property.

2007 Wisconsin Act 18 repeals the prohibition under current law and permits the creation and sale of time-share licenses.

The Act also contains several modifications intended to correct discrepancies between current Wisconsin law and the Act. The discrepancies exist because current law requires all time-shares to have a real property interest while the Act permits the sale of time-share licenses that are not coupled with an interest in real property. The modifications are as follows:

1. Exception for Licenses

The Act adds time-share licenses to the time-share instrument exception for time-share easements with units in more than one time-share property. Under this provision, a time-share instrument describing a time-share license, like a time-share instrument describing a time-share easement, will not be required to include certain specific property information if the time-share license applies to units in more than one time-share property. This provision, originally derived from the model time-share act on which Wisconsin law is based, will exempt time-share easements and licenses from certain instrument disclosures, apparently because a description of all properties involved in a time-share easement or license would likely be onerous for both the developer and prospective customers.

In addition, several of the time-share instrument requirements under s. 707.21, Stats., refer to items of real property interest such as specific plat location and the method for allocating real property taxes that do not generally apply to time-share licenses.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

2. Enforcement of Lien

Act 18 clarifies that the enforcement of a lien against a time-share license must be pursued under the Uniform Commercial Code (chs. 401 to 411, Stats.) rather than in the manner of a foreclosure of mortgage on real property in this state. The absence of a real property interest in a time-share license renders the statutory requirements regarding the foreclosure of mortgage on real property inapplicable.

3. Purpose of Advertising Material

The Act deletes the reference to “real” property on advertising disclosures for time shares and substitutes the term “time-share” property. The sale of a time-share license does not convey a real property interest, thus, the current disclosure language required for time-share advertising materials is not applicable.

Effective Date: 2007 Act 18 takes effect on August 1, 2007.

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