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## Luther S. Olsen

State Senator  
14th District

**TO:** Senate Committee on Utilities & Housing  
**FROM:** Senator Luther Olsen  
**DATE:** January 23, 2020  
**SUBJECT:** Testimony in favor of Senate Bill 550.

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Thank you Chairman LeMahieu and the Senate Committee on Utilities and Housing for holding a hearing and allowing me to testify in favor of Senate Bill 550.

Senate Bill 550 makes changes to condominium law, Chapter 703, to protect consumers and their property rights. We have worked with stakeholders to come up with a clean-up bill to deal with inconsistencies among recording requirements, difficulties locating bylaws and a lack of clarity regarding expansion or merging of condominiums.

Under current law, some instruments are required to be reported and other instruments do not have specifications for recording requirements. For example, it is unclear when expansion areas become part of the condominium plat. Additionally, the process for merging or consolidating condominiums is an area of ambiguity, resulting in instruments being submitted any number of ways. This lack of clarity is unfavorable to all parties involved during such a process.

Senate Bill 550 was drafted with the goal of cleaning up general statutes and streamlining Chapter 703 so that register of deeds offices, condominium owners and condominium operators have consistency and clarity when it comes to recording.

This legislation specifies exactly what needs to be recorded and in what manner to all parties involved. In addition, the condominium associations will send a copy of their bylaws to each unit owner so they would no longer be difficult to locate.

Thank you, members. I ask for your support and would be more than happy to answer any questions.



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CO-CHAIR, JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES

41<sup>st</sup> ASSEMBLY DISTRICT

**Senate Bill 550: Requirements related to condominium documents and technical changes to  
condominium law**

**Committee on Utilities and Housing  
Testimony of Representative Joan Ballweg  
January 23, 2020**

Thank you, Chairman LeMahieu and members of the Committee on Utilities and Housing, for holding this hearing on Senate Bill 550. This bill has been in the works for quite some time. Some years ago, the Wisconsin Register of Deeds Association (WRDA) came to me with a bill idea to clean up the condominium reporting laws. Unfortunately, the drafting turned into a long back-and-forth between my office, the WRDA and other stakeholder groups. However, that long process led to the draft being a strong compromise between stakeholders all working toward the goal of streamlining and clarifying Chapter 703 to the benefit of all parties.

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 accomplish general statutory cleanup and streamline Chapter 703 so that register of deeds offices, condominium owners and condominium operators are all on the same page when it comes to recording. Under current law, only some instruments are required to be recorded and still other instruments do not have specific recording requirements when they must be recorded. For example, it is unclear when expansion condominium areas become part of the 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. Additionally, the process for merging or consolidating condominiums is a gray area within Chapter 703, resulting in instruments being submitted any number of ways. Generally speaking, condominium law is difficult to navigate for owners, register of deeds offices, attorneys and more.

This bill touches on many aspects of Chapter 703, so I'd invite you to ask any technical questions to those who know the chapter best, the registers who will testify. This legislation seeks to provide clarity to all parties involved in the process by creating greater specificity regarding recording. Bylaws will be more accessible to condominium owners, since the association would deliver it to them. Register of deeds offices and private attorneys will be able to point to statutory authority in any disputes, removing ambiguities that may arise within the recording or expansion or merging processes.

Chapter 703 is not as clear nor as specific as it should be, making the position of register a complicated profession. SB 550 gives clarity regarding the processes within condominium law and streamlines the chapter to facilitate smoother property transactions. Thank you for considering this bill. I am happy to answer any questions you may have and I urge you to support this legislation.





### **Wisconsin Register of Deeds Association Legislative Committee**

Committee Members: Sarah Guenther – Co-Chair, Cheryl Berken – Co-Chair, Kyle Franson, Brent Bailey, Sarah Van Camp, Margo Katterhagen, Karen Manske, Chris Planasch, Staci Hoffman, JoEllyn Storz, Tiffany Ringer, Sara Nuernberger and Heather Schwersenska

<http://www.wrdaonline.org/Index.htm>

**Re: Support AB 598 & SB550 the cleanup of Chapter 703 Condominium relating to the requirements related to condominium documents and technical changes to condominium law.**

Members of the Wisconsin Register of Deeds (WRDA) are regularly asked question 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.

- **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.

**Fulfilling the needs of constituents.** Many existing owners of condominiums, potential buyers of condominiums and other real estate professionals come to the Register of Deeds office for copies of condominium plats, declarations and bylaws. In general, Chapter 703 is difficult to navigate through. This bill cleans up Chapter 703 and provides clarity to all partners involved by specifying what needs to be recorded in the register of deeds office and in what manner.

For these reasons, the **WRDA requests your support for AB598 & SB550 relating to requirements related to condominium documents and technical changes to condominium law.**