



Wisconsin 2016 End of Session Report

Revisions to the Condominium Act: Thanks to some key meetings in the last few months where our own CAI condo owner members attended and spoke directly to their legislators about the issues facing their Associations, we now have an official draft of our legislation! Senator Chris Kapenga's office put together the initial draft, and CAI-WI LAC will be working with him over the summer to finalize the draft. We have the support of Representative Ballweg in the Assembly. We also have secured one senator and one assembly representative as secondary authors of our bill. Our goal remains to have this legislation introduced to the Senate and Assembly in the next legislative session. In the charming words of our lobbyist (who apparently likes football clichés), "We are now in the process of completing the game plan and will start out early next year on our own 20-yard line with the ball. It will be a grinder to get it in the end zone, as the Bankers will put up a stiff defense, but it is definitely doable. Given its limited resources and profile in the Capitol, CAI-WI has come a very long way in a short time."

You can download the proposed changes to WI Statutes Chapter 703: [HERE](#).

Short-term rentals: [AB 583](#) and [SB 446](#) sought to prohibit a city, village, town, or county from enacting or enforcing an ordinance that prohibits, regulates the duration or frequency of, or unreasonably restricts the rental of a "residential dwelling" for seven consecutive days or longer.

The bills define "residential dwelling" as all or part of any building or structure that is primarily used and occupied for, or intended to be used for human habitation, and includes any appurtenances belonging to the dwelling or usually enjoyed with it.

The bills specify that it does not limit the authority of a political subdivision to enact an ordinance regulating or requiring any of the following:

1. Inspections of residential dwellings.
2. The imposition or payment of inspection fees for residential dwellings.
3. Room taxes that may be imposed on residential dwellings.
4. Annual license fees or other fees that may be imposed on persons who rent out their residential dwellings.
5. Nuisances related to residential dwellings.

The bills also provide that residential dwelling rentals are not subject to certain state health and safety requirements related to lodging establishments.

The LAC monitored these bills for its implication on community associations. They failed upon adjournment.

Voting requirements: [AB 762](#) modifies the number of unit owners necessary for disapproval of an amendment to a condominium document under certain circumstances.

Under current law, a condominium declaration must specify the number of votes that are appurtenant to each unit in the condominium for purposes of voting at meetings of the association of unit owners. Current law provides that a condominium declaration, as well as a condominium plat, may be amended with the written consent of at least two-thirds of the aggregate votes established in the declaration for all of the units, unless the declaration provides for a greater percentage, and that condominium bylaws may be amended by the affirmative vote of unit owners having 67 percent or more of the votes.

This bill provides that, if legal title to units with two-thirds or more of the aggregate votes established in the declaration for all of the units is held by a single person or by two or more persons acting jointly by formal agreement, an amendment to a condominium declaration, as well as to a condominium plat, is disapproved if a simple majority of the unit owners, without regard to the number of units owned by any unit owner or the number of votes appurtenant to the units owned by any unit owner, opposes the amendment in writing. Likewise, an amendment to condominium bylaws is disapproved if a simple majority of the unit owners, without regard to the number of units owned by any unit owner or the number of votes appurtenant to the units owned by any unit owner, opposes the amendment in writing.

As defined in current law, a "unit owner" is any person, combination of persons, partnership, or corporation that holds title to a unit. Thus, for example, a husband and wife who own a unit together would be one-unit owner.

The bill failed upon adjournment.

Sales tax exemption by non-profit organizations: Under current law, occasional sales of tangible personal property, certain other property, or services made by a nonprofit organization are generally exempt from the sales tax if the sales occur no more than 20 days during the year or the receipts from such sales do not exceed \$25,000.

Assembly Bill 553 ([AB 553](#)) modifies this exemption and provides that such sales are exempt from the sales tax if the sales occur no more than 75 days during the year or the receipts from the sales do not exceed \$50,000.

Current law also provides that, if a nonprofit organization sells admissions to an event involving entertainment, the admission sales are exempt from the sales tax if the total amount paid for the performance or to reimburse the expenses associated with the entertainment is no more than \$500. AB 553 increases the threshold for the exemption so that the exemption applies as long as the total amount is no more than \$10,000. The measure was signed into law.