

State of Wisconsin



2025 Senate Bill 172

Date of enactment:
Date of publication*:

2025 WISCONSIN ACT

AN ACT to create 710.27 of the statutes; relating to: prohibiting filing or recording contracts for services or materials that do not improve real estate and providing a penalty.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 4. 710.27 of the statutes is created to read:

710.27 Non-improvement contracts; recording prohibited. (1) **DEFINITIONS.** In this section:

(a) "Improvement" has the meaning given in s. 779.01 (2) (a).

(b) "Materials" has the meaning given in s. 779.01 (2) (bm).

(c) "Non-improvement contract" means a contract to which all of the following apply:

1. The contract is a contract under which a person agrees to perform, furnish, or procure any work, labor, service, materials, plans, or specifications that are not used or consumed for the improvement of real estate.

2. The contract purports to create a lien, encumbrance, or other security interest on real estate.

(2) **RECORDING PROHIBITED.** No person may file or record with, or present for filing or recording to, a register of deeds a non-improvement contract or a notice, memorandum, or other instrument related to a non-improvement contract.

(3) **EXCEPTIONS.** Subsection (2) does not apply to any of the following:

(a) An instrument that evidences security given for

the repayment of a loan or other extension of credit or an instrument related to such an evidence of security.

(b) An instrument required or allowed to be filed or recorded under s. 241.03 (1), 710.18 (2) (a), 710.20, or 779.70 or ch. 703 or 707.

(c) A declaration, covenant, or other instrument related to the creation or operation of a homeowners' association, housing cooperative, or other common interest community.

(d) An instrument related to a commercial lease.

(e) A lien or encumbrance arising from a covenant or agreement contained in an instrument of conveyance that creates or imposes ongoing obligations, such as contributions for maintenance, access easements, commercial operations, or property management.

(f) A lien filed or recorded under s. 779.32.

(4) **REMEDIES.** (a) If a person files or records an instrument in violation of sub. (2), an owner of the real estate affected by the filing or recording may bring a civil action against the person. If the owner prevails in an action under this paragraph, the court shall enter an order releasing the real estate from the effect of the instrument and may award to the owner actual damages and the costs of the action, including, notwithstanding s. 814.04 (1), reasonable attorney fees incurred in connection with the action, and the owner may record the order with the

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

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register of deeds for the county in which the real estate is located.

(b) In addition to the remedy under par. (a), whoever violates sub. (2) may be fined not more than \$10,000 or imprisoned for not more than 9 months, or both.

(c) This subsection does not apply to a register of deeds or other government employee who acts in the course of the employee's official duties and files, enters,

or records any instrument relating to title on behalf of another person.

(d) The rights and remedies under this subsection are in addition to, and not in lieu of, any other rights or remedies that the owner may have.

SECTION 5. Initial applicability.

(1) This act first applies to an instrument that is filed or recorded with a register of deeds on the effective date of this subsection.
