2019 SENATE BILL 438

September 23, 2019 – Introduced by Senators MARKLEIN, MILLER, COWLES, ERPENBACH and TESTIN, cosponsored by Representatives BALLWEG, HEBL, EDMING, KRUG, SKOWRONSKI, SPREITZER, TUSLER and VANDERMEER. Referred to Committee on Agriculture, Revenue and Financial Institutions.

1 AN ACT *to amend* 706.11 (1m) (b) (intro.); and *to create* 706.11 (1) (i) of the

2 statutes; **relating to:** the priority of a mortgage executed to an institution

3 chartered by the federal Farm Credit Administration.

Analysis by the Legislative Reference Bureau

Current law provides that certain mortgages on real property that are duly recorded have priority over certain other liens on the same real property, for example, construction liens. This bill adds to the list of mortgages that have priority a mortgage executed to an institution chartered by the federal Farm Credit Administration that is part of the federal Farm Credit System.

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

4 SECTION 1. 706.11 (1) (i) of the statutes is created to read:

5 706.11 **(1)** (i) Any mortgage executed to an institution chartered by the federal

6 farm credit administration under 12 USC 2002 (a) that is part of the federal farm

7 credit system created under 12 USC 2001 to 2279cc.

8 SECTION 2. 706.11 (1m) (b) (intro.) of the statutes is amended to read:

1   706.11 **(1m)** (b) (intro.) An advance of funds, including accrued but unpaid

2   interest on the advance, that is secured by a duly recorded mortgage specified in sub.

3   (1) (a) to (d) or (f) to ~~(h)~~ (i) and that is made after the mortgage has been recorded has

4   the same priority as the mortgage if the advance is made before the mortgagee has

5   actual knowledge of an intervening lien or, regardless of when the advance is made,

6   if any of the following applies:

7   **SECTION 3. Initial applicability.**

8   (1) This act first applies to a mortgage described under s. 706.11 (1) (i) that is

9   executed on the effective date of this subsection.

10   **(END)**