



COURSE 962378

Construction Liens

Exam Material

Uscontractorlicense LLC

PO Box 268 / Platteville, Wisconsin 53818 / 608.348.6688 / www.uscontractorlicense.com

Summary Of This Course

Construction Leins

Approved by the

Wisconsin Department of Safety and Professional Services Safety and Buildings Division

Course Identification Number 962378

Educational Credit Hours: 4 Hours

Course Provider:

USCONTRACTORLICENSE LLC

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This course provides an in-depth exploration of Subchapter I of Wisconsin Statute Chapter 779, which governs Construction Liens. The instruction focuses on the legal rights and obligations of contractors, subcontractors, suppliers, service providers, property owners, and lenders as they pertain to lien creation, enforcement, and defense in construction projects within Wisconsin.

This Course is approved for the following Registrations/Certifications or Licenses:

[illegible]

Course Outline

This course is a distance learning or e-learning course, which allows the attendee to complete the course on their time schedule.

Construction liens

Notice required to preserve lien rights; exceptions; saving clause; obligations of contractors

Lien valid unless waived by claimant personally, or unless payment bond furnished

Form of contract; payment bond; remedy

Contracts with payment bond; lien; notice; duty of owner and lender.

Claims assignable; notice; prior payment

Waivers of lien

Filing claim and beginning action; notice required before filing; contents of claim document

Judgment and lien docket

Release of lien; undertaking

Foreclosure of lien; procedure; parties

Judgment

Distribution of proceeds of sale

Sale; notice and report; deficiency judgment; writ of assistance

Satisfaction of judgment or lien; correction of errors

Construction contracts, form of contract

Public works, form of contract, bond, remedy

Public improvements; lien on money, bonds, or warrants due the prime contractor; duty of officials

Judgment creditors, attachment of funds due to public contractors

Theft by contractors

Release of funds on filing bond.

Exam

120 questions related to the reference materials are used to test the attendee on their comprehension of the materials. A 70% score will need to be attained in order to pass this course.

Answer Sheet(s)

1 bubble style answer sheet(s) are included. When you are finished with the exam, you may return the answer sheets for grading to:

By Mail: Uscontractorlicense LLC
PO Box 268
Platteville, Wisconsin 53818

By Email: michael@uscontractorlicense.com

By Fax: 608-571-0096

Once we get the answer sheets back, we will grade them, enter your hours into the attendance portal and email or mail you back your certificate of completion(s). You will be responsible for renewing your license with the DSPS at www.license.wi.gov website.

Any questions, please contact us at 608.348.6688

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The following questions 1 thru 13 can be referenced in
779.01 - Construction Liens

1. What does "improvement" include under Wisconsin Statute § 779.01(2)(a)?

- A. Only building construction
- B. Only excavation work
- C. Activities including demolition, alteration, grading, and landscaping
- D. Activities unrelated to land development

2. What is the intended interpretation of the term "improvement"?

- A. Narrower than common usage
- B. Same as used in real estate tax law
- C. An extension, not a limitation, of common understanding
- D. Defined solely by local ordinances

3. Who is considered a "lien claimant" under Wis. Stat. § 779.01?

- A. Any owner who builds their own property
- B. Any person claiming a lien based on a contract for land improvement
- C. The lender funding the improvement
- D. The building inspector

4. What does the term "materials" include under Wis. Stat. § 779.01(2)(bm)?

- A. Only raw building materials
- B. Only energy sources
- C. Tools, fixtures, vehicles, fuel, and energy
- D. Insurance and taxes

5. According to Wis. Stat. § 779.01(2)(c), who is presumed to be an agent in absence of contrary evidence?

- A. Contractors and architects
- B. Employers and employees
- C. Owners and subcontractors
- D. Builders and suppliers

6. Who qualifies as a "prime contractor" under Wis. Stat. § 779.01(2)(d)1?

- A. Only laborers
- B. Any person hired by a subcontractor
- C. Professionals like architects and engineers hired by the owner
- D. Suppliers of equipment only

7. If an owner personally acts as prime contractor, who is considered the prime contractor under law?

- A. The subcontractor
- B. The owner
- C. The lender
- D. The architect

8. What does "serve" mean according to Wis. Stat. § 779.01(2)(e)?

- A. Email delivery only
- B. Personal delivery, certified mail, or written confirmation delivery
- C. Verbal notification
- D. Third-party witness notification

9. What triggers lien rights under Wis. Stat. § 779.01(3)?

- A. Obtaining a building permit
- B. Performing work or furnishing materials for improvement
- C. Signing a verbal agreement
- D. Filing a lawsuit

10. What land is affected by a lien under Wis. Stat. § 779.01(3)?

- A. Only land where labor occurs
- B. All of the owner's property, even in other counties
- C. Only platted lots where improvements are made
- D. Only land with a dwelling

11. When does visible commencement of new construction occur under Wis. Stat. § 779.01(4)?

- A. When permits are obtained
- B. When footings or foundations are substantially excavated
- C. When framing begins
- D. After final inspection

12. What is the lien priority if work starts before an unrecorded mortgage is issued?

- A. The mortgage always has priority
- B. The lien has priority if the claimant had no actual notice
- C. Both have equal priority
- D. Priority depends on contract terms

13. Can a lien be assigned under Wis. Stat. § 779.01(5)?

- A. No, only the original claimant can enforce it
- B. Yes, and the assignee can compel immediate payment
- C. Yes, but payment is delayed until other claims are satisfied
- D. Only with court approval

The following questions 14 thru 28 can be referenced in
779.02 - Notice required to preserve lien rights;
exceptions; saving clause; obligations of contractors

14. Which of the following is *not* exempt from giving notice under § 779.02(1)?

- A. Laborers
- B. Claimants with direct contract with owner
- C. Prime contractors with no subcontractors
- D. Claimants on projects with more than 4 family living units

15. Who is *not* required to give notice under § 779.02(1)(a)?

- A. Subcontractor
- B. Supplier
- C. Laborer or mechanic
- D. Prime contractor

16. When must a prime contractor serve notice if no written contract is made?

- A. Before beginning any work
- B. Within 30 days of completion
- C. Within 10 days of furnishing labor or materials
- D. Upon receipt of first invoice

17. What must the prime contractor include in a written contract with the owner?

- A. A schedule of values
- B. The lien notice language
- C. License verification
- D. Warranty statement

18. The lien notice in § 779.02(2)(a) must be:

- A. In blue ink only
- B. In 10-point italic type
- C. In 8-point bold type or all capital letters
- D. In handwritten cursive

19. Who is responsible for giving notice to the mortgage lender under § 779.02(2)(b)?

- A. Owner
- B. Contractor
- C. Subcontractor
- D. Clerk of court

20. When must a non-prime contractor serve lien notice?

- A. Within 30 days of final payment
- B. Within 60 days of first furnishing labor or materials
- C. Within 90 days of project completion
- D. Within 10 days of signing a contract

21. If the prime contractor fails to give required notice, what is the consequence under § 779.02(2)(c)?

- A. Suspension of license
- B. No lien rights unless all subcontractor claims are paid
- C. Imprisonment
- D. Double damages

22. Who bears the burden of proof if an owner complains of insufficient notice?

- A. The court
- B. The lien claimant
- C. The mortgage lender
- D. The owner or lender

23. What happens if more than one owner exists?

- A. Each must be served individually
- B. Only the agent must be served
- C. Notice to one owner or agent is sufficient
- D. No notice is necessary

24. What happens if a non-prime claimant serves a late notice?

- A. Lien rights are fully protected
- B. Lien applies to all past and future work
- C. Lien rights apply only to work after notice receipt
- D. No lien rights whatsoever

25. What is created when an owner pays a prime contractor or subcontractor?

- A. Profit
- B. Liability shield
- C. A trust fund for unpaid claims
- D. Insurance pool

26. Misuse of construction payments before all claims are satisfied is considered:

- A. Civil fraud
- B. Administrative violation
- C. Theft
- D. Contract breach

27. Under § 779.02(6), who must defend lien actions filed by others?

- A. Subcontractor
- B. Property owner
- C. Prime contractor
- D. Architect

28. Applying materials purchased on credit to the wrong project without written consent is punishable by:

- A. License suspension
- B. Civil forfeiture
- C. Fine or imprisonment
- D. Tax penalties

The following questions 29 thru 33 can be referenced in 779.03 - Lien valid unless waived by claimant personally, or unless payment bond furnished

29. Under § 779.03(1), how can a lien be waived?

- A. By oral agreement between contractor and owner
- B. By a written waiver signed by the lien claimant
- C. By completing 90% of the work
- D. By accepting partial payment

30. Who can validly waive lien rights under § 779.03(1)?

- A. The project manager
- B. The lien claimant personally
- C. The owner's agent
- D. The general contractor's attorney

31. What happens when a valid payment bond is furnished under § 779.03(2)?

- A. The lien amount doubles
- B. The lien claim must be filed within 10 days
- C. Lien rights (except for prime contractors) are eliminated
- D. The contractor becomes the sole lienholder

32. What sections do not apply when a payment bond eliminates lien rights under § 779.03(2)?

- A. §§ 779.10 and 779.11
- B. § 779.01(1) only
- C. §§ 779.02(1)-(4), (6) and 779.06
- D. §§ 779.14 and 779.16

33. According to § 779.03(2), which parties retain lien rights even if a payment bond is furnished?

- A. Subcontractors
- B. Material suppliers
- C. Prime contractors
- D. Architect

The following questions 34 thru 43 can be referenced in 779.035 - Form of contract; payment bond; remedy

34. What must be included in a construction contract to eliminate lien rights under § 779.035(1)?

- A. A notice to proceed
- B. A payment bond issued by a licensed surety company
- C. An owner's affidavit
- D. A certificate of insurance

35. Who must approve the payment bond according to § 779.035(1)?

- A. The subcontractors and suppliers
- B. The local building inspector
- C. The owner and any mortgage lender furnishing funds
- D. The Department of Safety and Professional Services

36. What must the bond under § 779.035 be conditioned for?

- A. Timely completion of the project
- B. Payment to every person entitled for labor, services, and materials
- C. Compliance with building codes
- D. Successful inspection

37. What is the penalty amount for the bond under § 779.035(1)?

- A. Equal to material costs
- B. Equal to labor costs only
- C. Not less than the contract price
- D. 50% of the estimated project cost

38. According to § 779.035(2)(a), when must an action be brought on a bond?

- A. Before final payment
- B. No later than one year after completion of the contract
- C. Within 90 days of last delivery
- D. Within 10 days of lien notice

39. Who may bring an action under § 779.035(2)(a)?

- A. The general public
- B. Only the lender
- C. Any party in interest
- D. Only the owner

40. What is required for a subcontractor to sue on the bond under § 779.035(2)(b)1?

- A. Proof of payment history
- B. Written notice to the prime contractor within 60 days of starting work
- C. Verbal agreement with the owner
- D. Filing a preliminary lien notice

41. What is one exception to the notice requirement in § 779.035(2)(b)2?

- A. The contract was executed in a public building
- B. The subcontractor completed at least half the work
- C. The contract is less than \$5,000
- D. The subcontractor is bonded separately

42. Under § 779.035(2)(b)2, which of the following also exempts the notice requirement?

- A. Lien has already been filed
- B. Owner pays the subcontractor directly
- C. The subcontractor is listed in a written contract or its appendix
- D. The prime contractor acknowledges notice verbally

43. What must the owner and prime contractor do upon inquiry about the contract and bond, according to § 779.035(3)?

- A. Refer the person to the lender
- B. Allow the person to inspect and examine the contract and bond
- C. Deny access for confidentiality
- D. Submit the request to the state

The following questions 44 thru 53 can be referenced in 779.036 - Contracts with payment bond; lien; notice; duty of owner and lender

44. Under § 779.036(1), what does a lien claimant have a right to when a payment bond is in place?

- A. A lien on the building permit
- B. A lien on money due to the contractor or subcontractor
- C. A lien on personal property inside the building
- D. A lien on tools and machinery used in the work

45. To preserve the lien under § 779.036(1), when must the lien claimant serve notice?

- A. Before payment is made to the contractor or subcontractor
- B. Within 10 days of last labor
- C. After the job is completed
- D. After lien filing with the court

46. Who must receive the lien notice under § 779.036(1)?

- A. Only the general contractor
- B. The subcontractor and material supplier
- C. The owner and any mortgage lender furnishing funds
- D. The city inspector and permit office

47. According to § 779.036(2), how long does the lienor have to serve a copy of the lien notice on the contractor or subcontractor?

- A. Immediately
- B. Within 30 days
- C. Within 7 days after serving the owner and lender
- D. Before the lien is filed with the clerk of courts

48. Under § 779.036(3), what happens if the contractor does not dispute the claim within 30 days?

- A. The lien expires
- B. The claim is paid on demand and charged to the contractor
- C. The claimant must file a separate bond
- D. The lender pays only 50% of the claim

49. If the contractor disputes the claim, how is the lien resolved under § 779.036(3)?

- A. Through mediation
- B. Through an action brought by the claimant or contractor
- C. Through a public hearing
- D. Automatically dismissed

50. What is the result if no legal action is filed within 3 months of notice under § 779.036(3)?

- A. The contractor is fined
- B. The claim is converted to a tax lien
- C. The lien rights are barred
- D. The claimant is reimbursed by the state

51. What happens when total lien claims exceed the amount due and are undisputed, according to § 779.036(4)(a)?

- A. The owner must choose one claimant to pay
- B. The owner, with the lender, determines proportional payment
- C. The claimants must split the difference evenly
- D. The matter is referred to arbitration

52. Under § 779.036(4)(a), how long do parties have to object to the proportional distribution notice?

- A. 60 days
- B. 10 business days
- C. 20 days
- D. No time limit

53. What must happen within 10 days after judgment is filed, per § 779.036(4)(c)?

- A. A notice of lien expiration must be mailed
- B. The money due must be paid to the court clerk for distribution
- C. The contract must be canceled
- D. The mortgage must be released

The following questions 54 thru 56 can be referenced in 779.04 - Claims assignable; notice; prior payment

54. According to § 779.04, are lien claims assignable?

- A. No, lien rights are personal and non-transferable
- B. Yes, all lien claims and rights under this subchapter are assignable
- C. Only if approved by the court
- D. Only for contracts over \$5,000

55. What effect does payment by the owner before receiving notice of assignment have under § 779.04?

- A. The payment is invalid
- B. The lien remains enforceable against the owner
- C. The payment discharges the debt to the extent paid
- D. The owner must repay the assignee

56. Who may file petitions and enforce assigned liens under § 779.04?

- A. Only the original lien claimant
- B. The assignee of the lien
- C. The project architect
- D. The lender furnishing the funds

The following questions 57 thru 61 can be referenced in
779.05 - Waivers of lien

57. According to § 779.05(1), when is a waiver of lien rights valid and binding?

- A. Only if given after full payment
- B. Only if notarized
- C. Whether given before or after labor or materials are provided
- D. Only if signed in court

58. Under § 779.05(1), how are ambiguities in lien waiver documents interpreted?

- A. In favor of the contractor
- B. Against the person signing the waiver
- C. By the building inspector
- D. In favor of the owner

59. What does a lien waiver cover unless specifically limited, per § 779.05(1)?

- A. Only the next scheduled payment
- B. Only work done before the waiver was signed
- C. All labor, materials, or services for the improvement
- D. All taxes and fees

60. What right does a potential lien claimant have under § 779.05(1) before signing a waiver?

- A. To demand project completion
- B. To refuse to furnish the waiver unless paid in full
- C. To stop work on site
- D. To demand legal representation

61. According to § 779.05(2), when does a promissory note waive lien rights?

- A. Automatically upon signing
- B. Only if it states that it is received as payment and waives lien rights
- C. When notarized
- D. If the owner co-signs it

The following questions 62 thru 66 can be referenced in
779.06 - Filing claim and beginning action; notice required before filing; contents of claim document

62. Under § 779.06(1), what must a lien claimant do to preserve lien rights?

- A. Notify the mortgage lender
- B. File a claim for lien within 6 months after last labor or materials were provided
- C. Record the original contract
- D. Submit proof of payment to the subcontractors

63 According to § 779.06(1), what additional step must a lien claimant take after filing the lien claim?

- A. Send a copy to the building inspector
- B. Notify the title company
- C. Serve a copy on the property owner within 30 days of filing
- D. File a lien foreclosure notice immediately

64. Where must the lien claim be filed under § 779.06?

- A. With the clerk of circuit court in the county where the property is located
- B. With the Department of Revenue
- C. At the Register of Deeds office
- D. With the Secretary of State

65. What must be included in a lien claim under § 779.06(2)?

- A. Permit numbers and inspection reports
- B. List of all subcontractors used
- C. Statement of the contract or demand, description of labor/materials, and property identification
- D. Appraisal of the property

66. What is the deadline to commence a lien foreclosure action under § 779.06(3)?

- A. Within 3 months of filing the lien
- B. Within 2 years from the date the lien claim is filed
- C. Within 60 days of project completion
- D. Before any payment is made

The following questions 67 thru 69 can be referenced in
779.07 - Judgment and lien

67. Under § 779.07(1), what must the court include in a judgment that grants a construction lien?

- A. A certificate of completion
- B. A determination of the amount due and order the premises to be sold
- C. An order for immediate eviction
- D. A request for arbitration

68. According to § 779.07(2), what is the effect of entering a lien judgment into the lien docket?

- A. The lien is erased
- B. The property is transferred
- C. The judgment becomes a lien upon the judgment debtor's interest in the land
- D. The lien is paid by the county

69. When does the lien established under § 779.07(2) become effective?

- A. From the date of the original lien claim filing
- B. From the date of final inspection
- C. After the contractor is paid
- D. Upon approval by the city council

The following questions 70 thru 74 can be referenced in
779.08 - Release of lien; undertaking

70. Under § 779.08, how can a lien be released before foreclosure?

- A. By verbal agreement between the parties
- B. By filing a release document with the clerk of circuit court
- C. By recording it with the Register of Deeds
- D. By court order only

71. Who can file a release of lien under § 779.08?

- A. Only the owner of the property
- B. The lien claimant
- C. The general contractor's attorney
- D. The mortgage lender

72. What happens once a proper release is filed under § 779.08?

- A. The lien is transferred to another property
- B. The lien is discharged from the record
- C. The lien is converted into a judgment
- D. The lien is escalated to arbitration

73. Under § 779.08, when can a court require a lien to be released?

- A. Upon request from the building inspector
- B. When the lien has been paid, satisfied, or expired
- C. When the claimant fails to file updates
- D. If the contractor withdraws from the project

74. What may a property owner do if the lien claimant refuses to file a release after satisfaction, according to § 779.08?

- A. Sue for defamation
- B. Report to the licensing board
- C. Petition the court to order the release
- D. Place a counter-lien

The following questions 75 thru 77 can be referenced in
779.09 - Foreclosure of lien; procedure; parties

75. According to § 779.09(1), what is the procedure for foreclosing a construction lien?

- A. File a complaint with the Department of Workforce Development
- B. Commence a court action similar to mortgage foreclosure
- C. Submit a petition to the city clerk
- D. Request binding arbitration

76. Under § 779.09(1), who must be made parties to a lien foreclosure action?

- A. Only the property owner
- B. All parties with recorded interests in the property
- C. Only subcontractors
- D. The contractor and architect

77. What can the court order in a lien foreclosure action under § 779.09?

- A. Payment in installments over 10 years
- B. Sale of the real property to satisfy the lien
- C. Freezing of all bank accounts involved
- D. Mandatory mediation

The following questions 78 thru 80 can be referenced in
779.10 - Judgment

78. According to § 779.10(1), what does the judgment in a lien foreclosure action determine?

- A. The value of the property improvements
- B. The amount due and authorizes sale of the interest in the property
- C. Whether the contractor is licensed
- D. Whether the building is up to code

79. Under § 779.10(1), if the judgment is against the owner personally, what remedy is allowed?

- A. Suspension of the owner's contractor license
- B. Recovery of any remaining unpaid amount through personal judgment
- C. Referral to mediation
- D. Elimination of the lien

80. What can be included in a judgment under § 779.10 in addition to foreclosure?

- A. Criminal penalties
- B. Personal liability for deficiency if proven
- C. A new construction bond
- D. Referral to arbitration

The following questions 81 thru 82 can be referenced in
779.11 - Distribution of proceeds of sale

81. According to § 779.11(1), how are proceeds from the sale of property under a lien judgment distributed

- A. Equally among all parties involved in the project
- B. To lien creditors in the order of priority determined by the court
- C. Directly to the property owner
- D. Held in escrow by the Department of Revenue

82. Under § 779.11(2), what happens if the sale proceeds exceed the amount due to lien claimants?

- A. The funds are donated to the county
- B. They are distributed to the general contractor
- C. The surplus is paid to the property owner or other parties entitled
- D. The funds are returned to the court

The following questions 83 thru 84 can be referenced in
779.12 - Sale; notice and report; deficiency judgment;
writ of assistance

83. Under § 779.12(1), how is a sale conducted following a lien foreclosure judgment?

- A. With a redemption period of 30 days
- B. As an absolute sale without redemption, conducted like a real estate execution sale
- C. Only at public auction if approved by the lender
- D. Through a private sale negotiated by the owner

84. According to § 779.12(2), if a deficiency remains after the sale, what can the court do?

- A. Cancel the lien automatically
- B. Issue a new lien on different property
- C. Enter a deficiency judgment against the party liable, enforceable like an ordinary judgment
- D. Require the purchaser to pay back to the owner

The following questions 85 thru 88 can be referenced in
779.13 - Satisfaction of judgment or lien; correction of
errors

85. Under § 779.13(1), what is required when a lien claimant receives full satisfaction of the lien claim?

- A. The claimant may keep the lien on record indefinitely
- B. The claimant or their attorney must execute and deliver a satisfaction document, and upon its filing, the clerk enters satisfaction on the lien docket
- C. The owner may file a release without claimant's involvement
- D. The lien is automatically removed without any filing

86. According to § 779.13(1), what penalty applies if a lien claimant refuses to execute and file satisfaction upon request?

- A. Full attorney's fees only
- B. Liability equal to one-half of the claimed lien amount to the requesting party
- C. A flat \$1,000 fine
- D. They lose all rights to enforce the lien

87. What must a lien claimant do under § 779.13(2) if they are provided a truthful written statement showing the claim mistakenly describes the wrong premises?

- A. Ignore the statement unless notarized
- B. Refile the lien under a different section
- C. Promptly satisfy and remove the lien claim of record at their own expense
- D. Demand court confirmation before acting

88. If a lien claimant fails to satisfy a lien under § 779.13(2) after a correct mistaken description notice, what consequence applies?

- A. They must attend mediation
- B. They become liable for one-half of the amount claimed to the person demanding satisfaction
- C. They are barred from future liens
- D. They must pay double the lien amount

The following questions 89 thru 91 can be referenced in
779.135 - Construction contracts, form of contract

89. According to § 779.135(1), which contract provision is void in Wisconsin?

- A. A clause requiring disclosure of subcontractors' identity
- B. Requiring a lien claimant to waive lien or bond claim rights before payment
- C. A provision giving arbitration rights to subcontractors
- D. A warranty clause for project quality

90. Under § 779.135(2), which of the following is prohibited in contracts for land improvement in Wisconsin?

- A. Unlimited liability waivers
- B. Any clause making litigation or arbitration under another state's laws or outside Wisconsin
- C. Payment in installments
- D. Use of electronic signatures

91. Section § 779.135(3) addresses contingent payment provisions. Which arrangement is void under this section?

- A. "Pay when paid" clauses allowing reasonable delay
- B. "Pay if paid" clauses making subcontractor payment conditional on third-party payment
- C. A clause requiring prime contractor to provide progress payment schedules
- D. A clause delaying subcontractor payment until final contract approval

The following questions 92 thru 103 can be referenced in
779.14 - Public works, form of contract, bond, remedy

92. Under § 779.14(1e)(a), what must contracts involving \$10,000 or more for public works include?

- A. A penalty clause for delays
- B. A provision requiring payment of all labor, services, materials, etc. by the prime contractor
- C. A requirement for subcontractor insurance
- D. A timeline for inspections

93. According to § 779.14(1e)(b), contracts exceeding \$30,000 (indexed) must require what?

- A. Pre-approval by the state attorney general
- B. That the prime contractor maintain a list of subcontractors, suppliers, and service providers
- C. Escrow of 10% of the contract amount
- D. Use of union labor only

94. Under § 779.14(1m)(c)1.a, what special payment clause must state contracts between \$16,000 and \$148,000 include?

- A. Prime must pay subcontractors within 10 days
- B. State may pay subcontractors directly or issue checks jointly payable to prime and subcontractors
- C. Owner must hold partial retainage
- D. Retainage cannot exceed 5%

95. For state contracts over \$148,000 but under \$369,000, § 779.14(1m)(c)2.b requires:...

- A. Mandatory direct payments to suppliers
- B. A payment and performance bond unless a permitted substitute is approved
- C. A public hearing before contract awards
- D. Contractor must post notice in public newspaper

96. Under § 779.14(1m)(c)3, what requirement applies to state contracts over \$369,000?

- A. Contractor must hire locally
- B. A payment and performance bond is required
- C. Use of a state-designated surety only
- D. Additional retainage of 2%

97. According to § 779.14(1m)(d)1.a, local government contracts over \$16,000 must include what?

- A. Prime contractor must mediate disputes within 90 days
- B. Option for payment directly to subcontractors or joint-payable checks
- C. Posting of payment bond on public bulletin board
- D. Use of local workforce only

98. Per § 779.14(1m)(d)2.b, in local contracts over \$74,000, the contract must require:...

- A. Pre-funding via escrow account
- B. A bond unless local body allows an approved substitute assurance
- C. Insurance naming all subcontractors as insured
- D. Arbitration clause for any payment dispute

99. § 779.14(1m)(e)2 sets what penalty amount for required bonds?

- A. 50% of contract price
- B. Not less than the contract price
- C. Twice the subcontractor total
- D. Specified by public body monthly

100. What must bonds under § 779.14(1m)(e)2.b guarantee?

- A. Performance only
- B. Work meets local codes
- C. Payment to all persons entitled for labor, materials, services, etc.
- D. Completion within deadline only

101. Under § 779.14(1m)(e)3, who approves bonds for state and local contracts?

- A. Any licensed surety
- B. State official for state contracts; local governing official (mayor, etc.) for local contracts
- C. Department of Revenue
- D. Prime contractor's insurer

102. § 779.14(1m)(e)4 prohibits what action regarding surety obligations?

- A. Assigning bond rights to subcontractors
- B. Release of surety liability due to contract modifications or time extensions
- C. Filing bond after work starts
- D. Providing bond through the same broker consecutively

103. Under § 779.14(2)(a), what is the deadline to bring an action on a public works payment bond?

- A. Within 6 months of last labor
- B. Within one year after completion of work under contract
- C. Within 90 days of contract award
- D. Anytime before retainage release

The following questions 104 thru 108 can be referenced in 779.15 - Public improvements; lien on money, bonds, or warrants due the prime contractor; duty of officials

104. Who may assert a lien under § 779.15(1) in public improvement projects (excluding cities of the 1st class)?

- A. Only licensed subcontractors
- B. Anyone who provides labor, services, materials, plans, or specifications directly to the prime contractor
- C. Only the state or municipal agency
- D. Only the general contractor's employees

105. According to § 779.15(1), what must the lien claimant do prior to payment to the prime contractor?

- A. File a lien claim in circuit court
- B. Publish notice in the legal newspaper
- C. Serve a written notice of the claim on the public authority (state, county, town, or municipality)
- D. Record the improvement with the Register of Deeds

106. Under § 779.15(2), where should the claimant serve the notice if payment is coming from the state?

- A. The prime contractor only
- B. The state department, board, or commission responsible for the work; plus a copy to the prime contractor
- C. The governor's office
- D. The local zoning board

107. If the prime contractor does not dispute the claim within 30 days under § 779.15(3), what follows?

- A. Claimant must sue in court
- B. The public authority must pay the claimant on demand and charge it to the contractor
- C. The lien expires
- D. The debt is referred to arbitration

108. What happens if multiple lien claims exceed the total amount due and the prime contractor doesn't dispute, per § 779.15(4)(a)?

- A. The claimant with the earliest notice is paid first
- B. The public authority determines proportional distribution; funds are paid accordingly unless objected to within 20 days
- C. The matter is automatically sent to court
- D. The municipality refuses payment to all claimants

The following questions 109 thru 113 can be referenced in 779.155 - Judgment creditors, attachment of funds due to public contractors

109. Under § 779.155(2), where should a judgment creditor file a certified copy of their judgment if the debt is owed by the state for public improvements?

- A. Municipal clerk's office
- B. Officer, board, department, or commission having jurisdiction over the work
- C. Wisconsin Department of Revenue
- D. Local zoning board

110. According to § 779.155(3), what must a judgment creditor file before payment is made to them when the prime contractor is not on public works?

- A. A surety bond
- B. Proof that the contractor was notified of the judgment filing, and a 30-day waiting period applies
- C. A waiver signed by lien claimants
- D. A notice of intent to file lien

111. Per § 779.155(4), when is payment to a judgment creditor permitted if the debtor is a prime contractor on public works?

- A. After 30 days from filing notice
- B. After 3 months from final completion and only from amounts exceeding unpaid lien-priority claims under § 779.15
- C. Immediately upon filing the judgment
- D. Only after lien claims are waived

112. Under § 779.155(5)(b), what must a prime contractor do within 10 days of filing a certified judgment copy?

- A. Pay all lien claimants in full
- B. File a sworn statement of unpaid lien claims in duplicate with the proper public officer
- C. Submit a performance bond
- D. Request a hearing in court

113. What priority does a judgment filed under § 779.155 have over assignments made by the prime contractor?

- A. – the assignment takes priority
- B. Only if the assignment is recorded first
- C. The judgment has priority over any assignment made after the commencement of the action in which the judgment was obtained
- D. It depends on the amount of debt

The following questions 114 thru 117 can be referenced in 779.16 - Theft by contractors

114. Under § 779.16, how are funds paid or due to a prime contractor or subcontractor for public improvements treated?

- A. As the contractor's personal income
- B. As a trust fund held only by the prime contractor or subcontractor until all project claims are paid
- C. As immediately deliverable to any third-party creditor
- D. As exempt from lien claims

115. According to § 779.16, misuse of trust funds constitutes theft unless what condition applies?

- A. If the contractor is solvent
- B. If the owner has given written permission
- C. If the amount withheld is the subject of a bona fide dispute
- D. If the contractor is a nonprofit

116. Under § 779.16, which parties may also be deemed to have committed theft if a corporate contractor misappropriates trust funds?

- A. Only the shareholders benefiting
- B. Only unpaid subcontractors
- C. Officers, directors, members, or agents responsible for the misappropriation
- D. The building inspector

117. According to § 779.16, a shareholder who receives misappropriated funds through dividends or salary—but is not responsible—may be held liable how?

- A. Only in criminal court
- B. Only by a subcontractor's lien
- C. Civil liability for restoration of those amounts to the trust fund
- D. No liability at all

The following questions 118 thru 120 can be referenced in 779.17 - Release of funds on filing bond

118. According to § 779.17, when may a prime contractor demand release of funds due under the contract?

- A. Only after final completion of the project
- B. Only following court judgment in favor of the prime contractor
- C. At any time after notice of lien claim is served or a judgment filed
- D. Only if all lien claimants have been paid in full

119. What must the prime contractor file to secure release of funds under § 779.17?

- A. A waiver of claims from all subcontractors
- B. A personal affidavit of project completion
- C. A bond executed by a surety company licensed in Wisconsin, guaranteeing payment of all lien claims and judgments
- D. A sworn statement listing all unpaid invoices

120. Under § 779.17, who must approve the bond for releasing contract funds?

- A. Any White-listed attorney
- B. The public authority having jurisdiction over the work, as to form and amount
- C. The subcontractors collectively
- D. The county clerk where the property is located

