

Wisconsin's Rental Unit Weatherization Standards

Article

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On February 8, 2017, the Joint Committee on Finance, at the request of Governor Scott Walker, introduced the first version of Wisconsin's Budget Bill, 2017 Senate Bill 30 / 2017 Assembly Bill 64 (the "**Budget Bill**"). The legislation, as proposed, among many other effects, would repeal Wis. Stat. § 101.122 and eliminate Wisconsin's requirement that rental property meet certain minimum rental unit energy conservation standards at the time of ownership transfer.

The current law in Wisconsin requires that certain rental properties constructed prior to December 1, 1978 meet minimum energy efficiency requirements promulgated by the Department of Safety and Professional Services (the "**Department**") before an owner is able to sell the property. Generally, an owner may not transfer the fee title to residential rental property unless one of the following are recorded along with the deed:

1. An inspector issued certificate of compliance;
2. A Department issued waiver after the owner verifies the property is scheduled for demolition within two (2) years;
3. A stipulation executed by the buyer of the property and validated by the Department stating that the buyer will bring the rental property into compliance with the minimum energy conservation standards within one (1) year of the date of the transfer; or
4. A Department issued satisfaction of compliance stating either that the Property is not required to meet the minimum energy conservation standards, a transfer exclusion applies to the Property, an existing certificate of compliance is on record, or another exception applies.

In summary, no register of deeds is currently allowed to record a deed transferring a residential rental property unless the deed is accompanied by one of the above items. However, the proposed Budget Bill seeks to repeal Wis. Stat. § 101.122, thereby eliminating the requirement that certain residential rental properties comply with the minimum energy efficiency standards prior to transfer and eliminating the restrictions on recording deeds.

While eliminating the weatherization standard requirements will help streamline rental unit transfers after the Budget Bill's effective date, the Department will still be able to enforce the minimum energy efficiency requirements for transfers that take place prior to the effective date and will retain the authority to issue

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orders and citations for compliance with stipulations entered into prior to the effective date.

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