

# State of Wisconsin



2021 Senate Bill 434

Date of enactment: **December 3, 2021**

Date of publication\*: **December 4, 2021**

## 2021 WISCONSIN ACT 107

AN ACT *to amend* 66.0413 (1) (b) 1. and 66.0413 (1) (c); and *to create* 66.0413 (5) of the statutes; **relating to:** municipal raze orders for certain insured dwellings.

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

**SECTION 1.** 66.0413 (1) (b) 1. of the statutes is amended to read:

66.0413 (1) (b) 1. If Except as provided in sub. (5), if a building is old, dilapidated, or out of repair and consequently dangerous, unsafe, unsanitary, or otherwise unfit for human habitation and unreasonable to repair, order the owner of the building to raze the building or, if the building can be made safe by reasonable repairs, order the owner to either make the building safe and sanitary or to raze the building, at the owner's option.

**SECTION 2.** 66.0413 (1) (c) of the statutes is amended to read:

66.0413 (1) (c) *Reasonableness of repair; presumption.* Except as provided in ~~sub. subs.~~ (3) and (5), if a municipal governing body, building inspector, or designated officer determines that the cost of repairs of a building described in par. (b) 1. would exceed 50 percent of the assessed value of the building divided by the ratio of the assessed value to the recommended value as last published by the department of revenue for the municipality within which the building is located, the repairs are presumed unreasonable for purposes of par. (b) 1.

**SECTION 3.** 66.0413 (5) of the statutes is created to read:

66.0413 (5) RAZING CERTAIN INSURED DWELLINGS. (a) *Definitions.* In this subsection:

1. "Cost of repairs" includes the estimated cost of repairs that are necessary to comply with applicable building codes, or other ordinances or regulations, governing the repair or renovation of a dwelling.

2. "Covered damage" means damage that is covered by an insurance policy.

3. "Insured dwelling" means real property that is covered under an insurance policy and that is owned, occupied, and used primarily as a dwelling by the insured.

(b) *Insurer certification.* 1. No later than 14 days after real property has incurred damage, an insurer may provide a written certification through 1st class mail or electronic communication to a governing body, building inspector, or other designated officer of a municipality stating all of the following:

a. That the insurer reasonably believes the real property may qualify as an insured dwelling.

b. That the property owner or an insured has filed a claim for covered damage with the insurer or the insurer has reason to believe the property owner or an insured will file a claim for covered damage with the insurer.

c. That the insurer reasonably believes the claim may qualify as covered damage.

d. The date of damage to the insured dwelling, the insurance policy limits of the insured dwelling, the insur-

\* 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."

er's designated representative for the filed or anticipated claim, and the designated representative's mailing address, electronic mail address, and phone number.

2. A certification under this paragraph does not waive or limit any rights of the insurer under an insurance policy.

3. At any point prior to submitting a certification under subd. 1., an insurer may notify a governing body, building inspector, or other designated officer of a municipality that the insurer has determined the insured dwelling to be wholly destroyed. If at any point after submitting a certification under subd. 1. the insurer determines that the insured dwelling is wholly destroyed, the insurer shall notify the governing body, building inspector, or other designated officer of that determination.

(c) *Municipal assessment.* A governing body, building inspector, or other designated officer of a municipality may not issue a raze order under sub. (1) (b) for an insured dwelling for which an insurer has provided a certification under par. (b) unless the governing body, building inspector, or other designated officer does all of the following:

1. Provides notice of intent to issue a raze order to the owner of record of the insured dwelling, the holder of any encumbrance on the insured dwelling, and the insurer of the insured dwelling. The notice shall include a statement that materials may be submitted to the governing body, building inspector, or other designated officer under subd. 2. Notice under this subdivision shall be served in the manner provided under sub. (1) (d).

2. Accepts and considers materials that are submitted by any person entitled to notice under subd. 1., that assist in establishing the extent of the damage or the reasonable cost of repairs to the insured dwelling, and that are received within 30 days after provision of the notice under subd. 1. Materials that may be accepted and considered under this subdivision are limited to damage estimates, evaluations of the cost of repairs, and the results of inspections of the property. When considering the materials submitted under this subdivision, the governing body, building inspector, or other designated officer

shall consider the qualifications, expertise, and experience of the person that submitted the materials.

3. Conducts an on-site inspection of the insured dwelling to assess the extent of the damage.

4. Determines the estimated cost of repairs for the insured dwelling.

5. Determines that repair of the insured dwelling is not reasonable.

(d) *Cost of repair.* A municipal governing body, building inspector, or other designated officer of a municipality shall base its determination of the estimated cost of repairs for the insured dwelling under par. (c) 4. on the materials accepted under par. (c) 2. and similar materials produced by the municipal governing body, building inspector, or designated officer.

(e) *Reasonableness of repair.* If a municipal governing body, building inspector, or other designated officer of a municipality determines that the estimated cost of repairs of an insured dwelling does not exceed 70 percent of the insurance policy limits of the insured dwelling, the repairs are presumed reasonable.

(f) *Repair orders.* Nothing in this subsection shall preclude the governing body, building inspector, or other designated officer of a municipality from ordering the owner of an insured dwelling to make the building safe and sanitary under sub. (1) (b).

(g) *Application.* This subsection does not apply to any of the following:

1. A dwelling that the governing body, building inspector, or other designated officer of a municipality has determined to be in imminent danger of structural collapse and for which the property owner has failed to appropriately secure and limit access.

2. An insured dwelling that is the subject of a notification provided to the governing body, building inspector, or other designated officer of a municipality by an insurer pursuant to par. (b) 3.

#### **SECTION 4. Initial applicability.**

(1) This act first applies to real property that incurs damage on the effective date of this subsection.

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