

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date April 13, 2020
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) ATCP 134 (Emergency)	
4. Subject Residential Rental Practices	
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected
7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input checked="" type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input checked="" type="checkbox"/> Small Businesses (if checked, complete Attachment A)	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$ Not known	
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11. Policy Problem Addressed by the Rule This emergency rule modifies a current rule related to residential rental practices. Existing ch. ATCP 134 (Residential Rental Practices) and existing ch. 704, Stats. (Landlord and Tenant) both regulate dealings involving residential renters and their landlords. The department acted in response to Executive Order #72, dated March 12, 2020, "Relating to a Proclamation Declaring a Health Emergency in Response to the COVID-19 Coronavirus". Item 6 directs "... all state agencies to assist as appropriate in the State's ongoing response to the public health emergency."	
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. Due to the emergency nature of the rule enactment, the department did not specifically reach out to landlords or tenants. The Apartment Association of South Central Wisconsin did comment on the scope statement when the DATCP Board approved it at its April 10, 2020 meeting.	
13. Identify the Local Governmental Units that Participated in the Development of this EIA. Local governments have not been contacted; a temporary prohibition on landlords charging late rent fees on residential rentals will not affect local governments.	
14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) The loss of late fees might have an impact. The department does not know how many residential tenants are currently being charged or would be charged late rent fees during the ongoing public health emergency. The temporary rule change will not adversely affect the state economy as a whole nor will it add any implementation costs to the private or public sectors.	

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15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The economic impacts of COVID-19 have been significant, with many Wisconsin residents experiencing substantial losses of income as a result of business closures, the loss of hours or wages, or layoffs, hindering their ability to keep up with their rent or mortgage payments and thereby threatening their housing security.

The threat of eviction poses a significant and direct threat to personal security and the public's health during the current health emergency by removing the ability of persons to stay in their home and avoiding contact with infected persons.

Adoption of the temporary provision will address that particular concern.

16. Long Range Implications of Implementing the Rule

By definition, the rule is temporary and responds to a current emergency. The rule will not have adverse long range effects.

17. Compare With Approaches Being Used by Federal Government

The Department does not and cannot know all future actions that the Federal government might take on rental housing during the COVID-19 emergency. To date, the US Department of Housing and Urban Development placed a moratorium on evictions in its March 18, 2020 letter.

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois, Iowa, Michigan, and Minnesota all have statutes or administrative rules governing residential rental practices. These laws address common topics such as rental agreements, security deposits, and other duties of landlords and tenants. States have responded differently to the ongoing COVID-19 crisis.

19. Contact Name	20. Contact Phone Number
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ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

By definition, many of the landlords affected by this rule are "small businesses." The loss of late fees might have an impact. The department does not know how many tenants are currently being charged late rent fees or late rent penalties for missed rent payments or late rent payments during the period of abnormal economic disruption caused by the public health emergency.

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

There are no reporting requirements.

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

There are no reporting requirements.

5. Describe the Rule's Enforcement Provisions

Tenants may file complaints with DATCP about alleged ATCP 134 violations. One could presume a landlord may ask for late fees to be paid, and a tenant may cite the emergency provision. Should this occur, the department would investigate the merit of the claim as it does other consumer complaints.

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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