ROBERT BROOKS

STATE REPRESENTATIVE • 60TH ASSEMBLY DISTRICT

Assembly Committee on Housing and Real Estate
Public Hearing, December 10, 2015

Representative Jagler and members of the Housing and Real Estate Committee, thank you for affording me with the opportunity to testify on behalf of AB 568, relating to various revisions to our landlord-tenant laws.

AB 568 is a bill designed to make it easier for landlords to provide every Wisconsin resident with safe, clean and quality housing. This bill enhances public safety and promotes regulatory fairness by requiring that necessary inspections are done on all dwellings, not just non-owner occupied. Doing so protects the well-being and safety of all residents.

This bill codifies current law to ensure that local sprinkler ordinances cannot be inconsistent with the uniform building code for multi-family buildings. This bill also provides a technical clean up on previously passed towing regulations.

AB 568 includes a provision ensuring the safety of tenants by expediting the process by which those involved in criminal or drug-related activity that threatens the health and safety of those around them, are removed from a property.

The United States Department of Housing and Urban Development (HUD), as it relates to Section Eight housing, uses a one-strike provision to remove renters for criminal activity or serious violations of lease agreements. The provisions in this bill closely mirror the HUD standard for criminal or drug-related activity. Our bill also requires that landlords inform tenants of their right to contest the eviction. Additionally, the notice must specify the grounds for the landlord's action.

Property owner rights are protected in this bill as well, by requiring their consent before their property is designated as an historic property by a local unit of government. This bill is not retrospective and does not affect properties currently designated as historic landmarks.

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This legislation also includes a tenant friendly provision that allows landlords to opt for a five day "right to cure" for non-rent breaches instead of just the fourteen day eviction notice in month-to-month leases. This provides landlords and tenants an additional tool to work out possible solutions to a problem. Additionally, AB 568 helps to codify a Supreme Court ruling relating to restrictions on signage content. This bill does not restrict a municipality's ability to regulate the size, color, location or general design of a sign.

I strongly encourage my colleagues on this committee to support AB 568, as it makes much-needed changes to Wisconsin landlord-tenant laws while concurrently ensuring that every resident is afforded with the opportunity to reside in clean, safe and affordable housing. This legislation includes provisions that protect the rights of tenants and landlords.

I would, at this time, be more than willing to answer any questions members of the committee might have. Thank you for your time and consideration.

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WISCONSIN HISTORICAL SOCIETY

For Information Only

AB 568
Related to Property Rights

Proposed amendments to 59.69 (4m), 60.64, and 62.23 (7)(em) provides property owners with the right to opt-out of historic landmark designation and the designation's associated regulatory impact. The intent is to create a means to allow development projects to move forward when affected buildings involved are local landmarks.

The amendments as proposed have fiscal and regulatory effects on the Wisconsin State Historic Preservation Office (SHPO), local units of government, and Wisconsin citizens.

- This bill jeopardizes roughly $100,000 yearly in grant money to Wisconsin communities, since an owner consent clause disqualifies approval of a CLG ordinance.
- Unspent grant funds must be returned to the federal government.
- Lack of these funds will impact economic development by no longer funding the identification and nomination of historic properties to the National Register of Historic Places and impact other SHPO programs, including qualifying buildings for the Historic Rehabilitation Tax Credit.
- The inability to pass through $100,000 in federal grants may lead to decertification of the SHPO and a loss of $1million dollars in annual federal SHPO funding.
- SHPO defunding could jeopardize nearly $9 million dollars of federal tax credits and $9 million dollars in state tax credits annually.
- In addition to lost grant funding, local units of government could face substantial costs to revise and amend local ordinances.

Based on the above, we believe that a fiscal statement from the Legislative Fiscal Bureau is appropriate.

To resolve the concerns related to property rights contained within this bill, while assuring continuous funding for the SHPO and local communities, and federal and state tax credits for private property owners, the following language could replace the proposed amendments:

59.69 (4m):
A property owner may appeal any decision of a county landmarks commission to the county board. The county may overturn any decision of the commission by a simple majority.

60.64:
A property owner may appeal any decision of a town landmarks commission to the town board. The town board may overturn any decision of the commission by a simple majority.

62.23 (7)(em):
A property owner may appeal any decision of a city landmarks commission to the city. The city may overturn any decision of the commission by a simple majority.

The changes suggested above would address the legislative intent of this statutory change and allow new development projects to move forward without jeopardizing $100,000 dollars annually in local funding and millions of dollars in state rehabilitation projects. It would leave historic landmarks designation and regulatory authority in place and instead allow a direct appeal of any commission decision to town and county boards or city councils. The unit of government appeal may consider factors beyond the landmark designation, including economic hardship, property rights, the condition of the property, and any other overriding economic development concerns.

Contact Information:

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Public Comments and consideration regarding Assembly Bill 568

This is a health issue:

- My job is to identify and eliminate environmental factors that lead to negative health outcomes
- In the last ten years, research has indicated that where we play, work, and live are significant determinants of our health. In fact, your zip code can determine your life expectancy.
- Centers for Disease Control Community Health Status Indicators (CDC CHSI) ranks Eau Claire in the bottom 25% of the nation in housing cost and housing stress.
- Robert Wood Johnson Foundation (RWJ) has EC in the bottom half in the state of WI that identifies severe housing problems.
- Eau Claire is also ranked in the bottom 50% for emergency room visits resulting from slip-and-falls, lacerations, chemical or fire related injuries and environmental factors in ER visits. (WISH Database)
- Health departments normally don't get involved in permitting and licensing unless people can die, get sick, or get injured – this is why greeting card stores don't have a license but public swimming pools and restaurants do.
    - Our last death in an Eau Claire rental was Spring of 2015. Since I've been in Eau Claire, we have averaged one death per year.
    - Health issues in rentals include: CO, fire, unsafe water, fall hazards, laceration hazards, garbage, sanitation, hoarding, etc.
- Community demographics vary drastically across the state.
- WI is only 30% rentals, but Eau Claire - 46% rentals and La Crosse is 50%. (Census data)
- Rental properties are not maintained as well as owner-occupied properties. (National Association of Realtors)

Consider community need:

- Oscar Wilde said, "Truth is rarely pure and never simple."
- An outright ban on rental inspection programs is an unprecedented and drastic position for the state to take.
    - I know of no other state that has taken a position like this.
    - A ban on inspection programs is essentially a ban on neighborhood improvement in high .rental areas – like the Historic Randall Park Neighborhood in Eau Claire that is 80% rentals.
    - By its nature, community development, neighborhood revitalization, and environmental factors are very local issues and differ significantly from place to place throughout WI
- Please set a fairly high evidenced-based standard on the harms that this legislation is attempting to mitigate – Wausau's program is around $20 per year which doesn't seem that impactful.
- Please stay focused on cost versus benefits when discussing the issue for both landlords and tenants.
- There is a far less organized majority here consisting of the renters and property owners who live near rentals – in the spirit of collaboration, seek these people out – you represent them too.

- Explore the benefits to the landlord community for having an inspection program too.
    - Uniform standards create a level playing field.
    - Property value is maintained or improved because of continued maintenance of neighbors.
    - Broken window theory, etc.

Collaborative community engagement is happening locally:

- Open discussions and community actions are the way we do business. We don't move ahead without collective support.
- Housing advisory committee make-up.
- Listening sessions.
- Industry participation.
- Focus on outcomes – if a program is not producing a desired outcome, improve it or discontinue it. Since I started in my position, I have eliminated more programs than I've started based on data.
- Data-driven programming is becoming the new norm in the public sector.

Pro-active programming versus re-active programming:

- Define and emphasize the futility of re-active approaches.
- 1500 complaint investigations per year of tense interactions versus pro-active and routine inspections that prevent significant degradation and cost.
- Prevention saves money. Inspection programs are long-term strategies to establish and maintain success.

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Eau Claire City-County
Health Department

City of Waukesha

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December 10, 2015

To: Assembly Committee on Housing and Real Estate

Copy: Waukesha City Council
Representative Adam Neylon
Senator Chris Kapenga

Re: Opposition to AB 568

Good Morning Honorable Chairman Jagler, Vice Chairman Allen and members of the Assembly Committee on Housing and Real Estate. Thank you for the opportunity to speak to you on this important issue. I am Shawn Reilly, Mayor of the City of Waukesha and I am here to speak in opposition to Assembly Bill 568. The legislation has several areas of concern, and my colleagues from other communities will touch on some additional topics that concern municipal officials from throughout the state. Today, I will focus my attention on the restrictions related to the historic designation of properties and the rollback of municipal fire suppression sprinkler requirements.

In general, there are several benefits to local Landmark and Historic Preservation Ordinances to our local communities and in Waukesha in particular. Under the proposed bill, local control will be rolled back and communities will suffer economically for the benefit of a few individuals. Additionally, the bill will results in the erosion of reasonable controls the city has put in place to preserve the character of our community and our downtown in particular. I will take a moment to discuss our concerns in more detail here:

- Studies have shown properties in historic districts are valued higher than the average in nearby neighborhoods with similar housing stock (age, construction, design). If property owners in historic districts do not need to obtain approval of local governing boards the districts will eventually lose their character and eventually be de-listed from the

National Register as the unique characteristics that define the districts disappear over time.

- Wisconsin's Historic Tax Credit program has resulted in the creation of an estimated 4,062 jobs and direct private investment of more than 200 million dollars (31 projects statewide)
- In Waukesha in 2014 an estimated $264,000 in private investment was a result of historic tax credits.
- Waukesha is a City defined by its past, most importantly the Springs Era, which ran from 1868 to 1915. Waukesha's downtown and adjacent neighborhoods continue to be defined by the character of the Springs Era buildings. Removing the protections that have kept these buildings in place for well over a century could have a devastating effect on our community.
- Waukesha has fifty (50) local landmarks and nine (9) Historic Districts. These buildings and housing stock within these districts (as opposed to other central city neighborhoods) are in better condition and has preserved the architectural elements from when the buildings were constructed. Some of the more desirable neighborhoods in our City are in our historic districts. These districts have provided a stabilizing influence on our central city neighborhoods.
- Historic buildings and sites are what make each City unique. They are what create a sense of place and a source of local pride, especially downtown. Waukesha's downtown has been undergoing a renaissance over the past 10 years or so and one of the key elements attracting all of these new businesses are the well-maintained historic buildings. Without the protection of our Landmarks Ordinance, there is little to no incentive to reuse old buildings downtown.

We have additional concerns with this bill as it is currently drafted. A few of our concerns include the following:

- While the current bill requires owner consent before designating the property a landmark, it is unclear on what municipalities can do when owners of existing designated landmarks request rescinding that designation.

- The current bill does not indicate what will happen to the state's Certified Local Government Program. In order to be eligible for Wisconsin Historic Preservation Subgrants from the Federal Historic Fund, a local government must be meet the Certification requirements which include the following restrictions on local preservation ordinances:
    - The ordinance must not allow historic property owners to "opt-out" of local historic designation.
    - Designation must not require owner consent.
    - The commission must approve work on locally designated properties and recommendations may not be "advisory."

It appears that the bill would effectively kill the state's Certified Local Government program.

In regards to the rollback of local sprinkler ordinances both me and my Fire Chief – Steve Howard who is with me today have serious concerns as well.

The bill prohibits any municipality from charging a fee for inspections, other than an inspection based upon a complaint from a tenant of the building. The broad language in the bill appears to prevent the assessment of a fee for our semi-annual fire prevention inspections mandated by the State of Wisconsin. In 2015 these fees produced $135,000 in revenue to the City of Waukesha. While the City does receive state funds through premiums paid by property owners for insurance, this revenue does not cover the cost of providing this service.

It appears that under this bill, the compromise reached in good faith just over a year ago in the form of Act 270 would be repealed.

Thank you for your time today. We strongly encourage you to vote against AB 568.

Wisconsin Independent Living Network

Centers Coalition Council

Dear Representatives;

The Wisconsin Independent Living Network's (WILN) appreciates the opportunity to provide testimony regarding AB 568. WILN is a network of the Centers for Independent Live which works with people with disabilities, the Wisconsin Coalition of Independent Living Centers, and the Independent Living Council of Wisconsin.

We are dismayed by yet another legislation rolling back tenant protections and rights. This is the fourth such effort in the past few years. Typically those bills have been submitted with very little notice, and have numerous unintended consequences because the legislators did not provide sufficient time for discussion with the stakeholders.

Despite hearing rumors of a proposed bill for months, we did not see a copy until we heard that LRB 3011/1 was put into circulation late afternoon Dec 2, and we saw a copy on the 3rd. It was introduced on the 4th and sent to the committee. Less than three working days later, it was put on the agenda for a hearing the next day. Where was the opportunity for stakeholders to be informed of the bill, to read the bill, and to discuss the bill?

There are provisions of this bill that dismays us.

- The definition of "trespasser" is very vague. It can be interpreted to mean a person who sublets the unit. This can harm households who erroneously assumed that the person they sublet from had permission from the landlord. This is very problematic because the sublessee is not given the same protection under rental law that other tenants are given. The person is given no opportunity to find another residence, and the seven-day deadline for personal possessions is a too-short time frame. This is an impossible situation for someone who may have thought he/she was legitimately subletting, especially if the sublessee is away due to hospitalization, extended rehabilitation, or inpatient care.

- We find the provisions relating to "criminal activity" and evictions objectionable. Many people with disabilities, as well as some racial groups and ethnicities, have been looked upon as being different and suspicious, and have been wrongfully suspected of criminal activity. This would virtually remove the requirement for burden of proof and the adversarial nature of the trial process. An innocent

person suspected of criminal activity, but later vindicated, would still lose housing, and most likely, personal property.

- We are troubled by the rewriting in Section 24 that would apparently allow landlords to include in their leases a provision for non-written notices. Certain disabilities, such as persons with traumatic brain injuries, can cause forgetfulness. Written information is necessary for many people.

- The prohibition on local ordinances for inspections could have the unintended consequences of degrading a community's housing stock. Many people with low incomes, who are elderly, and/or have disabilities, often do not feel they have many housing options and are fearful of angering their landlord and inviting retaliation from the landlord. Having the local municipality automatically inspect the units will ensure decent housing for everyone, and protect vulnerable people.

- The changes in Section 22 would allow a landlord to evict a tenant for damaging the unit, regardless of if it was repaired or not. For example, a person in a wheelchair could inadvertently put a hole in the wall. This would also impact families that have a member with a disability such as a child with autism that screams occasionally. It would only take two such "breaches" in a year's period to cause the eviction. That is not reasonable at all.

WILN believes that this bill has some flaws that need to be corrected or there will be some unintended consequences that could hurt many people with disabilities and their families.

Wisconsin BPDD

WISCONSIN BOARD FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

December 10, 2015

Assembly Committee on Housing and Real Estate
Representative John Jagler, Chair
State Capitol, Room 316 North
Madison, WI 53708

Dear Representative Jagler and members of the committee:

Thank you for the opportunity to provide comment on AB 568. People with disabilities make up a disproportionate share of the tenant population and are generally lower-income—often below the federal poverty line—than their able-bodied peers. BPDD's analysis finds that elements of the proposal, as written, could result in the increased potential for housing discrimination and unwarranted evictions against people with disabilities.

The term "criminal activity" is unnecessarily broad. Under the proposal it appears virtually any action that is itemized as criminal in Wisconsin Statute and is perceived by the landlord or others as threatening the health, safety, or right to peaceful enjoyment of the premises could be grounds for eviction.

It is not clear that criminal activities have to be observable or documented; it appears that hearsay or anonymous complaints against the tenant, any member of the tenant's household, or guest or other invitee of the tenant would be sufficient for a landlord to deliver an eviction notice that the tenant has no opportunity to remedy. There is no requirement for law enforcement involvement, and the bill specifically states that arrest or conviction for a serious crime is not necessary as a prerequisite for eviction.

Similarly the "drug-related criminal activity" definition is broad and does not require any burden of proof before an eviction notice can be triggered. The definition does not include any exemptions for "possession, use, or distribution of a controlled substance. Many people with disabilities have prescriptions for regulated controlled substances for medical reasons, mental health management, or as part of a treatment for addiction. People with disabilities may have a supply in their possession and be legally using controlled substances.

Likewise many people with disabilities rely on personal care workers or other caregivers coming into their homes to bring and distribute prescribed controlled substances; these individuals temporarily possess controlled substances. Since this bill does not require a burden of proof, any observation or hearsay of a tenant or caregiver handling or consuming pills could be construed as drug related criminal activity and may subject the tenant to eviction.

This bill gives landlords broad discretion to allege criminal activities or drug related criminal activity as a pathway to eviction, without having to witness activities themselves or have any burden of proof to meet before eviction notice occurs. BPDD is concerned that eviction may be used as a mechanism to remove people with developmental disabilities from rental properties. People with developmental disabilities are frequently subjected to heightened scrutiny, are held to a higher standard of behavior than able-bodied peers, and they are often the victims of bias.

Wisconsin Board for People with Developmental Disabilities
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People with disabilities have suffered a long history of residential discrimination and exclusion. Discrimination is still common. The majority of discrimination complaints the Housing and Urban Development's Fair Housing Enforcement Office receives are from people with disabilities who feel they have been victims of housing discrimination. A 2005 HUD report found that the net measures of systemic discrimination against persons with disabilities are generally higher than the net measures of discrimination on the basis of race and ethnicity.

Housing choice has always been quite limited for people with disabilities. The 5 day timeframe for tenants to vacate the premises after receiving an eviction notice is especially problematic for people with disabilities.

If the tenant has need for accessible housing—first floor, ramped entries, ability to adequately maneuver a wheelchair within the living space—the pool of available spaces that are financially feasible may be limited or non-existent. Some people with disabilities may have specialized equipment that is difficult to move. Many people with disabilities are low income and do not have the financial flexibility to afford available housing options on the market, or storage units for belongings.

Other supports for people with disabilities—location near public transportation, jobs, family, caregivers—are often built around where the person lives; changes, especially abrupt changes, to housing can disrupt all other aspects of a person's life, and can lead to job loss, disruption of personal care or inability to retain the same staff, isolation from family, etc.

BPDD is also concerned that families with household members or young children with disabilities may disproportionately receive eviction notices under this bill.

BPDD requests amendments to the bill in the following areas:

- Limit the definition of "criminal activities" to "serious crimes" as defined in Wis. Stats. 969.08(10)(b)
- Define "drug-related criminal activity" within the meaning of 42 U.S.C. § 1437d(l)[1],
- Include a controlled substance exemption to clarify people with disabilities possessing and using prescribed controlled substances and personal care workers or other caretakers possessing controlled substances for the purpose of distributing them as prescribed to the person with a disability are not engaged in drug-related criminal activity.
- Require a tenant to have been arrested for or convicted of a serious crime or drug related criminal activity before a landlord can terminate a tenancy through eviction.
- Require landlords to report to the state all eviction notices with the age, race, and disability status, of the tenant and members of the household, and specific reason for eviction. Require the state to analyze collected data, and work with landlords where an eviction pattern may indicate non-compliance with the Federal Fair Housing Act.
- Include an exception to allow evicted tenants requiring accessible housing 30 days to vacate the premises.

BPDD is charged under the federal Developmental Disabilities Assistance and Bill of Rights Act with advocacy, capacity building, and systems change to improve self-determination, independence, productivity, and integration and inclusion in all facets of community life for people with developmental disabilities.

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[1] "the term 'drug-related criminal activity' means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in U.S. Code section 802 of title 21).

Our role is to seek continuous improvement across all systems—education, transportation, health care, employment, etc.—that touch the lives of people with disabilities. Our work requires us to have a long-term vision of public policy that not only sees current systems as they are, but how these systems could be made better for current and future generations of people with disabilities.

Thank you for your consideration,

Beth Swedeen

Beth Swedeen, Executive Director
Wisconsin Board for People with Developmental Disabilities

APARTMENT ASSOCIATION
South Central Wisconsin

Apartment Association of South Central Wisconsin
702 N High Point Road, Suite 203, Madison, WI 53717 **www.aascw.org**

December 10, 2015

Testimony in Support of AB 568

The Apartment Association of South Central Wisconsin would like to register our **support for AB 568.** We have several provisions in the bill we would like to highlight.

1 – Property owner registration, inspections, and fees. We are strongly opposed to the current trend among some larger municipalities to implement onerous fees and inspection regimes that are only applicable to building used for residential rental. Owner occupied buildings that may be identical are exempt from this regulation. This bill makes an important change so that a municipality will not be able to impose registration requirements or fees unless those fees apply to all residential units. It will also provide that inspections can only be for good cause or based upon a complaint, unless required by state or federal law.

2 – Historic Designation. We support the provisions in this bill which make it clear that landowners cannot be forced into accepting an historic designation or be required to follow other actions related to preserving a building's special characteristics, aesthetics, or history. This provision is prospective only and does NOT allow a building owner to "opt-out" once they have consented to a designation. We are strong supporters of historic districts and historic preservation in some circumstances. But this should never become an excuse to take away a property owner's rights without their consent.

3 – Sprinklers. We support elimination of outdated and unenforceable language which appears to grandfather certain municipality's ordinances which include stronger language on requiring sprinklers to be retrofit into older buildings. We have seen in Fitchburg that the enforcement of this ordinance has left owners with no choice but to leave buildings in a state of non-repair, as normal maintenance costs could force them into sprinkler installation costs that would make the building no longer viable economically. A well maintained building that is fully in compliance with the State uniform building code is a much preferred option for city residents.

4 – Squatters. We support making clear in the law that a person occupying a residential unit, who is not a tenant, does not acquire tenant's rights merely by their presence. In fact, they are trespassers and a building owner should not have to go through formal eviction process to remove them from their property.

Thanks for your consideration and for your support of AB 568.

If you have any questions please feel free to contact our representative:
Bob Welch 608 819 0150

STATE OF WISCONSIN
Department of Safety and Professional Services
1400 E Washington Ave.
Madison WI 53703

Governor Scott Walker **Secretary Dave Ross**

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DSPS Testimony on Assembly Bill 568

Good Morning Chairman Jagler and members of the committee. My name is Eric Esser, I am the Assistant Deputy Secretary for the Department of Safety and Professional Services. I am accompanied by Jeff Weigand, Division Administrator for our Industry Services Division. We appreciate the opportunity testify for informational purposes only on Assembly Bill 568.

The Department of Safety and Professional Services feels that section 14 relating to the deletion of pre-existing stricter sprinkler ordinances for multi-family dwellings is consistent with how the department has been interpreting the law, since the enactment of 2013 Wisconsin Act 270. We believe that this clarification of existing statutes will only help in the accurate implementation of this law. It is our feeling that this bill will act to clear up any confusion that may exist post the enactment of Act 270. Assembly Bill 568 lays to rest arguments to the contrary of the agency's interpretation of the uniformity of Wisconsin's commercial building code.

Thank you again for the opportunity to appear and we would welcome any questions that the committee may have at this time.

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December 9, 2015

To: MEMBERS OF THE ASSEMBLY HOUSING COMMITTEE
From: Ross Kinzler, Executive Director

The Wisconsin Housing Alliance supports AB 568. We will limit our comments to three provisions of the bill.

1. Violent Criminal Acts - The bill allows a landlord to evict a tenant with a 5-day notice without the right to cure if the person engages in criminal or drug-related criminal activity that threatens the health, safety or enjoyment of other tenants, the landlord, or others living near the tenant. This would not apply to tenants who are victims of crimes. If the tenant contests the eviction, the landlord is required to prove the charge by the "greater preponderance of the credible evidence" of the allegation. The court has the final say, it may uphold or dismiss the eviction.

   Landlords have no problem giving tenants a right to cure for defaults such as non-payment of rent or other lease violations. However, we do not believe the Legislature intended to give tenants who endanger others a right to repeat violent acts. A right to cure should not apply to a tenant who victimizes others.

2. Extending Right to Cure to Month to Month Tenants – The bill allows landlords the option of serving tenants a 5-day right to cure for breaches other than failure to pay rent. Current law only provides one option for non-rent breaches, a 14-day eviction. This provision gives landlords and tenants the opportunity to remedy the default and avoid eviction for the first breach. This option would allow landlords to give month-to-month tenants a second chance for breaches other than non-payment. Landlords prefer to work with tenants on breaches and this provision provides that flexibility.

3. Squatters – The LRB analysis uses the term trespasser but to better understand Section 40 of the bill, we will use the term squatter. Under current law, a squatter who moves into a rental without the permission of the tenant may be guilty of criminal trespass to a dwelling. Under the bill, a squatter violates this section if they don't have permission of the tenant **or** if the tenant is gone, **then** the permission of the owner of the property. It was clear to us that the prohibition of an unauthorized person moving into a unit under current law no longer applied if the tenant had left. So a squatter didn't violate the law, if the tenant was no longer present. AB 568 closes that loophole.

We encourage the Committee to recommend AB 568 for passage.

Wisconsin **REALTORS®** Association

TO: Assembly Committee on Housing and Real Estate

FROM: Joe Murray, Director of Political and Governmental Affairs
Wisconsin REALTORS Association

DATE: Thursday, December 10, 2015

RE: AB 568-Revisions to landlord-tenant law

The Wisconsin REALTORS® Association (WRA) supports AB 568, legislation that modifies several provisions to landlord-tenant law in Wisconsin. While this legislation covers a variety of landlord-tenant issues, the WRA strongly supports the following provisions:

Time of Sale (TOS) – This legislation clarifies that the elimination of time of sale (TOS) requirements that passed as part of 2015 Wis. Act 55 includes the elimination of TOS requirements regarding "occupancy" and "purchasers" of properties, not just sellers. This maintains the spirit of the law passed by the legislature earlier this year.

Criminal Activity – AB 568 allows a landlord to evict a tenant with a 5-day notice without the person being arrested or convicted of the criminal activity or drug-related criminal activity, if the tenant engages in criminal or drug-related criminal activity that threatens the health, safety or enjoyment of other tenants, the landlord, or others living near the tenant. This would not apply to tenants who are victims of crimes. If the tenant contests the eviction, the landlord is required to prove the charge by the "greater preponderance of the credible evidence" of the allegation. The court may uphold or dismiss the eviction and, if the court determines the case is frivolous, the court can impose sanctions on the parties in violation.

Right to Cure – This legislation allows landlords the option of serving tenants a 5-day right to cure for breaches other than failure to pay rent. Current law only provides one option for non-rent breaches, a 14-day eviction. This provision gives landlords and tenants the opportunity to remedy the default and avoid eviction for the first breach. This option would apply to month-to-month tenancies.

Municipal Utilities – Under current law (2013 Wis. Act 274), municipal utilities are no longer required to offer tenants who are behind on utility payments a deferred payment plan. Utilities have the option to offer these plans. AB 568 clarifies that deferred payment plans are optional and do not require PSC approval.

Landlord Certification/License/Registration/Fees – This legislation would prohibit local landlord certification, registration and licensing to own, manage, or operate residential rental property, unless these requirements were applied to all residential rental properties, including owner-occupied properties. AB 568 would also prohibit municipalities and counties from mandatory inspection requirements and fees. Inspections would be complaint based (showing of good cause) and subject to a uniform fee structure.

We ask for your support of AB 568.

LEAGUE OF WISCONSIN MUNICIPALITIES

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To: Assembly Committee on Housing and Real Estate
From: Curt Witynski, Assistant Director, League of Wisconsin Municipalities
Date: December 10, 2015
Re: AB 568, Prohibiting Municipal Landlord Registration and Rental Inspection Programs; Undermining Historic Preservation Ordinances; and Repealing Statute Grandfathering more Stringent Local Multifamily Sprinkler Requirements

The League of Wisconsin Municipalities strongly opposes AB 568, which strips from communities the ability to regulate landlords, apartments, and historic landmarks for the health, safety, and general welfare of the community. The bill also repeals a new state law grandfathering more stringent local sprinkler requirements for multi-family dwellings and provents municipalities from requiring code compliance as a condition of occupancy of a dwelling.

This bill is the third in a series of omnibus bills that landlord groups and the Wisconsin Realtors Association have successfully enacted over the last several sessions. AB 568 goes much farther than the previous bills with regard to preempting local powers. We oppose for the following reasons:

Prohibiting municipalities from registering landlords and implementing rental inspection programs.

- This bill eliminates the ability of municipalities to work with their local landlord groups to address the unique health and safety concerns presented by rental units in the community that do not comply with safety codes.
- Rental property registration is an important tool for creating a code enforcement system that effectively identifies problem properties and, through random inspections, deters landlords from engaging in deferred maintenance and lax property management.
- By prohibiting municipalities from requiring landlords to register with the community, the municipality has no way of obtaining emergency contact information unless it is provided voluntarily.
- It is important to require contact information for both the owner and property manager, especially an emergency contact who is available 24 hours a day. This provides police, fire personnel, and neighbors with someone to contact if there are emergencies or other issues on the property.
- At least 8 of the 13 communities that host UW system four year universities either have a rental registry or rooming house license requirement.

Prohibition on imposing time of occupancy requirements.

- The bill extends the recently enacted prohibition against municipalities imposing time of sale requirements to the time of occupancy.
- We are concerned that under the bill if a decrepit residential building is successfully sold

as is, the bill would allow the new owner to occupy the property without first addressing the dilapidated, unsafe condition of the property.

- It makes no sense to disallow enforcement of "no occupancy" orders for properties simply because they changed hands when the health and safety conditions that precipitated the "no occupancy" posting has not been remedied.
- Also, we are concerned that under the bill if the owner of a partially constructed house or condominium building sells the property (say, as a result of financial trouble), the municipality would be prohibited from requiring that the building meet basic code standards before the new owner occupies it.

Undermining local historic preservation programs.

- Requiring owner consent to require or prohibit any action by an owner of a property related to preservation of the historic or aesthetic value of an historical landmark kills historic preservation efforts. If this bill passes, a municipality would have no tools to protect the demolition of iconic historic buildings such as a Frank Lloyd Right designed home.
- Any look or character that a community hopes to cultivate in an older downtown or historic neighborhood will be decimated and destroyed if an owner has the option not to do the required improvement based upon the historic nature of the building.
- The combined effect of the two historic preservation pieces of the bill is to reduce municipal Historic Preservation Commissions to advisory bodies with no power of enforcement.

Eliminating more stringent municipal automatic sprinkler requirements for multifamily dwellings.

- Current state law is the result of a recent compromise worked out between many stakeholders after years of discussion that allowed preexisting sprinkler ordinances that were stricter than the uniform commercial building code to remain enforceable. A little under 70 communities statewide have more stringent sprinkler requirements that have been approved by DSPS under the compromise legislation and may continue to enforce their ordinances. No other communities may adopt more stringent sprinkler requirements. The bill repeals this compromise agreed to by all the interested stakeholders and passed by the Legislature only two years ago.

For the foregoing reasons we urge you to not recommend passage of AB 568. Thanks for considering our comments.

City of BELOIT, Wisconsin

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TESTIMONY BEFORE

THE ASSEMBLY COMMITTEE ON HOUSING AND REAL ESTATE

ASSEMBLY BILL 568

RELATING TO TERMINATING A TENANCY FOR CRIMINAL ACTIVITY OR DRUG-RELATED CRIMINAL ACTIVITY; DISPOSITION OF PERSONAL PROPERTY LEFT IN RENTAL PROPERTY BY A TRESPASSER; PREEXISTING SPRINKLER ORDINANCES THAT ARE STRICTER THAN THE MULTIFAMILY DWELLING CODE; TOWING VEHICLES ILLEGALLY PARKED ON PRIVATE PROPERTY; TERMINATING CERTAIN TENANCIES FOR BREACHES OTHER THAN FAILURE TO PAY RENT; LIMITATIONS ON THE AUTHORITY OF POLITICAL SUBDIVISIONS TO REGULATE RENTAL UNITS, HISTORIC PROPERTIES, AND SIGNS; PROHIBITING LOCAL GOVERNMENTAL UNITS FROM IMPOSING REAL PROPERTY PURCHASE OR RESIDENTIAL REAL PROPERTY OCCUPANCY REQUIREMENTS; CREATING A CRIMINAL PENALTY; AND MAKING AN APPROPRIATION

Dear Chairman Jagler, Vice-Chair Allen and Honorable Members of the Committee on Housing and Real Estate:

The City of Beloit began a rental registration and permit inspection program in 1994 in response to serious neighborhood concerns. This program has been supported by our community for over 20 years and addresses public health and safety issues that are unique to Beloit. We currently have 14,803 dwelling units and of these 6,611 (45%) are rental. Over 40% of these rental units or roughly 2,700 units are single family homes, which means a significant number of families are living in rental properties.

For decades, the City of Beloit has had much lower property values than other cities of similar size. The housing crisis further depressed those values and a high number of rental properties in

Beloit are inhabited by low-income families. The most vulnerable of tenants frequently do not complain as they may be unaware of their rights, have language barriers, or fear increased rent or other retaliation. Anti-retaliation laws require knowledge and access to legal services that may be unrealistic for our most vulnerable populations.

Even after having a program in place, new violations are still found during every round of systematic inspections, where one-third of all rental properties are inspected on an annual basis. From 2012 to present, we ensured the correction of 253 rental properties without fire detectors; 95 without carbon monoxide detectors; 61 for insufficient sanitation; and 56 violations for insect, rodent and vermin. In two months of 2015, when we began tracking differently, 33 units were declared unfit for habitation. The list goes on and this is after we have scheduled our visits and informed landlords in writing of the inspection checklist. Clearly, we cannot presume that all landlords will be responsible and ensure appropriate safety for their tenants. How many more properties would not have basic life safety components if we stopped our systematic inspections?

Some landlords are responsible but sadly many of them, particularly those out-of-town and often out-of-state, purchase properties inexpensively, rent them, and do not maintain their units. Without the rental program in Beloit, we would be unable to ensure minimum standards. Even with the program in place there are multiple examples of an LLC purchasing properties and the registered agent resigning after the purchase is executed.

Two of our most challenged neighborhoods have high concentrations of rental properties and high poverty level.

Merrill Neighborhood

- Persons living at poverty level is 39% compared to 24% Citywide
- Persons under 18 living in poverty is 51% compared to 38% Citywide
- 54% of the housing units are rental compared to 45% Citywide
- This neighborhood has been a designated Low-Moderate Income Area by HUD for several decades.
- 957 inspections that identified violations were performed in 2014

Hackett Neighborhood

- Persons living at poverty level is 37% compared to 24% Citywide
- Persons under 18 living in poverty is 45% compared to 38% Citywide
- 61% of the housing units are rental compared to 44.4% Citywide
- This neighborhood has been a designated Low-Moderate Income Area by HUD for several decades
- 1,511 inspections that identified violations were performed in 2014

We are working hard to address tough issues like poverty, unemployment, declining property values, gang and other criminal activities, particularly in our most challenged neighborhoods. Prohibiting the City from continuing its rental registration and inspection program removes a critical tool to helping the City as a whole and these neighborhoods in particular.

Other representatives will be speaking to the historic preservation and pre-existing fire sprinkler portions of this bill, which are also cause for great concern. The City of Beloit implores you to refrain from enacting legislation that inappropriately treats all local governments the same. The history of the Beloit rental registration and inspection program is solid, defendable, and literally saves lives. Our residents and local leaders demanded this service over two decades ago. Please do not prohibit us from continuing it.

Thank you for the opportunity to present our viewpoint on this important proposal.

Sincerely,

Charles M. Haynes
City Council President

Lori S. Curtis Luther
Beloit City Manager

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Assembly Committee on Housing and Real Estate

December 10, 2015

RE: AB 568

According to a leading real estate economist, "it is the differentiated product that commands the high premium. If in the long run we want to attract capital, to attract investment in our communities, we must differentiate them from anywhere else."

Maintaining that uniqueness, which also produces a sense of place and a source of pride, is important when communities are competing for businesses and residents. During the central city master planning for the city of Waukesha, the outside consultants identified Waukesha's historic buildings as one of its greatest assets. National Register designation does not protect this asset. National Register is honorific only and the federal government relies on the local governments to protect their historic properties. This protection comes from local landmark ordinances. AB568 takes away the ability of communities to protect this asset. Not only does it require owner consent to landmark a property, it requires owner consent to regulate and protect historic properties. Therefore, it nullifies the local landmark ordinances which protect one of the biggest assets in many of the communities in Wisconsin.

Study after study has shown that local landmark designated districts have higher property values and maintain those property values better in economic downturns than National Register only districts. The differences in property values in these studies range from 5%-131%, but the average is 15%-35%. The property values in locally landmarked districts increases at a faster rate than National Register only districts. In addition, locally designated districts have lower foreclosure rates than other comparable areas that are National Register only.

Historic preservation is one of the strongest economic development and redevelopment tools in existence. A national consultant on urban planning stated that he has never seen a downtown thrive and be successful without preserving its historic buildings. A study of downtowns in Georgia showed that historic downtowns with local landmark designation had 2.88 business openings for every 1.0 business closings. This compares to other areas which had a total of 1.1 business openings per 1.0 business closings

Local Landmark designation promotes stability. An Indiana study showed that the percent of long term homeowners that had resided in their homes for longer than twenty years was 50% for local historic districts compared to 35% in National Register only districts.

Across the nation, historic and cultural sites draw more tourists than recreational assets. This is called heritage tourism and it contributes billions of dollars to the United States economy every year. Heritage tourists stay longer and spend more money than other types of tourists. In addition, heritage tourists take more trips than other types of tourists. Heritage tourism contributes greatly to the state of Wisconsin's

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economy. Local landmark designation protects local historic resources, so that those communities can then generate revenue through heritage tourism.

I won't go into all the economic benefits of the historic tax credits, but the study done in Wisconsin showed that by year 10 of operation there is a 133% return on investment. In addition, for every $1 of tax credit $1.25 goes directly back into the Federal Reserve. Therefore, historic tax credits generate revenue. The majority of projects that utilize the historic tax credits are in low income census tracts. One of the consequences of requiring owner consent for approvals for changes to locally designated properties will be the delisting of National Register properties. This can happen when a district has a significant amount of changes that result in the loss of the historic character that qualified it for the National Register. This delisting will result in loss of eligibility for the historic tax credits, not only for the owners of the properties who opted out of local control of their historic property, but also for the owners who consented to local control of their historic property. In addition, if that delisting is within the recapture period for an owner who utilized the historic tax credit, that owner would have to repay those credits. In other words, this proposed bill could deprive many historic property owners of their opportunity to take advantage of credits to redevelop their buildings.

I also would like to make sure that this committee understands that historic designation is not arbitrary and historic preservation does not try to save every old building. There are criteria which must be met in order to qualify for the National Register and local landmark designation. These criteria are reviewed by experts in the field of historic preservation and architecture. Not every old building will qualify for historic designation.

In conclusion, it is the Local Landmark designation which protects our historic properties. Those historic properties are one of the State of Wisconsin's most important assets. National Register does not protect historic properties. Therefore, the proposed changes to historic preservation statutes will prevent local governments from protecting one of their most valuable assets that generate revenue and make them competitive for jobs and residents. I have provided you with an Economic Benefits sheet that highlights some of the items that I discussed today and a sheet that has common misconceptions about local landmark designation. I have also provided you with a list of resources for further reading.

Thank you,

Mary Emery
President

ECONOMIC BENEFITS OF HISTORIC PRESERVATION
by Waukesha Preservation Alliance

1. Jobs
    a. Rehabilitation of historic structures is 20% more labor intensive than new construction and creates more jobs than any other economic activity including new construction.
    b. Laborers are almost always hired locally. These are direct jobs.
    c. Eighty percent of investment into historic rehabilitation work ends up going to the workers. This is money that is then spent in other local businesses thus producing induced jobs in the community.
2. Property Values
    a. Numerous studies have shown that property values in locally designated historic districts are higher than comparable areas that are National Register only historic districts and those that are not historic districts. These differences range from 5% to 131% higher value for the locally designated historic districts. Most of the differences were in the 15%-30% range.
    b. Increases in property values were higher in locally designated historic districts compared to National Register only historic districts and comparable areas not in historic districts. Even in these tough economic times the locally designated historic districts have retained their values better than the other areas. The locally designated historic districts appreciated at a rate of 5-35% more than the other comparable areas.
3. Heritage Tourism
    a. Heritage tourists stay longer and spend more money than other types of tourists.
    b. Heritage tourism contributes billions of dollars per year to the U.S. economy.
    c. In addition heritage tourists take more trips than other types of tourists.
4. Environmental Responsibility
    a. Historic buildings contain embodied energy that is lost when they are demolished.
    b. Twenty five percent of landfill material is construction and demolition debris.
    c. New calculations show that it will take 35-50 years for an energy-efficient new building to save the energy lost in demolishing an existing building.
    d. Building reuse has fewer environmental impacts than new construction.
5. Revitalization/Stability of neighborhoods
    a. Recent studies have found that the foreclosure rate in locally designated historic districts is less than half of the rate outside districts. This may be due to the ability of troubled homeowners in the historic districts being able to sell their properties before they go into foreclosure.
    b. In historic downtowns in Georgia there were 2.88 business openings to every 1.0 business closings. This compares to a national rate for all areas, not just historic districts, of 1.1 business openings for every 1.0 business closings.
    c. Seventy five percent of the projects that utilized Federal Historic Preservation Tax credits in Connecticut were in census tracts with less than $25,000 median household income. These credits have become important redevelopment tools.
    d. Studies have shown that projects that utilize the historic preservation tax credits promote redevelopment in the surrounding areas.
    e. Locally designated historic districts promote stability. In Indiana, the percent of long term home owners that had resided in their home for over twenty years was 50% for the local historic district compared to 35% in other comparable areas.

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Resource List

- "Benefits of Residential Historic District Designation for Property Owners" by Jonathan Mabry, Ph.D. Department of Planning and Urban Design, City of Tucson.

- "Preservation and Property Values in Indiana" by Donovan Rypkema

- "Historic Preservation Essential to the Economy and Quality of Life in San Antonio" by Place Economics

- "Wisconsin Historic Tax Credit Impact Analysis" by Baker Tilly, May 2015

Common Misconceptions About Local Landmarks Ordinances

1. Property values will decrease once a property is designated a Local Landmark. See the letter to this committee

2. Being a Local Landmark restricts everything that gets done to the building even the paint colors. Waukesha's Landmarks Commission follows the Secretary of Interior's Standards for Rehabilitation of Historic Structures. These standards are fairly simple, they mainly state that as much of the original details and materials should be retained whenever possible. When replacement is necessary then like materials should be used that match the old with regard to profile and appearance. Landmarks Commission does not regulate paint colors unless the individual requests Paint and Repair money from the City. National studies have found that Landmarks Commissions approve close to 90% of proposals they receive. Waukesha's Landmarks Commission is close to that.

3. Being designated a Local Landmark will require the owner to restore the building to its original appearance. Owners are not required to restore a building to its original appearance when it is designated a local landmark. One example is that when the roof needs to be replaced on an historic building, the owner is not required to use the same material as the original roof.

4. If you own an historic building you will not be allowed to add onto your building. Additions are allowed and Landmarks Commission even offers design assistance from an architect. Besides design assistance there are other benefits to being a Local Landmark. There are paint and repair grants available. There is advice on restoration techniques and products. One example is that Landmarks Commission makes sure that the proper mortar mix is used. Older bricks are softer than modern bricks. If a mortar mix is used that is too hard for the soft historic brick, the face of the bricks will eventually pop off from the incompatibility of the two materials during the freeze/thaw cycle.

5. Local Landmarks Ordinances are unnecessary, because the National Register protects the building. National Register Designation does not protect a historic property. The federal government relies on the local governments to protect their historic structures.

MADISON TRUST
for Historic Preservation
National Trust Partners Network

12/10/15

TO: Wisconsin State Assembly
RE: AB568

The Madison Trust for Historic Preservation is steadfast in our opposition to the proposed language in AB 568 related to historic preservation districts. We believe the language strips the ability of local municipalities to effectively manage and enforce their local historic landmark districts in a manner in which their constituents, through the democratic process, worked tirelessly to create.

There are approximately 2500 dedicated historic properties and roughly 124 local units of government with landmarks ordinances throughout the state of Wisconsin. Many of them carry a combination of local, state and federal designations. The historic value of these properties and districts are as varied as they are scattered relatively evenly across the state. From Chippewa Falls and the Bridge St commercial district, to Cedarburg and the Hamilton Historic District, to Ephraim and the Anderson Dock Historic District all the way to the many vibrant local historic districts in Madison and Milwaukee. These districts and individual properties preserve our state heritage like no museum will ever be able to replicate. This heritage is what makes all of us proud to be Wisconsinites. It is our collective story that is constantly under threat from forces that are beyond the control of any one individual. All of us here today, and everyone throughout the state, have a duty to protect and preserve these remaining properties.

Local Municipalities which have not decimated the entirety of their historic properties and districts, and by extension their heritage, understand the social and economic value of what they have left to preserve. I would argue that those communities who have not implemented an enforceable landmarks ordinance regret the loss of their heritage and are generally envious of the communities who had more foresight to act otherwise.

The economic benefits of preservation are well known. There have been numerous studies illustrating the economic benefits of heritage tourism and the impact of State and Federal Tax credits on individual landmarks and historic districts. The federal credits specifically target cohesive districts that are a collection of significant and contributing properties. If these districts lose their cohesive and contiguous nature, the tax incentives may also be lost. This is the very real economic effect of AB568, by rendering these districts zones of voluntary compliance. Smart businesses and developers get it.

MADISON TRUST
for Historic Preservation

National Trust Partners Network

Local landmark ordinances and districts are not discriminatory in nature nor do they enforce the regulations in an arbitrary manner. They are in fact complimentary to zoning, planning and land use plans of any local governmental body, all of which rely on precise and uniform language for compliance.

The specific language in AB568 renders the regulation of local landmark districts toothless, and in the process will leave these districts without an effective enforcement mechanism to preserve them as an integral part of local land use plans.

The individual property owners this bill presumably empowers, have a choice of whether or not to live in a historic district or property and therefore should understand the conditions inherent in that choice. They should not be allowed to hold a district hostage to their personal refusal to comply with a regulation that is enacted by local law. AB568 would allow the refusal of a few, to strip the rights of the many.

The language in AB568, if enacted, takes local control and puts it squarely in the hands of state lawmakers. I would argue that it is the local municipalities who know what is best for their communities and their own economic success.

In summary we feel local municipalities should be allowed to create and regulate their own historic districts according to the collective interests of their own citizens, and should not be regulated by the misguided attempts of a proposed state law against the express interests of local citizens who choose to create such districts in their own vision and unique identity.

Sincerely,

Sam Breidenbach
President
Madison Trust for Historic Preservation

City of Milwaukee

Department of Administration
Intergovernmental Relations Division

Tom Barrett
Mayor

Sharon Robinson
Director of Administration

Jennifer Gonda
Director of Intergovernmental Relations

City of Milwaukee Testimony on AB 568
Assembly Committee on Housing and Real Estate
December 10, 2015

The City of Milwaukee is opposed to AB 568. The bill's prohibitions on local government are quite overwhelming and strike at the heart of what a local government does—to protect the health, safety, and welfare of its citizens.

The bill places extreme limitations on our Department of Neighborhood Services (DNS), the agency responsible to enforce standards for buildings, property, and land use. Its goal is to build safe and healthy neighborhoods through improving neighborhood conditions and reducing blight and to increase investment and economic vitality throughout the city. Various inspection and enforcement activities ensure compliance with building and property codes, which helps encourage and maintain investment in housing and other buildings and fosters reinvestment into Milwaukee's neighborhoods.

Generally, protecting and preserving our housing stock is a benefit to neighborhood stabilization, homeowner and taxpayer investment and to the overall health of the City's tax base.

Sections 2-4

Current law allows political subdivisions to designate and regulate historic landmarks, establish historic districts and regulate the properties within a historic district for historic preservation purposes. The bill only allows us to regulate for historic preservation purposes with the owner's consent. Some of Milwaukee's highest valued neighborhoods have local historic designation.

Having uniform, consistent, predictable, and objective criteria for exterior alterations allows for the assurance that investment will help maintain and even increase property values. Poorly and inappropriately maintained properties hurt the property values of those around them and thereby hurt the city's tax base. A current, or prospective, property owner would be hesitant and have less incentive to invest in preservation-related improvements or acquisition without some level of certainty that neighboring landowners will similarly invest. The historic district provides a level of assurance to an owner that a standard level of care and maintenance will be maintained. Requiring owner consent is essentially spot zoning and is against current Wisconsin requirements to be registered as a Certified Local Government. CLG status makes a community eligible for Historic Preservation Fund Subgrants. In all likelihood, this legislation is a disincentive to the investment in historic properties, and could prompt abandonment of historic areas.

A final point is that the proposed legislation also includes archaeological sites. It is totally inappropriate to preclude the local governing body from imposing restrictions on use should evidence of pre- or post-contact habitations be discovered.

Section 5 and 7

The bill prohibits ordinances that require a rental unit be inspected without good cause or be certified or registered, and prohibits ordinances requiring landlords to be licensed, certified or registered in order to own, manage, or operate rental property. We do have a Property Recording Program that requires all non-owner occupied residential properties to register contact information. This program has been in place since 1993 and is essential for the proper enforcement of the City's building and zoning codes. This information allows easier communication between the department and landlords enabling the department to contact property owners when a complaint is received or when violations have been observed. Often times a phone call can resolve an issue thus saving time for both the landlord and the department.

The information collected is valuable to public safety, as first responders use the information to contact building owners when there is an after hour incident or emergency at their property. Additionally, it is helpful for neighborhood relations as neighbors can notify landlords of problem tenants. It is a critical tool to make communications work in larger communities. To put this in context, there are over 160,000 parcels in the City and over 60,000 are non-owner occupied and commercial. Clearly, with this level of rental units we need the ability to regulate and enforce safe building codes.

The same section of the bill prohibits charging a fee for conducting an inspection other than an inspection based on a complaint from a tenant. Limiting an inspection to a complaint from a tenant is problematic for many reasons. First and foremost is that the City received 33,000 complaints in 2014. Many of these complaints come from tenants. But there are many other sources of complaints including neighboring property owners and neighboring tenants, the public who visit and/or work within buildings, neighborhood or other civic associations, concerned citizens, business owners, elected officials. Don't these interested parties have the right to complain and expect their local government to respond if there is a problem property? Further, tenants often do not complain because they fear retaliation from their landlord. Finally, often times, tenants of a property are the problem and their actions prompt neighbors to complain.

In 2010, the City established the Residential Rental Inspection (RRI) program in two targeted areas of the City to address the higher than average number of building code complaints that were received by the department. The rental properties in these target areas are typically rented by students and/or low income renters. The UWM area has long been problematic due to the rental turn-over rate. These areas also have a higher percentage of rental units than owner-occupied, and thus these neighborhoods are more at risk from the problems related to absentee landlords. The target areas also have a higher history of illegal units. Using the RRI program, the City has been able to identify and ameliorate unsafe conditions such as overcrowding and illegal units and reduce nuisance behavior.

Without these tools to respond to neighborhood complaints and address problem areas, you tie the hands of local government to appropriately respond to its constituents.

Section 10
The bill states that political subdivisions may not impose a requirement or restriction based on the informational content of a sign that is not imposed on all signs. This seems to be overly broad and would go so far as to limit our ability to require entrance and exit signage. Currently, we allow real estate and political signs in residential zones so it is unclear why this restriction is necessary.

Sections 27-38
The bill prohibits a local governmental unit from requiring a real property owner to take certain actions with respect to the property at the time of sale, purchase, or occupancy. Our Certificate of Code Compliance Program forewarns and protects buyers of one- and two- family dwellings against dangerous or unsatisfactory housing conditions. Through application of this program, not only are we able to improve conditions for a new purchaser, we are also able to maintain the property values for the neighboring owners, thus stabilizing the community. The City of Milwaukee's Certificate of Code Compliance Program would be prohibited, making it more difficult for us to improve the conditions for the new owner of a property, which would have an additional detrimental effect on the property values in our neighborhoods.

Taking away our ability to preserve and protect the quality of our housing stock at a point when we are recovering from the foreclosure crisis and have invested millions to stabilize neighborhoods will disrupt an already fragile environment leading to more disinvestment and potentially contributing to increased crime. Neighboring homeowners and taxpayers have an expectation that property will be maintained to protect their own investment and the City's tax base. All it takes is for one nuisance property to have a negative impact on a neighborhood.

Section 17
The bill would change current law as it relates to towing service notification of law enforcement. Current law requires a tow service to notify law enforcement prior to a private property tow in order to collect the tow fees. The bill changes the notification requirement to "make a good faith effort." The bill does not define what a good faith effort is. We would ask you to continue current law if a municipality has a 24-7 operation to handle the notification. Without proper notification we won't know if a car has been stolen or not, or where a car has been towed. Current signage does not require tow operators' contact information. Additionally, the language added in Sections 18 and 19 of the bill, "when no citation has been issued" is problematic because we need law enforcement notification even if a citation is issued.

Sections 20-26
We support the terminating tenancies and trespass provisions of the bill and would prefer these sections to be pulled out and acted on as a separate bill. We would ask for current law to remain for month to month tenancies as well as the proposed curable option.

Thank you for the consideration of our concerns and we urge you to oppose AB 568.

For more information please contact:
Brenda Wood, Senior Legislative Coordinator, bwood@milwaukee.gov, 414-286-2371