How to be a Smart Landlord

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What laws regulate landlord-tenant relations in Wisconsin?

Landlord-tenant relations in Wisconsin are governed primarily by two sets of regulations: Wis. Stat. ch. 704 and Wis. Adm. Code ch. ATCP 134. Additionally, Wis. Adm. Code ch. ATCP 125 specifically addresses manufactured home community operator-tenant relations.

What resources can I use to find out about tenants before I agree to rent?

- Consolidated Court Automation Programs (CCAP) this website has
 Wisconsin's small claims court records. You can check the name of potential
 tenants to see what eviction actions and other small claims cases they have
 been involved in.
- 2. **Rental Applications** These typically ask for personal details, employment history, income, rental history, financial information, personal references, pet information, and vehicle information.
- 3. **Credit Reports** If you obtain a credit report from TransUnion, Experian, or Equifax, and notify the applicant before doing so, you can charge the applicant for the actual cost of the consumer credit report, up to \$25.
- 4. **Background Checks** The contents and cost of a background check vary depending on which third-party provider you use, but they typically consist of a credit report, criminal history, income verification, and eviction history.
- 5. **Police Records** You can use national, state, and county databases to research criminal history.

Warning! The U.S. Department of Housing and Urban Development has said that arrests alone (which could include both pending and dismissed cases) cannot be used as criteria for rejecting a tenant.

6. **Income Verification** - You can ask applicants to verify income through pay stubs, tax returns, W-2 tax forms, or bank statements.

Remember! In Wisconsin, you cannot treat someone differently when it comes to housing because of a "lawful source of income"

What are my rights as a landlord?

Rent

 By creating a rental agreement with you, a tenant has entered into a contract. Usually, one of the terms of that contract is that the tenant will pay you a certain amount of rent at regular intervals.

Entry

- You may enter the unit at reasonable times to inspect, make repairs, or show the premises to prospective tenants or purchasers as long as proper notice is given to the tenant.
- You may enter without proper notice in an emergency (flooding, gas leak)

• Eviction

- Wisconsin law lays out the procedure for you to evict tenants for nonpayment of rent, violating the terms of their rental agreements, engaging in criminal activity, or threatening another tenant or the child of another tenant.
- Credit & background checks
 - You not only have the right to perform credit & background checks, you may charge the tenant for them (up to a point).
- Get your keys back or charge the tenant for costs to rekey the property.
- Security Deposit
 - Wisconsin law places no limit on the amount you can charge for a security deposit, as long as the charges aren't discriminatory (e.g. you can't charge tenants with disabilities a higher security deposit).

 You can withhold from the security deposit anything listed in the statute as well as anything listed in a non-standard rental provision

Damages

 If damages exceed the amount provided by a security deposit, you have the right to file a lawsuit to collect the balance.

• Double Damages

 If a tenant remains in the unit without your consent after termination of the tenancy, you can file a lawsuit to collect at least twice the rental value per day

What are my responsibilities as a landlord?

- **Duty to mitigate**: If a tenant breaks their lease, it might be tempting to just keep charging the rent to their account and letting it add up until you have a big damages bill to take to small claims court. However, Wisconsin law requires you to make reasonable efforts to re-rent the unit, just as you would with any unoccupied unit. The damages the former tenant would owe for unpaid rent are lessened by the rent you collect from any new tenants in the unit. You also cannot write a clause into a lease waiving your duty to mitigate.
- **Receipts**: As a landlord, you have a duty to provide receipts to the tenant when accepting earnest money or a security deposit, unless payment is made by a check with a payment description on it. You also have a duty to provide receipts for rent payments made in cash. While these are duties imposed by the law, they are also good business practices. In fact, keeping an accounting ledger of all payments and debits for each tenant's account, no matter in what form (cash, check, etc.), is a best practice. It can save time and effort later if there is any question about who owes money to whom, and can be helpful evidence if a case goes to court.
- Security Deposit/Statement of Withholding: You have a duty to return the tenant's security deposit, minus any amounts legally withheld, within 21 days. You also must provide a statement of withholding within those 21 days explaining any amounts withheld from the security deposit.
- **Habitability**: In Wisconsin, the implied warranty of habitability means that you must provide and maintain a safe and habitable rental property. "Implied" means the requirement applies whether or not the lease agreement specifically

says so and even if the lease tries to waive the obligation. Examples of clear habitability violations include:

- Exposed electrical wiring.
- A pipe leaking human waste.
- A broken front doorknob that won't lock.

However, the implied warranty of habitability does not guarantee that anything at the property will be pretty, clean, new or issue-free, so it doesn't cover things like peeling carpet or dents in a wall. It only guarantees basic health and safety.

• **Prompt Repair**: If you say you are going to clean, repair or fix something, you must specify when you are going to complete the cleaning, repairing or fixing. You should only miss that date for something beyond your control, and if you are going to miss that date, you need to promptly let the tenant know that, know the reasons why, and give them a new completion date.

What are my landlord repair and maintenance duties, more specifically?

Unless the tenant caused the problem or the problem won't cost much to fix (e.g. changing a light bulb), you must fix the problem and pay the repair costs. You must also maintain equipment under your control, such as elevators.

It is optional for you to supply certain appliances in a rental unit, like a washer and dryer or an air conditioner. If you do supply the item and it no longer works, you generally must fix it or replace it unless the damage was caused by the tenant (not simple wear and tear).

You are required to provide:

- Heating
 - Rental units must be capable of maintaining temperature of at least 67 F
- Plumbing, including sewage disposal
 - Tenants are responsible for fixing clogged drains and toilets that they caused
- Running hot and cold water
- Electric service

- You must keep wiring, outlets, & fixtures in safe operating condition
- Smoke alarms & carbon monoxide (CO) detectors
 - You must replace broken devices within 5 days of notification

You are not required to provide:

- Air conditioning
 - o But if provided, you must repair damage that isn't tenant's fault
- Air filters
 - Unless the provided heating or cooling equipment won't work otherwise
- Kitchen appliances, such as dishwashers, stoves, ovens, microwaves & refrigerators
 - o But if provided, you must repair damage that isn't tenant's fault
- Light bulbs
 - Except for common areas
- Window coverings
- Washers & Dryers
 - o But if provided, you must repair if stop working properly

It is unclear who is required to provide:

- Garbage removal
 - While the tenant is responsible for moving garbage from the rental unit, you should probably provide an appropriate receptacle for the building and make garbage removal service for the building available.
- Mold & Pest removal
 - It can be hard to prove who caused mold or pest issues, and therefore who should pay to investigate and fix it. However, both issues can spread, quickly get worse, and cause serious health issues if not taken care of properly right away. Therefore, it's in your best interest as a landlord to immediately pay a professional to fix the problem when notified of the issue, and figure out fault and payment later.

What should I tell the tenant before they rent from me?

Before applicants sign anything or pay any money, you must communicate to them:

1. Any written rental agreements and rules.

 It's a good idea for tenants to know what they are agreeing to before they sign something.

2. Serious problems with the rental unit

a. Code Violations

 This is required if you know about the code violation and the problem significantly threatens a tenant's health or safety.

b. Conditions affecting livability.

- i. Applies to rentals whether or not notice of code violation has been received
- ii. No hot or cold running water
- iii. Heat can't be maintained at a minimum of 67 F or heating system isn't safe to operate
- iv. No electricity or the electrical system isn't safe to operate
- v. Plumbing or sewage not in good operating condition
- vi. Other conditions which are substantial hazards to the health or safety of the tenant or create an unreasonable risk of personal injury

3. Utilities

- a. You must tell applicants what utilities (water, heat, electricity) aren't included in the rent
- b. If any utilities are on a shared meter, you must explain how the bill will be split among the units.
 - You may charge separately for utilities through the installation of a sub metering system, use a ratio billing system (e.g. square footage), split evenly between tenants, or use another method to distribute charges to units.

Download: Wisconsin Shared Utility Disclosure Form

4. Check-in Procedures; Preexisting damages

- Applies to rentals charging a security deposit
- You must provide written notice to applicants that if they move-in, they have at least 7 days to:
 - a. Inspect the unit and notify you of any preexisting damages
 - b. Request a list of physical damages or defects, if any, charged to the previous tenant's security deposit.

What do I need to include in my rental agreement?

1. Notice of domestic abuse protections

- Applies to all Wisconsin rentals
- You must provide notice that victims of domestic abuse have special rights as tenants.

2. Lead-Based Paint

- Applies to units built before 1978
- This includes a lead-based paint disclosure form
- An <u>Environmental Protection Agency (EPA) approved pamphlet about the</u> dangers of lead-based paint
- Any additional records or reports about the presence of lead-based pain in the unit, including common areas in the building.

3. Nonstandard Rental Provisions

- Applies to rentals where landlord and tenant agree to nonstandard lease provisions
- Wisconsin rental agreements which agree to nonstandard rental provisions (such as the landlord having the right to enter without 12 hours' notice) must place these provisions in a document clearly titled "NONSTANDARD PROVISIONS" alongside the agreement. You must identify and discuss each provision with the tenant and both parties must sign or initial the document to show a valid agreement.

Move-in

When the tenant moves-in, you must provide:

A check-in sheet

- Applies to all Wisconsin rentals
- You must provide tenants a <u>check-in sheet</u> when they move in. The tenant has 7 days to note the condition of the unit. This enables accurate deductions from the security deposit upon move-out.

Automatic Renewal Clause

During the tenancy, you must notify the tenant about the:

Automatic renewal clause

- Applies to leases (term tenancies) with automatic renewal clauses
- Some leases contain provisions saying they will automatically renew unless the tenant or landlord gives the other a non-renewal notice within a certain time frame.
- At least 15 but not more than 30 days before that specified time, you must give the tenant a written notice calling their attention to the automatic renewal provision in the lease.
- If you fail to do so, you cannot enforce the automatic renewal provision against the tenant.

Landlord Best Practices Renting Housing

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