

1981 Assembly Bill 805

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CHAPTER 231 , Laws of 1981

AN ACT to create 66.91 of the statutes, relating to permitting counties, cities and villages to establish urban homestead programs.

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

SECTION 1. Findings and purpose. (1) The legislature finds that deteriorating dwellings in urban areas create an economic burden and a threat to the health and safety of the people of this state.

(2) The legislature intends by this act to enable counties, cities and villages to create an urban homestead program to facilitate reclamation of deteriorating dwellings for the benefit of neighboring inhabitants and of the entire political subdivision in which the dwellings are located.

SECTION 2. 66.91 of the statutes is created to read:

66.91 Urban homestead programs. (1) **PROGRAM ESTABLISHED.** In this section "governing body" means a county board, city council or village board which establishes a program under this section and "property" means any property used principally for dwelling purposes which contains no more than 2 dwelling units and which is owned by a governing body. Any county board, city council or village board may establish an urban homestead program. A program established by a county board under this section shall apply only to the unincorporated area of the county. The program shall consist of the conveyance of property at cost under conditions set by the governing body and under the requirements of this section, to any individual or household satisfying eligibility requirements established by the governing body. The governing body may appropriate money for the administration of the program and may take any other action deemed advisable or necessary to promote the program, including, but not limited to, the following:

(a) Acquisition under chs. 74 and 75 of any property which would be eligible for conveyance under the program.

(b) Acquisition of any other property which would be eligible for conveyance under this program and which is declared unfit for human habitation by any housing code enforcement agency with jurisdiction over the property or which is found to be in substantial noncompliance with local housing codes.

(2) **CONDITIONS OF CONVEYANCE.** As a condition of the conveyance of the property under sub. (1), the governing body shall require that:

(a) The property be rehabilitated so that it satisfies all housing-related requirements of applicable law, including, but not limited to, building, plumbing, electrical and fire prevention codes, within a specific period, not to exceed 2 years, after the conveyance.

(b) The person to whom the property is conveyed live on the premises for a specified period, which may not be less than 3 years.

(c) The legal title to and ownership of any property conditionally conveyed under this section remain in the governing body until quitclaim deed to the property is conveyed to the individual or household under this subsection. The instrument of a conditional conveyance of property under this subsection shall contain the provision of this paragraph.

(2m) **ELIGIBILITY.** The governing body may establish reasonable eligibility criteria and other conditions and requirements necessary to ensure that the purposes of a program under this section are carried out.

(3) **TRANSFER OF TITLE.** If an individual or household has resided on property conveyed under this section for the period of time required under sub. (2) and has rehabilitated and maintained and otherwise complied with the terms of the conditional conveyance under subs. (2) and (2m) throughout the period, the governing body shall convey to the individual or household, by quitclaim deed, all of the body's reversionary interests in the property.

(4) **MORTGAGES.** If an individual or household obtains a mortgage from a lending institution and uses the proceeds thereof solely for the purposes of rehabilitating or constructing the premises or property under this section, the governing body shall agree to subjugate its rights to the premises or property in case of default, and shall agree that in such case it will execute and deliver a deed conveying title in fee simple to the institution, provided that the institution shall dispose of the property in like manner as foreclosed real estate and shall pay over any part of the proceeds of the disposition as shall exceed the amount remaining to be paid on account of the mortgage together with the actual cost of the sale, to the governing body. In return for relinquishing such rights, the governing body shall be given by the lending institution the opportunity to find, within 90 days of the default, another individual or household to assume the mortgage obligation.
