

Assembly Hearing Slip

(please print plainly)

Date: 2/21/02

Bill No. 692

Or
Subject Security Deposits

*attended
HCC*
Name Rep Schneider

204N
Street Address or Route Number

Capitol
City, State, ZIP Code

Rep. Schneider@legis.
E-Mail Address
state.wi.us

Organization You Represent

Speaking in Favor:	<input type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering in Favor:	<input checked="" type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the hearing.

Provided by:
Assembly Sergeant at Arms
<http://www.assemblysergeant.com>

Assembly Hearing Slip

(please print plainly)

Date: 1/17/02

Bill No. AB692

Or
Subject _____

E. Joe Murray
Name

4801 Forest Run Rd
Street Address or Route Number

Madison, WI 53704
City, State, ZIP Code

JMURRAY@LIRA.ORG
E-Mail Address

WI Realtors Assoc.
Organization You Represent

Speaking in Favor:	<input type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
<u>Registering in Favor:</u>	<input checked="" type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

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Assembly Hearing Slip

(Please print plainly)

Date: 1-17-02

Bill No. Assembly Bill 692

Or
Subject _____

Kathryn Schroeder
Name

2306 Hoard St. #1
Street Address or Route Number

Madison, WI 53704
City and Zip Code

Myself
Representing

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only: Neither for nor against:	<input type="checkbox"/>

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Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 01-17-02

Bill No. 692

Or
Subject _____

Anne Early present
Kelly McDowell
ame

15 N. Pinckney Suite 102
Street Address or Route Number

Madison, WI 53703
City and Zip Code

Apt. Association of S. Eastern
Representing Wisconsin

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only:
Neither for nor against:

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Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 1.17.02

Bill No. 692AB

Or Subject Housing

Diane Michalski Turner
Name

3035 Dickinson
Street Address or Route Number

Madison 53703
City and Zip Code

Women and Poverty Public Education Initiative
Representing

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	
Neither for nor against:	<input type="checkbox"/>

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Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 1/17/02

Bill No. AB 692

Or Subject Security deposits

Name Megin Hicks

Street Address or Route Number 126 Division St.

City and Zip Code Madison 53703

Representing self

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input checked="" type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 1-17-02

Bill No. AB 692

Or Subject See Deposit

Name Kristen Zehner

Street Address or Route Number 118 Blue Spruce Ln

City and Zip Code Marshfield 53559

Representing WINTHOA

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Assembly Hearing Slip

(Please print plainly)

Date: 1/17/02

Bill No. 692

Or Subject _____

Name Attorney David Sparer

Street Address or Route Number 111 King St

City and Zip Code Madison WI

Representing self

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 1/17/02
Bill No. 692
Or
Subject _____

Name Russell Ainsworth
Street Address or Route Number 130 E. Cochem Apt. A
City and Zip Code Madison, WI 53703
Representing Private citizen

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 11/17/02
Bill No. AB 692
Or
Subject _____

Name HAL MENENDEZ
Street Address or Route Number L.A.W., Inc.
3150 M. 115 St
PO Box 25986
Madison, WI 53725-9886
City and Zip Code Legal Action of Wisconsin, Inc
+ State Bar - Public Interest
Representing Law Section

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 1/17/02
Bill No. AB 692
Or
Subject Security Deposits

Name Teel Hags
Street Address or Route Number DAICP
City and Zip Code _____
Representing _____

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

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411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 4/18/02

Bill No. AB 692

Or Subject Sec. Deposit refund

Name Art Luetke

4914 McDaniel Lane
Street Address or Route Number

McFarland, WI 53558
City and Zip Code

Wisc. Rental Housing Legislative Council
Representing

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 1/17/02

Bill No. 692

Or Subject Security Deposit

Name Rep Marlin Schneider

204N
Street Address or Route Number

City and Zip Code

Representing

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: Jan. 17, 2002

Bill No. AB 692

Or Subject SECURITY DEPOSIT

Name Bob DENNIK

710. PINKNEY ST.
Street Address or Route Number

MADISON 53703
City and Zip Code

WI RENTAL HOUSING LEGISLATIVE COUNCIL
Representing

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input checked="" type="checkbox"/>

Not recorded
unable to make entry

Please promptly return this slip to the messenger at the committee.

Provided by:
Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

State of Wisconsin
CORRESPONDENCE/MEMORANDUM
Department of Agriculture, Trade and Consumer Protection
Division of Trade and Consumer Protection



To: Representative Tom Sykora, Chair
Assembly Committee on Housing

From: Fran Tryon, Director, Bureau of Consumer Protection
Teel D. Haas, Assistant Legal Counsel

Subject: AB 692 Relating to return of Security Deposits to Tenants

The Division of Trade and Consumer Protection appears before the Committee today to respectfully testify in opposition to Assembly Bill 692. AB 692 is not needed.

First, the bill proposes to change the amount of time a landlord has to return a security deposit from 21 days to 45 days. Throughout 1997-1998 the department worked with an Ad Hoc Advisory Committee that included landlords and tenants to revise ch. ATCP 134. The issue of expanding the 21-day time period to return the security deposit was never an issue on the table with the Advisory Committee. At one time there was a proposal to reduce the amount of time, but that proposal was withdrawn at the early stages of the process. The department is not aware of any need to increase the amount of time to return security deposits. The issue about security deposits that most concerned the Ad Hoc Advisory Committee was when the 21 days to return the deposit started to run. Consequently, the Ad Hoc Committee spent a substantial amount of time discussing that issue.

Second, the bill requires the landlord to include an itemized statement of what has been withheld from the security deposit. This is already required in the department's rules at ATCP 134.06(4)(a).

Third, the bill requires the department to define by rule the term "security deposit." This term is already defined by rule at ATCP 134.02(11). The department also notes that the definition of security deposit was not changed as a result of the 1999 revisions to ATCP 134.

Fourth, the bill requires the department to "specify when surrender of the premises occurs." The department's rules already define what constitutes "surrender of the premises" at ATCP 134.06(2)(b). The meaning of "surrender of the premises" was a major issue discussed at length by the Ad Hoc Advisory Committee. The language in the rule reflects the Advisory Committee's extensive work and discussion on this issue.

Fifth, the bill requires the department to specify what amounts a landlord may properly withhold from a tenant's security deposit. Again, the department's rules already do this at ATCP 134.06(3). The Advisory Committee involved in revising ATCP 134 discussed this issue at length.

In summary, the department respectfully objects to AB 692 because it duplicates existing law and because it extends the time period for returning security deposits without a clear reason for doing so.

**Women and Poverty Public Education Initiative (WPPEI)**

303 S. Dickinson Street
Madison, Wisconsin 53703
Telephone: 608-294-9048
E-mail: dturmer@facstaff.wisc.edu

January 17, 2002

Representative Thomas Sykora, Chair
Committee on Housing
Wisconsin State Assembly

Dear Representative Sykora:

We, the Women and Poverty Public Education Initiative, urge the Committee on Housing to help people secure decent, affordable housing by mandating the return of security deposits to renters within 21 days. We ask the Committee to do this based on research done in Madison :

I spoke with 35 women in March 2001 at the Dane County Job Center, which is the 'Wisconsin Works' program (W-2) office, in Madison, Wisconsin. When I analyzed the women's responses to my inquiries about what were the three things that they and their families needed most, 14 women ranked housing as their top priority and housing was claimed by six individuals as their second priority need.

Affordable housing that is subsidized by the state is so limited that people fill out applications and wait for months or years. Additionally, this kind of housing is located in less safe, less desirable neighborhoods. If individuals want to reside in better neighborhoods, they often have to pay more for and pay all of their rent themselves.

One way to respond to housing problems is for families to share living space: 10 women noted that they shared accommodations; of these one woman was employed and the other nine were unemployed. Three women's housing was very tenuous - they were living in shelters.

Thank you for considering our recommendation to return security deposits within 21 to renters.

Yours truly,

Diane Michalski Turner, PhD
Director

~~MY NAME IS HAL MENENDEZ. I'M A STAFF ATTORNEY WITH LEGAL ACTION OF WISCONSIN. LEGAL ACTION OF WISCONSIN PROVIDES FREE LEGAL~~

ASSISTANCE TO LOW INCOME PERSONS AND FAMILIES IN 11 COUNTIES IN SE WISCONSIN. MUCH OF OUR WORK IS REPRESENTING TENANTS. LAW ATTORNEYS MAKE IN EXCESS OF 700 COURT APPEARANCES EACH YEAR ON BEHALF OF LOW INCOME TENANTS. I'M ALSO SPEAKING TODAY ON BEHALF OF THE PUBLIC INTEREST LAW SECTION OF THE STATE BAR OF WISCONSIN.

WE ARE OPPOSED TO THE ~~PASSAGE OF~~ AB 692 BECAUSE ITS PROVISIONS ARE LARGELY UNNECESSARY ~~AND~~ IT WILL CREATE CONFUSION FOR

LANDLORDS AND TENANTS, *and will add*
CHANGE HANDLING OF SECURITY DEPOSITS

AB 692 WOULD ADD A SECTION TO CH 704 OF THE STATUTES, REQUIRING THAT WITHIN 45 DAYS AFTER THE SURRENDER OF THE PREMISES THE LANDLORD RETURN THE SECURITY DEPOSIT TO THE TENANT, LESS ANY AMOUNTS WITHHELD. IF ANY AMOUNTS ARE WITHHELD, THE LANDLORD MUST PROVIDE A WRITTEN STATEMENT ITEMIZING THE AMOUNTS WITHHELD. IN ADDITION, ATCP IS REQUIRED TO ADOPT RULES TO DEFINE THE TERM

~~SECURITY DEPOSIT, SPECIFY WHEN THE SURRENDER OF THE PREMISES OCCURS AND THE AMOUNTS WHICH A LANDLORD MAY WITHHOLD FROM THE SECURITY DEPOSIT.~~

ATCP HAS ALREADY ADOPTED A RULE THAT DEFINES SECURITY DEPOSIT, SPECIFIES WHEN SURRENDER OCCURS AND SPECIFIES THE AMOUNTS A LANDLORD MAY WITHHOLD FROM THE TENANT'S SECURITY DEPOSIT. THE RULE ALSO REQUIRES THAT THE SEC DEPOSIT AND A WRITTEN ITEMIZED STATEMENT OF THE AMOUNTS WITHHELD BE PROVIDED W/IN 21 DAYS OF THE SURRENDER OF THE PREMISES, NOT 45 DAYS AS AB 692 PROVIDES.

THE CURRENT LAW, INCLUDING THE 21 DAY REQUIREMENT, HAS BEEN IN EXISTENCE FOR ^{11/11/11} ~~OVER 20~~ YEARS. OVER TIME, THE RULE AND THE RIGHTS AND REMEDIES OF LANDLORDS AND TENANTS UNDER THE RULE HAVE BEEN CLARIFIED BY COURT DECISIONS AND AMENDMENTS TO THE RULE.

THE REQUIREMENT THAT THE DEPOSIT BE RETURNED WITHIN 21 DAYS HAS BEEN IN EXISTENCE SINCE THE ~~RULE~~ WAS ADOPTED IN 1980. THIS

REQUIREMENT IS THE PRODUCT OF ~~NEGOTIATED RULEMAKING AND~~
~~COMPROMISE~~. THE 21 DAY LIMIT HAS NOT BEEN A PROBLEM. AND UNTIL
NOW, THERE'S BEEN NO SUGGESTION TO CHANGE IT. A FEW YEARS AGO AN
AD HOC TASK FORCE THAT INCLUDED REPRESENTATIVES OF LANDLORDS
AND TENANTS AGREED TO A NUMBER OF REVISIONS IN THE RULE. THE 21
DAY LIMIT FOR RETURNING SECURITY DEPOSITS WAS ^{NOT} IDENTIFIED AS A
PROBLEM AT THAT TIME, AND NO SUGGESTION WAS MADE TO ^{Extend} CHANGE IT.
THERE IS NO REASON TO CHANGE IT NOW.

IF AB 692 IS ENACTED INTO LAW, TENANTS WHO ARE ENTITLED TO A FULL
REFUND OF THEIR SECURITY DEPOSIT WILL HAVE TO WAIT AS MUCH AS 45
DAYS TO RECEIVE IT. THIS WILL POSE SERIOUS PROBLEMS FOR LOW INCOME
TENANTS.

SECURITY DEPOSITS ARE TYPICALLY AS MUCH AS ONE MONTH'S RENT. FEW
PEOPLE CAN AFFORD TO BE WITHOUT THAT MUCH MONEY FOR SUCH A LONG
TIME. THIS IS ESPECIALLY TRUE FOR LAW'S LOW-INCOME CLIENTS.

IN MANY CASES, FAMILIES ARE UNABLE TO PAY BOTH A SECURITY DEPOSIT AND THE FIRST MONTH'S RENT AT THE TIME THEY ENTER INTO A NEW TENANCY. SOME MUST BORROW THE MONEY FROM FAMILY OR FRIENDS AND NEED TO REPAY IT QUICKLY. IF THE WAIT FOR THE SEC DEPOSIT IS 45 DAYS, FEWER RENTER FAMILIES WILL BE ABLE TO RELY ON THESE SHORT-TERM LOANS TO TIDE THEM OVER UNTIL THE SECURITY DEPOSIT IS RETURNED.

IN SOME CASES, THE NEW LANDLORD IS WILLING TO WAIT FOR THE SECURITY DEPOSIT TO BE PAID, BUT IN THOSE CASES THE DEPOSIT MUST TYPICALLY BE PAID IN THE FIRST MONTH OF THE TENANCY. UNDER CURRENT LAW, MOST TENANTS WILL BE ABLE TO PAY THE NEW LANDLORD A SECURITY DEPOSIT BY THE END OF THE FIRST MONTH BECAUSE OF THE 21 DAY LIMIT. WITH A 45 DAY LIMIT IT WILL NOT BE POSSIBLE TO DO THIS.

THERE ARE ALSO RENTERS WHO HAVE TO DOUBLE UP WITH FRIENDS AND FAMILIES, OR LIVE ON THE VERGE OF HOMELESSNESS, OR ACTUALLY BECOME HOMELESS UNTIL THE SECURITY DEPOSIT IS RETURNED. UNDER AB 692, THE TIME THEY LIVE IN THESE UNCERTAIN CIRCUMSTANCES WILL MORE

THAN DOUBLE.

THE CURRENT LAW IS FAIR AND WORKS WELL. LANDLORDS AND TENANTS HAVE LEARNED HOW THE CURRENT SECURITY DEPOSIT LAW WORKS AND UNDERSTAND IT. THEY KNOW THEIR RIGHTS AND RESPONSIBILITIES. THEY UNDERSTAND THE ENFORCEMENT MECHANISMS AND THE PENALTIES AND REMEDIES AVAILABLE UNDER THE CURRENT LAW. AB 692 WILL ONLY RESULT IN HARDSHIP FOR RENTERS AND NEEDLESS CONFUSION FOR LANDLORDS AND TENANTS.

FOR THESE REASONS WE ASK THE COMMITTEE REJECT THIS BILL.

Wisconsin Mfd Home Owners Association, Inc
http://userpages.chorus.net/wimhoa/
PO Box 254, Marshall WI 53559
608/655-4573

January 17, 2002

TO Testimony before the Legislative Housing Committee

BY Kristen Zehner, President

350,000 renters in MHPs RE AB 692

The Wisconsin Mfd Home Owners Association registers solid opposition to this bill for the following reasons:

1. Residents in land-lease communities are required upfront by landlords to pay their first month's rent and security deposit upon initial commitment. Renters should be afforded the same privilege--their deposit money returned to them--upfront--and not 45 days later. Some landlords like to "forget" about returning it at all.

Changing 21 to 45 days return is an unfair burden on people with limited resources who have a significant investment in their home. Most are lucky to pay their rent monthly, so that finding a second security deposit could be next to impossible.

2. The power imbalance between landlords and renters is already enormous. Changing the law to 45 days return would prolong the housing limbo in which renters typically hang. The state would be abdicating its responsibility to the common good by tilting the playing field even more toward landlords.

3. We suggest that 5 percent interest on all security deposit monies be included in this bill. A security deposit is considered the property of the tenant. We know of no other business where one party has access to the use of free money except that currently afforded landlords.

4. We believe codification of security deposit language in statute is an extreme measure that does not seem warranted. Moving security deposit language into the Statutes removes what little protection or redress renters have to protect their rental rights, and it significantly increases the costs for renters in obtaining access to justice. We all know there is no justice unless one can afford it.

Whether codified or not, it should behoove the State to specify in the language that no security deposit shall exceed one and one-half month's rent, as is codified in the State of Michigan, and those monies shall be deposited in a financial institution. Landlords may then only use this money if they deposit a bond with the Secretary of State.

Security deposit monies may also only be used for:

a. Reimbursement for actual damages not reasonably expected in the normal course of habitation.

b. Pay for rent in arrearage, rent due for premature termination of a rental agreement, and for utility bills not paid by the renter.

c. The landlord must then complete a termination inventory checklist of all damages he/she claims were caused by the tenant.

d. In case of damages, the landlord must mail to the tenant an itemized list of charges within 14 days.

5. No reference is made in this bill to what constitutes a "late fee" versus a "penalty." Penalties ought to apply only when a landlord loses money, and it should be always be in proportion to any money a landlord has actually lost. Currently, Wisconsin makes no provision for what would be reasonable late fees, versus punitive penalties charged by community park landlords. Park landlords also like to penalize any renter who has Section 8 monies; this should be declared illegal.

6. **This bill makes access to justice for renters more arduous and impractical than it already is. It would seem prudent that the Legislature support economic justice for the common good, rather than codify for the few legal benefits they don't need.**