

2025 SENATE BILL 247

HOUSING IMPACT NOTE

SUMMARY: Senate Bill 247 requires political subdivisions with zoning ordinances to allow at least one Accessory Dwelling Unit (ADU) on parcels which are zoned for single-family or multi-family residential use. Further, the bill prohibits political subdivisions from charging fees other than standard building permit fees related to the addition of an ADU. The bill also prohibits imposing additional dimensional, physical, design, or locational restrictions on ADU's that do not also apply to single-family structures. The bill prohibits standards other than habitability that apply to ADU's that do not also apply to other accessory structures. Lastly, the bill prohibits the imposition of additional parking requirements or the requirement of a separate utility connection associated with an ADU.

IMPACTS: The proposed changes under SB 247 impact the provision of housing in Wisconsin in the following ways:

1. **Policies, strategies and recommendations of the state housing strategy plan.** Wisconsin's Consolidated Plan calls for the expansion of safe, sanitary, affordable housing for low- and moderate-income homeowners and renters as well as improving the affordable rental housing and homebuyer opportunities for all households, especially those with severe residential cost burdens. Wisconsin's Consolidated Plan also prioritizes increasing economic opportunity in Wisconsin's communities, focusing on both workers and businesses.

SB 247 is consistent with the state Consolidated Plan as it creates opportunities for homeowners or owners of multi-family properties in political subdivisions with zoning ordinances to potentially add additional residential dwelling units to a community's housing stock. These additional dwelling units may be utilized in a variety of ways, including short- or long-term rental units. The potential addition of ADU's to local housing markets has the potential to directly provide additional units for low- and moderate-income renters, thus enabling more households to remain stably housed. It also has the potential to free up existing housing units which may be rented to low- and moderate-income households, consistent with the state Consolidated Plan.

2. **The cost of developing, constructing, rehabilitating, improving, maintaining or owning single family or multifamily dwellings.** Senate Bill 247 exclusively modifies Wisconsin law to allow for the creation of at least one ADU per parcel, zoned either single-family or multifamily. As such, the bill does not address the costs of developing, constructing, rehabilitating, improving, maintaining or owning single family or multifamily dwellings. Homeowners who choose to build and install ADU's would incur long term costs, and it is expected that political subdivisions subject to the bill would incur additional costs associated with permitting ADU's; however, the bill does not prohibit political subdivisions from charging fees to offset these costs. The potential cost changes under SB 247 are indeterminate at this time.
3. **The purchase price of new homes or the fair market value of existing homes.** Senate Bill 247 exclusively modifies Wisconsin law to allow for the creation of at least one ADU per parcel zoned either single-family or multifamily. As such, the bill does not directly address the purchase price of new homes or the fair market value of existing homes. Homeowners who choose to build and install ADU's would incur costs associated with that build; however, the impact of ADU's on the fair market value of homes is subject to local real estate markets. The potential cost changes under SB 247 are indeterminate at this time.

4. **The cost and availability of financing to purchase or develop housing.** Senate Bill 247 exclusively modifies Wisconsin law to allow for the creation of at least one ADU per parcel zoned either single-family or multifamily. As such, the bill does not directly address the cost and availability of financing to purchase or develop housing. The potential cost and availability changes under SB 247 are indeterminate at this time.
5. **Housing costs as defined in s. 16.301 (3) (a) and (b).** S. 16.301 (3) (a) defines “housing costs” as any of the following:
- a. The principal and interest on a mortgage loan that finances the purchase of the housing.
 - b. Closing costs and other costs associated with a mortgage loan.
 - c. Mortgage insurance.
 - d. Property insurance.
 - e. Utility-related costs.
 - f. Property taxes.
 - g. If the housing is owned and occupied by members of a cooperative or an unincorporated cooperative association, fees paid to a person for managing the housing.

S. 16.301 (3) (b) defines “rented housing” costs as any of the following:

- a. Rent.
- b. Utility-related costs, if not included in the rent.

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6. **The density, location, setback, size, or height of development on a lot, parcel, land division, or subdivision.** Senate Bill 247 exclusively modifies Wisconsin law to allow for the creation of at least one ADU per parcel zoned either single-family or multifamily. As such, the bill does not directly address the density, location, setback, size, or height of development on a lot, parcel, land division, or subdivision. However, the bill prohibits imposing additional dimensional, physical, design, or locational restrictions on ADU’s that do not also apply to single-family structures. The bill also prohibits standards other than habitability that apply to ADU’s that do not also apply to other accessory structures. The potential changes under SB 247 are indeterminate at this time.
7. **The relative impact of the effects of the bill on low- and moderate-income households.** Wisconsin’s Consolidated Plan calls for the expansion of safe, sanitary, affordable housing for low- and moderate-income homeowners and renters as well as improving the affordable rental housing and homebuyer opportunities for all households, especially those with severe residential cost burdens. Wisconsin’s Consolidated Plan also prioritizes increasing economic opportunity in Wisconsin’s communities, focusing on both workers and businesses.

It is unknown at this time how many eligible homeowners would choose to build an ADU on an eligible parcel. The relative impact of the effects of the bill on low- and moderate-income households are indeterminate at this time.

Prepared by the Department of Administration

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