
Wisconsin Legislative Council

AMENDMENT MEMO



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2021 Assembly Bill 483

**Assembly Substitute
Amendment 1**

2021 ASSEMBLY BILL 483

Very generally, 2021 Assembly Bill 483 modifies the process a municipality must follow to issue a raze order for an insured dwelling,¹ if the insurer submits a certification to the municipality within 30 days of the real property incurring damage. The certification must state that the insurer reasonably believes that the real property may qualify as an insured dwelling, the property owner or insured has filed a claim with the insurer, and the insurer reasonably believes that the claim may qualify as covered damage.²

If a municipality receives a certification from an insurer, it may not issue a raze order for the dwelling unless it follows certain steps, such as providing notice of intent to issue a raze order to the owner of record of the insured dwelling, the holder of any encumbrance, and the insurer, and accepting and considering materials submitted by any of those persons that assist in establishing the extent of the damage or reasonable cost of repairs.³

ASSEMBLY SUBSTITUTE AMENDMENT 1

Assembly Substitute Amendment 1 largely retains the process under the bill for issuing raze orders for certain insured dwellings, but clarifies several obligations of the insurer and owner of the dwelling.

First, the substitute amendment reduces the time for which an insurer may submit a certification from 30 days after real property incurs damage to 14 days. The certification may be provided through first class mail or electronic communication.

Second, the substitute amendment requires the insurer to submit the following information with its certification, in addition to the information required under the bill:

- A statement that the property owner or an insured has filed a claim or the insurer has reason to believe that a claim will be filed.
- The date of the damage to the insured dwelling.

¹ An “insured dwelling” is real property that is covered under an insurance policy and that is owned, occupied, and used primarily as a dwelling by the insured.

² “Covered damage” is damage that is covered by an insurance policy.

³ The cost of repairs includes the estimated cost of repairs necessary to comply with applicable building codes or other ordinances or regulations that govern the repair or renovation of a dwelling. Under current law, repairs are presumed to be reasonable unless the estimated cost of repairs exceeds 50 percent of a formula based on the assessed value of the property. [s. 66.0413 (1) (c), Stats.] The bill and substitute amendment both change this presumption for any insured dwelling so that repairs are presumed to be reasonable unless the estimated cost exceeds 70 percent of the dwelling’s insurance policy limits.

- The insurance policy limits of the insured dwelling.
- The insurer's designated representative for the filed or anticipated claim.
- The designated representative's mailing address, e-mail address, and phone number.

Third, the substitute amendment provides that when considering the materials submitted by persons entitled to notice, the municipality must consider the qualifications, expertise, and experience of the person that submitted the materials.

Fourth, the substitute amendment clarifies that the municipality retains the authority to order the owner of the dwelling to make the building safe and sanitary.

Finally, under the substitute amendment, the new raze order process does not apply in either of the following circumstances:

- The municipality determines that the dwelling is in imminent danger of structural collapse and the owner has failed to appropriately secure and limit access to the dwelling.
- The insurer notifies the municipality that the insurer determines the dwelling is wholly destroyed.

BILL HISTORY

Assembly Substitute Amendment 1 was introduced by Representative Steffen on September 1, 2021. On September 14, 2021, the Assembly Committee on Insurance recommended adoption of the amendment on a vote of Ayes, 8; Noes, 0; and recommended passage of the bill, as amended, on a vote of Ayes, 9; Noes, 0.

TK:jal