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LRB-2801/1 MDK:kjf:rs

2007 ASSEMBLY BILL 649

December 28, 2007 – Introduced by Representatives Roth, Albers, Kestell, F. Lasee, Nass, Nygren, Petrowski, Townsend, Vos, Vruwink and Ziegelbauer, cosponsored by Senator Roessler. Referred to Committee on Urban and Local Affairs.

AN ACT to repeal 66.0809 (5) (b) 1. and 2. and 66.0809 (5) (c) and (d); and to renumber and amend 66.0809 (5) (b) (intro.) of the statutes; relating to: prohibiting municipal electric or water utilities from collecting certain utility arrearages from owners of rental properties as property liens.

Analysis by the Legislative Reference Bureau

Under current law, a municipal utility is allowed to collect arrearages for utility service provided to lots or parcels of real estate by providing, on October 15, a written notice of payment due to the owner or occupant of the real estate. The notice must specify the amount of the arrearage and any penalty and must state the following: 1) that, if payment is not received by November 1, an additional penalty will be assessed; and 2) that, if payment is not received by November 15, the arrearage amount and any penalties will become a lien on the property that will be collected as a tax on the property.

Also under current law, if a municipal utility provides electric or water service to a rental dwelling unit, the municipal utility may use the arrearage collection procedure described above only if the municipal utility follows certain additional procedures for notifying both the owner and the tenant about any payments that are past due. In addition, the municipal utility may use the arrearage collection procedure only if the owner of the rental property provides the municipal utility with written notification of the name and address of the owner, as well as the tenant who is responsible for paying for the service. Also, if requested by the municipal utility,

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the owner must provide the municipal utility with a copy of the rental or lease agreement in which the tenant assumes responsibility for payment of utility charges.

This bill prohibits a municipal utility that provides electric or water service to a rental dwelling unit from using the arrearage collection procedure described above, but only if the owner has provided the municipal utility with written notification of the name and address of the owner, as well as the tenant who is responsible for paying for the service. A municipality may also request a copy of the rental or lease agreement in which the tenant assumes responsibility for payment of utility charges. However, after the owner has provided written notice of the owner's and tenant's name and address, the municipal utility may not use the arrearage collection procedure.

For further information see the *local* fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 66.0809 (5) (b) (intro.) of the statutes is renumbered 66.0809 (5) (b) and amended to read:

66.0809 (5) (b) If this subsection applies, a municipal public utility may <u>not</u> use sub. (3) to collect arrearages incurred after the owner of a rental dwelling unit has provided the utility with written notice under par. (a) only if the municipality complies with at least one of the following: 2. and 3.

- **SECTION 2.** 66.0809 (5) (b) 1. and 2. of the statutes are repealed.
- **Section 3.** 66.0809 (5) (c) and (d) of the statutes are repealed.

SECTION 4. Initial applicability.

(1) This act first applies to arrearages incurred on the effective date of this subsection.

12 (END)