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State of Misconsin 2021 - 2022 LEGISLATURE

 $LRB-5179/1 \\ SWB\&MCP:cjs\&amn$

2021 SENATE BILL 715

November 19, 2021 - Introduced by Senators Agard, L. Taylor, Johnson, Roys and Larson, cosponsored by Representatives Hong, Anderson, Goyke, Snodgrass, Brostoff, Emerson, Neubauer, Hebl, Vining, Hesselbein, Shelton, Pope, Subeck, Conley, Ohnstad, Considine, Moore Omokunde, Stubbs, Baldeh, Bowen and Spreitzer. Referred to Committee on Housing, Commerce and Trade.

AN ACT to amend 704.17 (1p) (a), 704.17 (2) (a), 704.17 (3) (a), 710.15 (5r) and 799.40 (1m); and to create 704.155, 704.17 (3d) and 799.40 (5) of the statutes; relating to: requiring landlords or tenants to apply for emergency rental assistance and participate in mediation prior to eviction during certain declared public health emergencies and prohibiting certain rent increases.

Analysis by the Legislative Reference Bureau

Under current law, if a tenant is late in paying rent, the landlord may give the tenant a notice that requires the tenant to pay rent or vacate within at least five days after the notice is given or, under certain circumstances, a notice requiring the tenant to vacate within at least 14 days after the notice is given without the option to cure by paying rent. If the tenant fails to pay the rent by that date, the tenancy is terminated. Under current law, a landlord may bring a small claims eviction action against a tenant whose tenancy has been terminated for failure to pay rent.

Under the bill, during a public health emergency, if a residential tenant fails to pay rent when due, the tenant's tenancy is terminated only if the landlord gives the tenant a notice that requires the tenant to pay rent or vacate within at least 30 days after the notice is given; the tenant fails to pay the rent; and the landlord applies for and is denied emergency rental assistance under a federal assistance program, if such a program exists, or is ineligible for such emergency rental assistance. The bill defines "public health emergency" as a state or federal public health emergency declared in response to an infectious disease outbreak. Under the bill, a 30-day

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notice must include certain information, including contact information for the emergency rental assistance provider serving the county where the tenant resides; a statement as to whether the landlord is qualified to receive emergency rental assistance under a federal assistance program, and, if eligible, that the landlord is required to apply for such funds; a statement that, if the landlord is ineligible for such funds, the tenant may be able to apply for emergency rental assistance; and a statement that the landlord may not pursue an action for eviction against the tenant for failure to pay rent if the tenant or the landlord applies for and is approved to receive emergency rental assistance, and may not pursue an action for eviction unless the landlord and tenant participate in mediation and are unable to reach a settlement or the landlord shows that the tenant has refused to participate in mediation.

The bill also provides that, during a public health emergency, a court must stay the proceedings in a residential eviction action until the landlord files proof with the court that he or she has applied for and been denied emergency rental assistance under a federal assistance program, if such a program exists, or, if the landlord is ineligible for such emergency rental assistance, that the tenant has either failed to apply or has applied for and been denied such emergency rental assistance; and until the landlord and tenant notify the court that they have participated in mediation and are unable to reach a settlement or the landlord notifies the court that the tenant has refused to participate in mediation. In addition, a court must stay residential eviction proceedings if either the tenant or the landlord has been approved to receive emergency rental assistance.

Finally, the bill prohibits a landlord that receives emergency rental assistance under a federal assistance program from raising the tenant's rent for 12 months, except that the landlord may raise rent to cover any increase in property taxes for the tenant's rental unit.

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

Section 1. 704.155 of the statutes is created to read:

704.155 Certain rent raises prohibited. If a landlord receives emergency rental assistance under a federal assistance program, the landlord may not increase the amount of rent required to be paid by any tenant for which the emergency rental assistance was received for a period of 12 months following the receipt of the emergency rental assistance, except that the landlord may increase the amount of

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rent required to be paid by such tenant in an amount not to exceed any increase in property taxes for the tenant's rental unit.

SECTION 2. 704.17 (1p) (a) of the statutes is amended to read:

704.17 (1p) (a) If Except as provided under sub. (3d), if a month-to-month tenant or a week-to-week tenant fails to pay rent when due, the tenant's tenancy is terminated if the landlord gives the tenant notice requiring the tenant to pay rent or vacate on or before a date at least 5 days after the giving of the notice and if the tenant fails to pay accordingly. —A— Except as provided under sub. (3d), a month-to-month tenancy is terminated if the landlord, while the tenant is in default in payment of rent, gives the tenant notice requiring the tenant to vacate on or before a date at least 14 days after the giving of the notice.

SECTION 3. 704.17 (2) (a) of the statutes is amended to read:

704.17 (2) (a) If Except as provided under sub. (3d), if a tenant under a lease for a term of one year or less, or a year-to-year tenant, fails to pay any installment of rent when due, the tenant's tenancy is terminated if the landlord gives the tenant notice requiring the tenant to pay rent or vacate on or before a date at least 5 days after the giving of the notice and if the tenant fails to pay accordingly. If Except as provided in sub. (3d), if a tenant has been given such a notice and has paid the rent on or before the specified date, or been permitted by the landlord to remain in possession contrary to such notice, and if within one year of any prior default in payment of rent for which notice was given the tenant fails to pay a subsequent installment of rent on time, the tenant's tenancy is terminated if the landlord, while the tenant is in default in payment of rent, gives the tenant notice to vacate on or before a date at least 14 days after the giving of the notice.

SECTION 4. 704.17 (3) (a) of the statutes is amended to read:

704.17 (3) (a) If Except as provided under sub. (3d), if a tenant under a lease for more than one year fails to pay rent when due, or commits waste, or breaches any other covenant or condition of the tenant's lease, the tenancy is terminated if the landlord gives the tenant notice requiring the tenant to pay the rent, repair the waste, or otherwise comply with the lease on or before a date at least 30 days after the giving of the notice, and if the tenant fails to comply with the notice. A tenant is deemed to be complying with the notice if promptly upon receipt of the notice the tenant takes reasonable steps to remedy the default and proceeds with reasonable diligence, or if damages are adequate protection for the landlord and the tenant makes a bona fide and reasonable offer to pay the landlord all damages for the tenant's breach; but in case of failure to pay rent, all rent due must be paid on or before the date specified in the notice.

Section 5. 704.17 (3d) of the statutes is created to read:

704.17 (3d) Notices during a public health emergency, as defined in s. 799.40 (5) (a), if a residential tenant fails to pay rent when due, the tenant's tenancy is terminated if all of the following occur:

- 1. The landlord gives the tenant notice requiring the tenant to pay rent or vacate on or before a date at least 30 days after the giving of the notice.
 - 2. The tenant fails to pay the rent.
- 3. The landlord applies for and is denied emergency rental assistance under a federal assistance program, if such a program exists, or is ineligible for such emergency rental assistance.
 - (b) A notice under par. (a) is valid only if it includes all of the following:

1. The name and contact information, including phone number, address, and
website, of the emergency rental assistance provider serving the county where the
tenant resides, if applicable.
2. The name and contact information, including phone number, address, and
e-mail address, of the landlord.
3. A statement that, if the landlord is qualified to seek emergency rental
assistance under a federal assistance program, the landlord is required to apply for
such funds.
4. A statement as to whether the landlord is qualified to receive emergency
rental assistance under a federal assistance program.
5. If the landlord is not qualified to receive emergency rental assistance under
a federal assistance program, a statement that the tenant may be able to apply for
emergency rental assistance.
6. A statement that the landlord may not pursue an action for eviction against
the tenant based on the notice provided under par. (a) if the tenant or the landlord
applies for and is approved to receive emergency rental assistance.
7. A statement that the landlord may not pursue an action for eviction against
the tenant based on the notice provided under par. (a) unless the parties participate
in mediation and are unable to reach a settlement or unless the tenant refuses to
participate in mediation.
SECTION 6. 710.15 (5r) of the statutes is amended to read:
710.15 (5r) Notice requirements apply. The notice requirements of s. 704.17
(1p) (a) , (2) (a) and (3) , and $(3d)$ apply to a termination of tenancy under sub. $(5m)$
(a) and the notice requirements of s. 704.17 (1p) (b), (2) (b) and, (3), and (3d) apply

to a termination of tenancy under sub. (5m) (b) to (k).

SECTION 7. 799.40 (1m) of the statutes is amended to read:

799.40 (1m) Acceptance of rent or other payment. If Except as provided under sub. (5), if a landlord commences an action under this section against a tenant whose tenancy has been terminated for failure to pay rent or for any other reason, the action under this section may not be dismissed because the landlord accepts past due rent or any other payment from the tenant after serving notice of default or after commencing the action.

- **SECTION 8.** 799.40 (5) of the statutes is created to read:
- 9 799.40 (5) REQUIREMENTS DURING A PUBLIC HEALTH EMERGENCY. (a) In this subsection:
 - 1. "Mediation" has the meaning given in s. 802.12 (1) (e).
 - 2. "Public health emergency" means a state of emergency related to public health declared under s. 323.10 in response to an infectious disease outbreak or a public health emergency declared under 42 USC 247d by the secretary of the federal department of health and human services in response to an infectious disease outbreak.
 - (b) During a public health emergency, the court shall stay the proceedings in a residential eviction action until all of the following occur:
 - 1. The landlord files proof with the court that he or she has applied for and been denied emergency rental assistance under a federal assistance program, if such a program exists, or, if the landlord files proof with the court that he or she is ineligible for such emergency rental assistance, until the landlord or tenant files proof that the tenant has failed to apply for or has applied for and been denied such emergency rental assistance, if such a program exists.

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2. The landlord and tenant notify the court that they have participated in the
mediation process and are unable to reach a settlement or the landlord notifies the
court that the tenant has refused to participate in mediation.

(c) During a public health emergency, the court shall stay the proceedings in a residential eviction action if the tenant or landlord files proof with the court that the tenant or landlord has been approved to receive emergency rental assistance under a federal assistance program. The stay shall remain in effect until the expiration of the public health emergency.

SECTION 9. Initial applicability.

(1) The treatment of s. 704.17 (3d) first applies to notices issued on the effective date of this subsection.

12 (END)