

"What Is the Wisconsin Rental Weatherization Program?"

The Wisconsin Rental Weatherization Program began in 1985 for the purpose of establishing minimum energy efficiency requirements for certain residential rental properties. These requirements must be met prior to the time of ownership transfer and apply only to residential property when the future use of the property will be for rental purposes. Those rental properties subject to the weatherization standards include apartment complexes, one- and two-family residences, condominium units in a one- or two-unit building, properties purchased for rehabilitation or resale and mixed-use properties that contain a residential component. For mixed-use properties, if 50% or less of the total floor area consists of residential units, then just the residential units must comply with the Program standards. If more than 50% of the total floor area is residential, then the entire building must comply with the Program standards. A penalty of up to \$500.00 per unit may be imposed upon parties that do not comply with the requirements of the Program.

A number of properties are specifically excluded from the requirements of the Program. A few of the common exclusions include:

- one- and two-family residences constructed after December 1, 1978
- buildings with three or more living units constructed after April 15,1976
- condominium buildings with three or more dwelling units
- rental unit(s) which will not be rented between November 1 and March 31 of each year

Unless a specific exclusion applies, an owner of property must comply with the Program standards and appropriate documentation must be recorded with the Register of Deeds at the time of conveyance. If a property meets the Program standards, a Certificate of Compliance issued by an inspector certified by the Department of Commerce should be recorded against the property to satisfy the Program requirements. Alternatively, if a property does not meet the Program standards prior to the date of conveyance, the purchaser may agree to bring the property into compliance within one (1) year after the property transfer date. In such case, a Stipulation should be recorded against the property at the time of conveyance, with a Certificate of Compliance to be obtained by the purchaser within a year thereafter. In addition, if the purchaser plans to demolish the

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affected building within two (2) years after the date of transfer, an owner is permitted to apply for a waiver of the Program standards, which must be approved by the Department of Commerce prior to recording it against the property.

Whenever rental residential property is conveyed in Wisconsin, the offer to purchase should specify which party will be responsible for compliance with the Program standards. Prior to closing, buyer and seller need to ensure that the requirements of the Rental Weatherization Program have been satisfied so that closing is not unnecessarily delayed.

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