

# New Landlord-Tenant Law Has Important Implications For Wisconsin Landlords

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2011 Wisconsin Act 143 ("Act 143"), signed by Governor Walker on March 21, 2012, went into effect on April 1, 2012 and made sweeping changes to Wisconsin's landlord-tenant law that will require Wisconsin landlords to update their rental practices. Some of the hot button issues addressed by Act 143 include the handling of security deposits, completion of check-in lists, disposal of abandoned property, illegal provisions in a lease, and disclosure of code violations. Below is a summary of the major changes made by this law.

## **Security Deposits**

Act 143 simplifies the required timing for the return of a tenant's security deposit. As was the case under the old law, if a tenant vacates the premises on the last day of their rental term, the tenant's security deposit must be returned within 21 days. However, Act 143 states that if a tenant vacates the property before the termination date of the rental agreement, the landlord is not required to return the security deposit to the tenant until the earlier of: (a) 21 days after the date on which the rental agreement would have terminated; or (b) 21 days from the date that a new tenancy of such property begins.

## **Check-In Sheets**

Under Act 143, landlords are required to provide tenants with itemized check-in sheets describing the condition of the property when the tenant takes occupancy. The tenant is then given 7 days to complete the check-in sheet and return it to the landlord. The language used in Act 143 requires that landlords fill out the check-in sheet before giving it to the tenant although it is not clear whether the legislature intended this result. The practical problems presented by this requirement, such as the effect of differences between the landlord's version of the check-in list and tenant's version, remain unclear. We recommend that landlords begin completing the check-in sheets until further guidance is available.

**Abandoned Property**

Pursuant to Act 143, it will now be easier for landlords to dispose of a tenant's abandoned property after they vacate the rental unit. The previous law required landlords to hold a tenant's abandoned property for 30 days after providing written notice to the tenant of its intent to dispose of such property. Act 143, however, allows landlords to dispose of a tenant's abandoned personal property immediately, at the landlord's discretion, as long as the landlord has provided notice to the tenant of its intent to do so when the tenant signed the rental agreement and on each renewal. If such notice is not provided when required, the landlord is bound by the old law. Under Act 143, there are exceptions for prescription medicine or prescription medical equipment, which must be held by the landlord for 7 days from the date of discovery. There is also an exception for certain motor vehicles, which requires that a notice be provided to tenant before disposal of such items.

**Prohibited Provisions**

Act 143 codifies the prohibited provisions previously set forth in ATCP 134.08 that make a residential rental agreement void and unenforceable. In addition, Act 143 also prohibits inclusion of any provision that allows the landlord to terminate the rental agreement if a crime is committed on the property, even if the crime could not have been prevented by the tenant.

**Disclosure of Code Violations**

Landlords are required to disclose all building or housing code violations to prospective tenants before entering into a lease or accepting earnest money or a security deposit.

**Other Changes**

Considering the sweeping changes made by Act 143, and its April 1, 2012 effective date, it is extremely important for landlords to conduct a prompt and thorough review of their rental practices to determine if changes need to be made in light of the new laws. Continued review of the discourse surrounding Act 143 will also be important, as there are many areas that will require further clarification and may have consequences for both landlords and tenants that may not have been anticipated by the legislature. "

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