

Dear WRHLC and WAA Members,

Action This Week on AB 183 and SB 179 on Landlord-Tenant Laws

The Wisconsin Assembly will be in session on Thursday, June 6th. On the agenda is final action on AB 183. It is expected to pass pretty much on a party line vote. It will be sent to the Senate Committee on Insurance and Housing, chaired by Senator Frank Lasee.

In the meantime, Senator Lasee is holding a public hearing on the Senate companion bill to AB 183. That bill is SB 179. Here's the notice, with the details of the hearing:

Senate PUBLIC HEARING Committee on Insurance and Housing

The committee will hold a public hearing on the following items at the time specified below:

Wednesday, June 5, 2013, 10:30 AM in Room 330 Southwest of the State Capitol.

Senate Bill 179-Relating to: miscellaneous provisions related to rental and vehicle towing practices and eviction proceedings, prohibitions on enacting ordinances that place certain limitations or requirements on landlords, providing an exemption from emergency rule procedures, granting rule-making authority.

By Senators Lasee and Schultz; cosponsored by Representatives Stroebel, Pridemore, Jacque, Kerkman and Bies.

WRHLC to Support Change to Historic Rehabilitation Tax Credit

Here's one of the bill's we have taken a position in support. AB 147 has already had a public hearing and been voted on favorably by the Committee on Tourism on May 29th.

2013 ASSEMBLY BILL 147

April 15, 2013 Introduced by Representatives WEININGER, JACQUE, SCHRAA, BERCEAU, JORGENSEN, T. LARSON, MASON, OHNSTAD, SPIROS, ENDSLEY, WRIGHT and GENRICH, cosponsored by Senators GUXEX, L. TAYLOR, LASSA, LEHMAN, HARRIS and SCHULTZ. Referred to Committee on Tourism.

AN ACT to renumber and amend 71.07 (9m) (a), 71.07 (9m) (c), 71.28 (6) (a), 71.28 (6) (c), 71.47 (6) (a) and 71.47 (6) (c); and to create 71.07 (9m) (a) 2., 71.07(9m) (a) 3., 71.07 (9m) (c) 2., 71.07 (9m) (h), 71.28 (6) (a) 2., 71.28 (6) (a) 3., 71.28(6) (c) 2., 71.28 (6) (h), 71.47 (6) (a) 2., 71.47 (6) (a) 3., 71.47 (6) (c) 2. and 71.47(6) (h) of the statutes; relating to: increasing the amount of the supplement to 6 the federal historic rehabilitation tax credit.

Analysis by the Legislative Reference Bureau

Under current law, a person may claim an income and franchise tax credit for 5 percent of the qualified rehabilitation expenditures, as defined under the federal Internal Revenue Code, for certified historic structures on property located in this state, if construction begins after December 31, 1988, and the rehabilitated property is placed in service after June 30, 1989. The credit is a supplement to the federal tax credit for 20 percent of the qualified rehabilitation expenditures for certified historic structures. The federal credit, and the supplemental state credit, apply to nonresidential real property and residential rental property.

Under this bill, a person may claim an income and franchise tax credit for 20 percent of the qualified rehabilitation expenses, as defined under the federal Internal Revenue Code, for certified historic structures on property located in this state, if the cost of the person's qualified rehabilitation expenditures is at least \$50,000 and the rehabilitated property is placed in service after December 31, 2012, and before January 1, 2023. The bill also allows a person to claim a credit equal to 5 percent of the qualified rehabilitation expenses for qualified rehabilitated buildings, as defined under the federal Internal Revenue Code, located in this state. The credit is similar to the federal credit for rehabilitating a building that was first placed in service before 1936, except that the federal credit is 10 percent of the qualified rehabilitation expenses.

Under the bill, the Department of Revenue, in conjunction with the State Historical Society, must submit a report to the Joint Committee on Finance (JCF), no later than June 30, 2018, describing the economic impact of the tax credits and making a recommendation as to whether the tax credits should continue. The recommendation, however, may be implemented only upon approval of JCF.

Another Bill to Support: One- and Two-Family Dwelling Code

Here is another bill WRHLC supports. AB 77 was passed by the Assembly on May 14, 2013 by a voice vote. It is currently in the Senate Organization Committee. There is a Senate companion bill, SB 72, that

has already had a public hearing by the Senate Committee on Insurance and Housing. It may be possible for the Senate to act directly on AB 77 during the month of June, because it has already had a public hearing on the measure. We have developed a good solid working relationship with the Builders. Copied in below is a Legislative Council memo that explains the bill, and an amendment that was adopted by the full Assembly.

2013 ASSEMBLY BILL 77

Wisconsin Legislative Council Amendment Memo

Under current law, the Dwelling Code Council (Council) must review the standards and rules for the Uniform Dwelling Code (UDC), which applies to the construction of one- and two-family dwellings. Current law specifies that the Council must, upon its own initiative or at the request of the Department of Safety and Professional Services (DSPS), consider and make recommendations to DSPS pertaining to the UDC. Current law does not require the Council to prepare a report of its recommendations.

Under current law, DSPS is required to review the UDC every two years. Assembly Bill 77 requires the Council to prepare a report containing its review of, and recommendations pertaining to, the UDC once every six years. The bill specifies that the first report must be completed no later than one year after the bill is enacted. The bill also requires DSPS to assist the Council in preparing the report. Assembly Amendment 1 (AA 1) adds a provision that requires DSPS to review the UDC once every three years, rather than once every two years as required under current law.

Bill History

AA 1 was offered by Representative Jagler on April 24, 2013. On May 9, 2013, the Assembly Committee on Housing and Real Estate voted to recommend adoption of AA 1 on a vote of Ayes, 8; Noes, 0, and to recommend passage of the bill, as amended, on a vote of Ayes, 1; Noes, 1.

New Bill on Landlord Access to Tenants' Personal Internet Accounts

Here's a new bill that had a public hearing last week that targets the privacy of personal Internet accounts by employers, educational institutions and landlords. The public hearing came up very quickly – the bill was introduced on Friday, May 24th and the hearing was on Wednesday, May 29th. Here's the LRB analysis:

2013 ASSEMBLY BILL 218

May 24, 2013 Introduced by Representatives SARGENT, BIES, BARCA, BARNES, BERCEAU, BERNARD SCHABER, BEWLEY, BILLINGS, CLARK, DANOU, DOYLE, GENRICH, GOYKE, HEBL, HESSELBEIN, HINTZ, HULSEY, JOHNSON, JORGENSEN, KAHL, KESSLER, KOLSTE, MASON, MILROY, OHNSTAD, A. OTT, PASCH, POPE, RICHARDS, RIEMER, RINGHAND, SINICKI, SMITH, C. TAYLOR, VRUWINK, WACHS, WRIGHT, YOUNG, ZAMARRIPA, ZEPNICK, BERNIER and JAGLER, cosponsored by Senators GROTHMAN, LEHMAN, LASEE, ERPENBACH, HANSEN, HARRIS, C. LARSON, MILLER, RISSER and L. TAYLOR. Referred to Committee on Government Operations and State Licensing.

AN ACT to amend 111.322 (2m) (a) and 111.322 (2m) (b); and to create 106.54(10), 111.91 (2) (im) and 995.55 of the statutes; relating to: employer access to, and observation of, the personal Internet accounts of employees and applicants for employment; educational institution access to, and observation of, the personal Internet accounts of students and prospective students; landlord access to, and observation of, the personal Internet accounts of tenants and prospective tenants; and providing a penalty.

Analysis by the Legislative Reference Bureau

Current law does not regulate employer access to, or observation of, the personal Internet accounts of employees and applicants for employment, or educational institution access to, or observation of, the personal Internet accounts of students and prospective students, or landlord access to, or observation of, the personal Internet accounts of tenants and prospective tenants.

This bill prohibits an employer, educational institution, or landlord from: 1) requesting an employee, applicant for employment, student, prospective student, tenant, or prospective tenant to grant access to, allow observation of, or disclose information that allows access to or observation of the personal Internet account of the employee, applicant, student, prospective student, tenant, or prospective tenant; and 2) discharging, expelling, suspending, disciplining, or otherwise penalizing or discriminating against any person for exercising the right to refuse such a request, opposing such a practice, filing a complaint or attempting to enforce that right, or testifying or assisting in any action or proceeding to enforce that right. The bill, however, permits an employer, educational institution, or landlord to view, access, or use information about an employee, applicant for employment, student, prospective student, tenant, or prospective tenant that can be obtained with

out access information or that is available from the public domain. The bill also permits an employer or educational institution to request or require an employee or student to disclose access information to the employer or educational institution in order for the employer or educational institution to gain access to or operate an electronic communications device paid for in whole or in part by the employer or educational institution or to gain access to an account or service that is provided by the employer or

educational institution, that the employee or student obtained by virtue of the employment relationship or admission to the educational institution, or that is used for business or educational purposes.

The bill, in addition, permits an employer to do any of the following:

1. Discharge or discipline an employee for transferring the employer's proprietary or confidential information or financial data to the employee's personal Internet account without the employer's authorization.
2. Conduct an investigation or require an employee to cooperate in an investigation of any alleged unauthorized transfer of the employer's proprietary or confidential information or financial data to the employee's personal Internet account or of any other alleged employment related misconduct or violation of the law.
3. Restrict or prohibit an employee's access to certain Internet sites while using an electronic communications device paid for in whole or in part by the employer or while using the employer's network or other resources.
4. Monitor, review, or access electronic data that is stored on an electronic communications device paid for in whole or in part by the employer or electronic data that is traveling through or stored on the employer's network.
5. Comply with a duty to screen applicants for employment prior to hiring that is established under state or federal law or by a self regulatory organization, as defined under the federal Securities and Exchange Act of 1934 (self regulatory organization).
6. Requesting or requiring an employee to disclose the employee's personal electronic mail address.

In addition, with respect to an employer, the bill provides that the prohibition created under the bill does not apply to a personal Internet account or an electronic communications device of an employee engaged in providing financial services who uses the account or device to conduct the business of an employer that is subject to the content, supervision, and retention requirements imposed by federal securities laws and regulations or by a self regulatory organization.

Finally, the bill provides that an employer, educational institution, or landlord does not have a duty to search or monitor the activity of any personal Internet account and that an employer, educational institution, or landlord is not liable for any failure to request or require access to or observation of a personal Internet account of an employee, applicant for employment, student, prospective student, tenant, or prospective tenant.

For purposes of the bill: 1) "access information" means a user name and password, login information, or any other security information that protects access to a personal Internet account; 2) "educational institution" means an institution of higher education, a technical college, a proprietary school, a public school, a charter school, a private school, or a private educational testing service or administrator; 3) "employer" includes the state; and 4) "personal Internet account" means an account created and used exclusively for personal purposes within a bounded system established by an Internet-based service that requires a user to input or store access information via an electronic device in order to view, create, use, or edit the user's account information, profile, display, communications, or stored data.

Walker, State GOP Leaders Close in on Deals for Voucher Expansion, Tax Cut, Medicaid

The Joint Finance Committee is expected to complete action on the state budget on Tuesday, June 4th (which might extend into Wednesday) when it tackles the huge issues of Medical Assistance, school aids and school choice, and income taxes. Here's how the Associated Press sums up what is known at this time, in a story that appeared in the Green Bay Press Gazette. Coverage of the committee will be on WisEye.org.

Voucher schools would expand statewide, income taxes would be cut by more than \$500 million and Wisconsin would reject a federal Medicaid expansion even though it would save the state money under a broad agreement being worked out between Gov. Scott Walker and Republican legislative leaders. Walker, Assembly Speaker Robin Vos and Senate Majority Leader Scott Fitzgerald were still negotiating details and talking with other Republican lawmakers to reach a compromise that can be voted on Tuesday. That's when the Legislature's Joint Finance Committee was slated to complete its work on Walker's budget. "We're actually pretty close," Fitzgerald said in an interview. Walker, in a separate interview, agreed. "I think we're getting there," he said.

While only three areas remain before the budget goes to the Senate and Assembly for approval, they are the most contentious parts of Walker's two-year spending plan. Walker and Republicans are trying to weave together a deal that will appease moderates and tea party conservatives within their caucuses so the budget can pass over universal opposition from minority Democrats. Republicans hold a narrow 18-15 majority in the Senate and a larger 60-39 advantage in the Assembly. Even as a deal nears, some cracks have appeared in the normally united GOP caucus. Last week, 11 Assembly Republicans sent a letter calling for more conservative changes to the budget to get their vote. If they all bail, Republicans wouldn't have enough votes in the Assembly to pass the plan.

And in the Senate, moderates are pushing for more school spending, a watering down of Walker's voucher plan and elimination of debt. Meanwhile, conservatives want to strengthen the voucher plan and go farther with tax cuts. "We're trying to maximize the tax cut and get that as high as we can but at the same time be mindful of the structural deficit," Fitzgerald said, referring to the projected shortfall that could result from deep tax cuts and ongoing spending commitments. Fitzgerald said the income tax cut will end up above \$500 million. Walker proposed \$343 million, while Republican Rep. Dale Kooyenga called for around \$750 million. Walker said he expected the cut to approach \$750 million. Vos said he felt \$500 million was the minimum. "I want big and bold," he said.

Walker's proposal lowered rates for the lowest three income brackets, which affects those earning up to \$217,630. Kooyenga called for lowering rates for all five brackets, leading to a much greater benefit for the wealthy. It also flattens the tax brackets, moving from five to three, resulting in a person earning \$14,510 a year paying the same 5.94 percent rate as someone making \$319,000. People earning more than \$224,000 a year would see an average cut of about \$1,200 under the plan, while those making under \$60,000 would only get \$34, according to an analysis by the liberal Institute of Taxation and Economic Policy. The tax cuts for high earners concerns some Senate Republicans, Fitzgerald said. But Vos said he had no problem with them. "I think everybody who pays income taxes deserves a tax cut," he said.

Work also continued on a deal to expand private school vouchers, but Walker, Fitzgerald and Vos all said they were close. The proposed deal would expand vouchers statewide, but limit enrollment in any one district to no more than 1 percent of the students and 1,000 statewide starting in 2014. Vouchers are currently available only in Milwaukee and Racine. Walker's original plan would have allowed them initially in only nine new cities but enrollment would be unlimited after two years. The preliminary deal has set off a torrent of criticism both from public school advocates, who say expanding vouchers statewide was the wrong way to go, and conservatives who object to the enrollment caps. The proposed deal would also allow public school spending to increase \$150 per student in each of the next two years. Walker had no increase in his budget.

Medicaid is the third big undecided item. Walker proposed rejecting a federally funded expansion of Medicaid under the health care overhaul law. He chose instead to tighten income eligibility for adults, thereby forcing more people near the poverty line into private insurance offered under a new marketplace. Walker's plan would leave only those at 100 percent of the federal poverty level or poorer covered for Medicaid. Democrats and numerous health care advocates, including the Wisconsin Hospital Association and many others, want to make the cutoff 138 percent of poverty, which would net Wisconsin \$119 million in federal money and cover 84,700 more adults. Walker's plan would actually cost the state \$52 million to implement primarily because Wisconsin would not take advantage of

additional federal money available if it expanded coverage to those at the 138 percent of poverty level. "If he's interested in governing, he'll go for it," said Democratic Rep. Jon Richards, one of

the most vocal proponents of taking the federal money to pay for the expansion. "If he's interested in grandstanding, he won't."

Walker, Fitzgerald and Vos all said they expected the Legislature ultimately to stick closely with Walker's plan. "I don't foresee any major changes to that," Walker said. "We're fine."

A Home for Everyone 2013: "Creating Housing That Works"

July 24 - 25, 2013 at The Plaza Hotel & Suites 1202 W. Clairemont Avenue, Eau Claire, Wisconsin

Presented by: The Wisconsin Collaborative for Affordable Housing

This is always a good conference. I hope some of you may be able to attend. Last week I sent the brochure with the details of the conference.

In addition to the Housing Conference, I will be traveling to Appleton with Dale Hicks to speak to the landlords there and in September I will travel to Eau Claire to meet with our Chapter in northwestern Wisconsin.

As always, feel free to email me with questions or suggestions. Here is the information on how you can contact me:

Gary R. Goyke, Legislative Liaison WAA-WRHLC

754 Williamson Street

Madison, Wisconsin 53703

(608) 237-8121 (daytime)

(608) 249-8118 (evenings)

(608) 255-3301 (fax daytime)

gary.goyke@gmail.com (email)