

How To Minimize the Transfer of Arrearages to the Tax Roll

1. Do credit checks on prospective tenants. This may give you insight into whether the tenant will be reliable for the rent and/or utility payments. Wisconsin residential rental practices law allows landlords to collect the actual cost, up to \$20, for a credit report on a prospective tenant.

Wisconsin Admin. Code § ATCP 134.05(4)(a) provides:

Earnest money deposits and credit check fees. Except as provided under par. (b), a landlord may require a prospective tenant to pay the landlord's actual cost, up to \$20, to obtain a consumer credit report on the prospective tenant from a consumer reporting agency that compiles and maintains files on consumers on a nationwide basis. The landlord shall notify the prospective tenant of the charge before requesting the consumer credit report, and shall provide the prospective tenant with a copy of the report.

2. Have a parent co-sign the lease. If the lease includes payment of utilities in addition to rent and the tenant is a student, consider having a parent co-sign the lease. This will allow you to pursue collection of unpaid utility bills and rent from the parent.

3. Stay on top of it and open your mail from the Utility. The Sheboygan Water Utility sends past due notices. Staying on top of your tenant's Utility payments is key. A smaller balance is easier to tackle than hundreds of dollars. The Sheboygan Water Utility also sends copies of Disconnection Notices to Landlords. The Sheboygan Water Utility requires Landlords to be present when it is necessary for Utility personnel to enter a private property for disconnection.

4. Put service in your name. Ask the utility to put service in your name and increase the tenant's rent to include the cost of the utility service. But remember – the utility is prohibited from disconnecting service if the purpose of the disconnection is to evict a tenant.

5. Change the lease. Add language to your rental lease to make tenancy dependent on payment of utility bills. If the tenant fails to pay the bills, you can pursue an eviction action against the tenant.

6. Fill out the Landlord/Tenant Agreement. Enact the provisions outlined in Wisconsin Act 274. Fill out the Landlord/Tenant Agreement and if the tenant's past due charges end up on your property tax bill you may be able to place a lien in the judgment and lien docket with the clerk. The tenant's name will then appear on Wisconsin Consolidated Court Automated Program (CCAP).

7. Deduct unpaid utility bills from the tenant's security deposit. Wisconsin residential rental practices law allows a landlord to withhold unpaid utility bills from a tenant's security deposit.

Wisconsin Admin Code § ATCP 134.06(3)(a)3 provides in relevant part:

Security Deposit Withholding; Restrictions. A landlord may withhold from a tenant's security deposit only for the following: Payment which the tenant owes under the rental agreement for utility service provided by the landlord but not included in the rent.

For more information, please visit the PSC website at psc.wi.gov.