



## 2019 BILL

1     **AN ACT** *to amend* 66.0413 (1) (b) 1. and 66.0413 (1) (c); and *to create* 66.0413  
2           (5) of the statutes; **relating to:** municipal raze orders for certain buildings  
3           damaged by sudden occurrences.

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### *Analysis by the Legislative Reference Bureau*

This bill limits the authority of a municipality to order the razing of certain insured dwellings.

Under current law, a municipality may issue an order to raze a building that is unfit for human habitation and unreasonable to repair. Current law specifies that if the municipality determines that the cost of repairs of a building would exceed 50 percent of the adjusted assessed value of the building, the repairs are presumed unreasonable. A raze order is issued to the building's owner and, if the owner does not comply with the order within the prescribed time, the municipality may raze the building. The cost of razing may be charged against the real estate upon which the building is located.

Under this bill, a municipality may not issue a raze order for an insured dwelling that has incurred damage that is covered under the insurance policy (covered damage) unless the municipality does all of the following:

1. Provides notice of intent to issue a raze order to the owner of record of the dwelling, the holder of any encumbrance on the dwelling, and the insurer of the dwelling.

2. Accepts and considers certain materials submitted to it that assist in establishing the extent of damage or the reasonable cost of repairs to the dwelling.

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3. Conducts an on-site inspection of the dwelling to assess the extent of covered damage.

4. Determines the estimated cost of repairs for the dwelling.

5. Determines that repair of the dwelling is not reasonable.

The bill also specifies that, for an insured dwelling, if the municipality determines that the estimated cost of repair of the dwelling does not exceed 70 percent of the insurance policy limits of the dwelling, the repairs are presumed reasonable.

For further information see the *local* fiscal estimate, which will be printed as an appendix to this bill.

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

1           **SECTION 1.** 66.0413 (1) (b) 1. of the statutes is amended to read:

2           66.0413 (1) (b) 1. If Except as provided in sub. (5), if a building is old,  
3 dilapidated, or out of repair and consequently dangerous, unsafe, unsanitary, or  
4 otherwise unfit for human habitation and unreasonable to repair, order the owner  
5 of the building to raze the building or, if the building can be made safe by reasonable  
6 repairs, order the owner to either make the building safe and sanitary or to raze the  
7 building, at the owner's option.

8           **SECTION 2.** 66.0413 (1) (c) of the statutes is amended to read:

9           66.0413 (1) (c) *Reasonableness of repair; presumption.* Except as provided in  
10 ~~sub.~~ subs. (3) and (5), if a municipal governing body, building inspector, or designated  
11 officer determines that the cost of repairs of a building described in par. (b) 1. would  
12 exceed 50 percent of the assessed value of the building divided by the ratio of the  
13 assessed value to the recommended value as last published by the department of  
14 revenue for the municipality within which the building is located, the repairs are  
15 presumed unreasonable for purposes of par. (b) 1.

16           **SECTION 3.** 66.0413 (5) of the statutes is created to read:

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1           66.0413 (5) RAZING CERTAIN INSURED DWELLINGS. (a) *Definitions*. In this  
2 subsection:

3           1. “Cost of repairs” includes the estimated cost of repairs that are necessary to  
4 comply with applicable building codes, or other ordinances or regulations, governing  
5 the repair or renovation of a dwelling.

6           2. “Covered damage” means damage that is caused by a sudden occurrence and  
7 that is covered by an insurance policy.

8           3. “Insured dwelling” means a structure that is used or intended to be used as  
9 a home, residence, or sleeping place, and that is insured under a homeowner,  
10 property, or similar insurance policy.

11           4. “Sudden occurrence” means peril covered under the terms of an insurance  
12 policy.

13           (b) *Damage to insured dwellings*. A governing body, building inspector, or other  
14 designated officer of a municipality may not issue a raze order under sub. (1) (b) for  
15 an insured dwelling that has incurred covered damage unless the governing body,  
16 building inspector, or other designated officer does all of the following:

17           1. Provides notice of intent to issue a raze order to the owner of record of the  
18 dwelling, the holder of any encumbrance on the dwelling, and the insurer of the  
19 dwelling. The notice shall include a statement that materials may be submitted to  
20 the governing body, building inspector, or other designated officer under subd. 2.  
21 Notice under this subdivision shall be served in the manner provided under sub. (1)  
22 (d).

23           2. Accepts and considers materials that are submitted by any person entitled  
24 to notice under subd. 1., that assist in establishing the extent of damage or the  
25 reasonable cost of repairs to the dwelling, and that are received within 30 days after

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1 provision of the notice under subd. 1. Materials that may be accepted and considered  
2 under this subdivision are limited to damage estimates, evaluations of the cost of  
3 repairs, and the results of inspections of the property.

4 3. Conducts an on-site inspection of the dwelling to assess the extent of covered  
5 damage.

6 4. Determines the estimated cost of repairs for the dwelling.

7 5. Determines that repair of the dwelling is not reasonable.

8 (c) *Cost of repair.* The municipal governing body, building inspector, or  
9 designated officer shall base its determination of the estimated cost of repair for the  
10 insured dwelling under par. (b) 4. on materials accepted under par. (b) 2.

11 (d) *Reasonableness of repair.* If a municipal governing body, building inspector,  
12 or designated officer determines that the estimated cost of repair of an insured  
13 dwelling does not exceed 70 percent of the insurance policy limits of the dwelling, the  
14 repairs are presumed reasonable.

15 **SECTION 4. Initial applicability.**

16 (1) This act first applies to a dwelling that incurs damage on the effective date  
17 of this subsection.

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(END)