



## Legislation Text

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**File #:** 130108, **Version:** 1

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130108  
SUBSTITUTE 1

ALD. MURPHY and HINES

A substitute ordinance relating to a moratorium on the issuance of certificates of occupancy for furniture and appliance rental and leasing establishments.

200-43.5 cr

This ordinance creates a moratorium, until after December 31, 2013, on the issuance of certificates of occupancy, temporary certificates of occupancy and conditional certificates of occupancy for furniture and appliance rental and leasing establishments.

Whereas, As reported in the *Milwaukee Journal Sentinel* on April 26, 2013, according to a report by the Wisconsin Public Interest Research Group, rent-to-own stores:

1. Set the initial prices for the items they offer far above the cost of similar items offered at other mass-market retailers.
2. Charge their customers interest rates that are many times higher than the 18% annual interest rate they would incur if they purchased the goods with credit cards at other retailers (the research group found rent-to-own stores charge an average effective annual interest rate of 221%).

; and

Whereas, The Common Council finds that these business practices can have harmful impacts on the welfare of Milwaukee consumers, particularly the low-income and working-class residents who typically shop at rent-to-own stores; and

Whereas, The Common Council finds that the rent-to-own industry preys on low-income consumers, as evidenced by the proliferation and concentration of rent-to-own establishments in low-income and working-class neighborhoods; and

Whereas, Furniture and appliance rental and leasing establishments are classified as a permitted use in most of the city's commercial zoning districts; and

Whereas, The zoning code's current treatment of furniture and appliance rental and leasing establishments gives the City little control over the number and location of these businesses; and

Whereas, The Common Council wishes to review the City's existing zoning regulations for furniture and appliance rental and leasing establishments, and to develop revised regulations that better serve the interests of the residents of Milwaukee; and

Whereas, It is therefore appropriate to declare a moratorium on the issuance of certificates of

occupancy for new furniture and appliance rental and leasing establishments until the City Plan Commission and the Common Council's Zoning, Neighborhoods and Development Committee have examined the zoning regulations for these establishments and reviewed proposed changes to such regulations, and until the Common Council has had an opportunity to review and act upon the proposed zoning code changes; now, therefore

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 200-43.5 of the code is created to read:

**200-43.5. Certificate Moratorium; Furniture and Appliance Rental and Leasing Establishments**

**1. PURPOSE.** The city, in the exercise of its authority to issue certificates of occupancy and the administration and enforcement of its building and zoning regulations, strives to follow certificate-issuance procedures and practices that best meet the needs of the residents of Milwaukee while allowing property owners to make reasonable use of their properties. The city recognizes that a proliferation of furniture and appliance rental and leasing establishments, particularly when concentrated geographically, can have a negative impact on public health, safety and welfare, particularly because of the high prices and interest rates these establishments charge their customers. Therefore, the city finds that an in-depth examination of its zoning regulations for furniture and appliance rental and leasing establishments is timely and necessary. For that purpose, a temporary moratorium on the issuance of certificates of occupancy, temporary certificates of occupancy and conditional certificates of occupancy for furniture and appliance rental and leasing establishments is established.

**2. MORATORIUM.** A moratorium on the issuance of certificates of occupancy, temporary certificates of occupancy and conditional certificates of occupancy for furniture and appliance rental and leasing establishments is established commencing on the effective date of this ordinance [city clerk to insert date] and terminating after December 31, 2013.

APPROVED AS TO FORM

\_\_\_\_\_  
Legislative Reference Bureau

Date: \_\_\_\_\_

IT IS OUR OPINION THAT THE ORDINANCE  
IS LEGAL AND ENFORCEABLE

\_\_\_\_\_  
Office of the City Attorney

Date: \_\_\_\_\_

LRB146542-2  
Jeff Osterman  
05/17/2013