

2015
ANNUAL REPORT

RENTAL WEATHERIZATION PROGRAM

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Department of Safety and Professional Services

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OVERVIEW OF PROGRAM

On January 1, 1985 Wisconsin's Rental Weatherization program was created. Chapter 101.122 of WI Statutes mandates that all rental dwelling units must comply with rental weatherization standards created by the Department of Safety and Professional Services (DSPS). DSPS has promulgated rules in SPS 367 detailing what those rental weatherization standards are.

Rental Units Excluded From the Requirements

The Energy Efficiency Standards do not apply to the following types of rental units:

- (a) Any dwelling unit not rented at any time from November 1 to March 31;
- (b) Any building with four units or less, provided the purchaser will live in one unit for at least one year immediately following the transfer;
- (c) Any building which is built after December 1, 1978 and contains one or two units or a building built after April 15, 1976 which contains more than three units;
- (d) Mobile homes;
- (e) Hotels, motels and tourist rooming houses used primarily for transient residency which are licensed by the Department of Family Health and Social Services
- (f) Hospitals or nursing homes;
- (g) Condominium units in buildings with greater than three units.

The Code Further Excludes Transfers That Are

- (a) For security purposes;
- (b) Between agent and principal or trustee and beneficiary without consideration;
- (c) Part of divorce settlements;
- (d) For no or nominal consideration between husband and wife or parent and children;
- (e) Part of the probate process;
- (f) Involuntary, including foreclosures, bankruptcies, condemnations, court-ordered property transfers or delinquent taxes and assessments
- (g) Previously certified
- (h) Rental units in condominium buildings with more than three units.

Energy Conservation Requirements

Buildings subject to the Code must meet the following minimum requirements in order to receive a Certificate of Compliance:

- (1) All "accessible" areas must be insulated to the levels shown in SPS 367.11-1 of the code.
- (2) Windows must be double-glazed or equipped with storm windows.
- (3) Exterior doors and windows must be weatherstripped where cracks exceed 1/10".

- (4) All exterior joints on the first three floors must be caulked.
- (5) All exterior, inwardly-swinging, uninsulated doors must be equipped with storm doors or air lock vestibules.
- (6) Moisture control ventilation must be installed in attics. Crawl space floors must have a vapor barrier installed.
- (8) All steam heating pipes and hydronic pipes located in ventilated spaces must be insulated to R-2. All heating supply and return ducts must be insulated to R-5 in ventilated spaces.

Exemptions

The energy conservation measures above were chosen because they demonstrated sufficient energy savings within five years to offset the cost of the measure. If an owner can document that a specific conservation measure on his or her building will take more than five years to pay back, the department will issue an exemption from the rules for that measure.

Any request for an exemption of a specific energy conservation measure based on return on investment must be made in writing on the application forms provided by the department. The application includes the 5-year payback calculation, drawings and pictures describing the specific energy conservation measure to be exempted, fuel bills or utility documentation of fuel cost, the cost estimate for the installed specific energy conservation measure, and a processing fee of \$30. The department will notify the applicant within 15 business days of its evaluation.

Inspector Certification and Disciplinary Action

Certification to become a licensed Rental Weatherization Inspector requires a passing grade (70 percent) on a 3-hour examination and payment of fees of \$40.00 (\$15.00 for the application fee and \$25.00 for the exam fee.). When the exam is passed, the applicant is required to pay a \$40.00 credential fee, prorated because the credential expires on a specific date. The exams are given at three different sites statewide Appleton, Pewaukee and Eau Claire. Inspector certificates expire on June 30 every four years and are renewed on July 1 upon payment of a \$40.00 fee. Certificates that are renewed after July 1 incur an additional \$15.00 fee. There is no continuing education for this credential.

The department promptly investigates all complaints received from the public and those initiated within the department. Complaints in which there is insufficient evidence to prove that a violation of the statutes or rules occurred are closed. When a violation is indicated, the department has several disciplinary options at its disposal. More serious violations involve suspension and revocation of the certification as well as the denial of certification renewal. The District Attorney or Attorney General may prosecute cases involving falsification of a certificate, which could involve monetary forfeiture.

ANTICIPATED VOLUMES

In 1985, the first year of the program, it was estimated that the volume of rental unit transfer would be about 15,000 properties annually. However, 5,692 transfer authorizations were issued. The basis for the original estimate may have been flawed. Census data showed approximately 180,000 rental buildings and while this number appeared to be reliable, the estimated average turnover time per building of 12 years seems less credible. The volume of transfers has averaged 5,200 for the past ten years.

PROGRAM STAFFING

One FTE License/Permit Program Associate administers the program. There is one Rental Weatherization Inspector on staff.

PROGRAM MONITORING

The program's state-certified inspectors are monitored on a complaint basis. Complaints may be received from citizens or from documents inspectors submit to the department for review. Inspectors are required to respond to all allegations. Department staff may audit buildings involved in complaints and conflicts for compliance with the Energy Conservation Requirements. Disciplinary action against an inspector may result in a written reprimand, suspension, revocation or denial of certification.

PROGRAM EDUCATION

The department publishes a brochure entitled "Important Information for Buyers and Sellers of Residential Rental Properties". Copies are distributed statewide through the department's website, Rental Weatherization agents, and Registers of Deeds. Since the brochure lists minimum requirements for code compliance and other information of value to the public, it has resulted in a considerable reduction of phone inquiries.

When the program began, the department published semi-annual Rental Weatherization Program bulletins. Program information and FAQs are now placed on the department website to provide faster and more frequent distribution of information, news items, and guidance to inspectors, department agents and Register of Deeds.

REVENUES

The program collected \$112,866 in revenue for FY 2015.

ACTIVITY VOLUMES FOR 2015

The department maintained 62 active registered agents in 2015. These are government or quasi-government agencies authorized by the department to validate Stipulations and Waivers for property owners. There are 328 certified inspectors.

ENFORCEMENT

The department may send out reminder letters to property owners with a Stipulation or Waiver to advise them when there is six months remaining on their agreement.

MONITORING AND TRAINING

The department may monitor an inspector's work to ensure the inspector is properly certifying buildings. Inspectors in the field are monitored based on complaints received by the department. The department also has the authority to monitor Real Estate Transfer Returns for code compliance.

Training and education of Register of Deeds and Rental Weatherization agents is important to maintain the effectiveness of the Rental Weatherization Program. In the first years of the program, an emphasis was placed on continued contact and training. In 2002, visits were made to Register of Deeds or Rental Weatherization Agents. Recently, contact with Register of Deeds and Rental Weatherization Agents has been maintained primarily through telephone calls. A presentation was given to the Register of Deeds in March 2015.

The department website provides a search page for Register of Deeds to review transfer documents to determine if any outstanding weatherization responsibilities exist in order to further the department's enforcement efforts to prevent stipulation holders from reselling noncompliant properties to unsuspecting buyers. This search can be made by county, city, state or street address.

EXPECTATIONS AND PLANS FOR 2015

EXPECTATIONS

Improvement in the rate of compliance is expected to continue in 2015 due to sellers, buyers, realtors, title companies and banks being more educated about the program and the Petition for Variance process. The department will continue to educate real estate purchasers about their responsibilities under the law, and is well-positioned to achieve our goal of compliance.

PLANS FOR 2016

Staffing - Automation and streamlining of procedures will continue.

Rules Review – The department will begin the statutorily required 5 year review of the Administrative rules for rental unit efficiency.

As UDC rules are updated the Rental Weatherization Program may make changes to conform to new rulings.

Totals by year

	<u>2014</u>	<u>2015</u>
Stipulations	4733	6057
Waivers	81	115
Transfers	141	120
Satisfactions	738	1731
Duplicates	123	352
Certificate of Compliance	1623	3193
Walk-Ins	44	648
Six month stipulation letters		2743
Six month waiver letters		8
Petitions		1
Phone calls	1030	5411

**Open Stipulations
by County**

	<u>2014</u>	<u>2015</u>
Adams	29	19
Ashland	49	40
Barron	153	129
Bayfield	22	21
Brown	1283	1197
Buffalo	43	41
Burnett	41	43
Calumet	153	135
Chippewa	281	255
Clark	187	118
Columbia	289	215
Crawford	113	114
Dane	1547	1411
Dodge	427	395
Door	29	30
Douglas	208	200
Dunn	216	204
Eau Claire	559	484
Florence	5	6
Fond du Lac	785	743
Forest	12	12
Grant	290	266
Green	162	149
Green Lake	121	111
Iowa	119	110
Iron	16	16
Jackson	99	93
Jefferson	367	340
Juneau	137	125
Kenosha	1352	1224
Kewaunee	77	70
La Crosse	894	817
Lafayette	55	54
Langlade	78	76
Lincoln	81	75
Manitowoc	715	682
Marathon	447	437

Marinette	262	252
Marquette	47	44
Menomonee	0	1
Milwaukee	13396	12530
Monroe	361	346
Oconto	138	128
Oneida	88	78
Outagamie	750	690
Ozaukee	332	315
Pepin	24	23
Pierce	185	178
Polk	158	146
Portage	250	225
Price	52	53
Racine	1817	1772
Richland	118	124
Rock	1477	1367
Rusk	72	68
Sauk	329	317
Sawyer	25	23
Shawano	137	137
Sheboygan	1042	1007
St Croix	260	253
Taylor	70	67
Trempealeau	139	142
Vernon	129	132
Vilas	31	31
Walworth	685	669
Washburn	57	61
Washington	366	346
Waukesha	1203	1088
Waupaca	274	266
Waushara	79	80
Winnebago	1009	932
Wood	413	400
Total Open Stipulations	39230	36763