

INFORMATION FOR LANDLORDS

QUESTION 1

I am the owner of a property serviced by the utility and do not use the utility service because I have the property rented, why do I have to pay the bill if the tenant does not?

A lease is an agreement between the landlord and the tenant. The rental agreement does not determine whether or not the tenant is a customer of the utility. PSC rules determine whether or not the tenant is a customer. The two are completely separate issues.

The rental agreement can specify that the tenant is responsible for the payment of utility services received during the term of the lease. However, the “service” in this sense is being provided by the landlord, not the water utility. The utility may aid in obtaining payment for these “services” by putting the tenants name on the account as the person receiving the bills during their lease.

In the City of La Crosse, the tenant is considered the “Resident” of the property and may be responsible for paying the utility bill while they reside their pursuant to their lease agreement. However, the Landlord or Property Owner is the “Responsible Party”. The Responsible Party is the utilities “Customer” and the person ultimately responsible for payment of the utilities being provided to the service address. In addition to those options listed under Question 5, a Landlord can add language that not only states the tenant is responsible for paying the utility bill, but can make tenancy dependent on said payment. If the tenant fails to pay the bills, the Landlord can pursue eviction action against the tenant to stop the accumulation of outstanding utility bills.

QUESTION 2

Can a landlord have service disconnected in order to evict a tenant?

Wisconsin Administrative Code [PSC 185.37\(8\)\(g\)](#) prohibits disconnection of service for the intentional removal or eviction of a tenant from a rental property. If the utility is aware that the landlord wants water disconnected in order to evict a tenant, it cannot disconnect. This does not, however, mean that the utility is without recourse if service is in the landlord’s name and he or she refuses to pay.

Under [PSC 185.37\(1m\)](#) the utility must attempt to transfer the delinquency from the rental property to the landlord’s home or office if it is served by the utility. Before the transfer can be made, the utility must provide written notice to the owner or property manager. If the delinquency remains unpaid, the utility may disconnect service at the landlord’s home or office upon ten days notice.

However, the La Crosse Water Utility does not disconnect water to any property except in the reasons outlined in Question 6. Our means of collections is to have the arrearages transfer to property taxes of the Responsible Party.

QUESTION 3

Can the utility have a policy of only disconnecting rental properties?

No, the PSC does not allow the utility to have a disconnection policy that applies only to rental properties. That is discriminatory and is therefore prohibited. If you choose to initiate a disconnection policy, it must apply to all delinquent customers.

If a landlord is upset about his or her tenants' delinquencies, the landlord may request duplicate bills and disconnection notices so he or she is aware of tenants' status with the utility. This is done by obtaining the Landlord-tenant Agreement from the local utility office at 608/789-7536.

Also, landlords may take the following measures to avoid responsibility for a tenant's unpaid water bill:

- Do a credit check on prospective tenants.
- Require a co-signer on the lease.
- Have the service in the landlord's name and recover the cost of utility service by increasing the rent.
- Add language to the rental lease to make tenancy dependent on payment of the utility bills.
- Deduct unpaid utility bills from the tenant's security deposit.

If service is in the landlord's name, the utility is prohibited from disconnecting service if the purpose of the disconnection is to evict the tenant.

QUESTION 4

Can a landlord, as a condition of a lease, require a tenant to maintain water service until the lease is complete even if the tenant moves out early?

A tenant cannot be held responsible for charges for utility service after the tenant has vacated the premises and informed the utility of the vacation. If the tenant requests cancellation because he or she no longer occupies the service address, the utility cannot bill for service he or she is not using. At this time, the utility bill for that service address is put back into the landlord's name.

In this case, the landlord can deduct the utility bill from the tenant's security deposit or pursue legal redress for breach of the rental agreement. But the utility cannot become a party to that action by continuing to bill the former tenant when that person is no longer using utility services.

QUESTION 5

If I am a landlord and I do not have the bills sent to me directly, how can I know if my rental property has delinquent amounts that will be transferred to my taxes?

Wisconsin Statutes §66.0809 required municipalities to place delinquent utility bills on the tax roll as a tax against the property that was furnished with utility service. The ability to collect for unpaid utility bills through the property tax roll keeps the amount of municipal uncollectible debt to a minimum, which protects other utility customers from rate increases due to increased collection expenses or uncollectible debts.

The statute also requires utilities to notify landlords of tenant delinquencies **if** the landlord requests notification in writing. This can be done by requesting a Landlord-Tenant Agreement from the local utility office at 608-789-7536. Notice is required in order to provide landlords with an opportunity to either pay the bill or collect the arrearage from the tenant before the municipality transfers the delinquent amount to the landlord's property tax bill.

Landlords can also aid in collections **if** the landlord provides the utility with a forwarding address of a tenant within 21 days of the date the tenant vacated the service address. This is required by utilities pursuant to Public Service Commission rules. This continued billing may prompt the tenant to pay the delinquent utility bill before it is transferred to taxes.

Things to remember:

- Application of a 10% penalty on a tax transfer on November 1 is not optional
- The utility cannot continue to apply late fees to arrearage. The 10% penalty added on November 1st is the only penalty that can be applied.

Notification timeline:

- October 1st – Utility determines which accounts are in arrears as of this date.
- October 15th – Utility sends written notice of any amounts in arrears as of October 1st to the owner or occupant. Notification will also be provided to the owner of a rental dwelling who is not the occupant if the appropriate Landlord-tenant agreement is completed pursuant to Wis. Stat. 66.0809(5).
- November 1st – Utility applies a 10% penalty. Addition of the penalty is not optional.
- November 15th – Utility transfers the unpaid arrears, plus the penalty, to the tax roll.

**SUGGESTIONS TO LANDLORDS TO MINIMIZE THE
TRANSFER OF ARREARAGES 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 costs, up to \$20, for a credit report on a prospective tenant. The code reference is as follows:

Wis. Admin. Code ATCP 134.05 Earnest Money deposits and credit check fees

(4)(a) 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 the parent co-sign the lease. This will allow you to pursue collection of unpaid utility bills and rent from the parent.
3. **Ask for duplicate bills.** As the utility to provide you delinquent notices so you are aware of tenant arrearages. This is done by completing a Landlord-Tenant Agreement and submitting it to the La Crosse Utilities Office.
4. **Put service in your name.** Ask the utility to put the 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 in order to aid in evicting 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 against the tenant.
6. **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. The code reference is as follows:

Wis. Admin. Code ATCP 134.06(3)(a)3. Security Deposit Withholding; Restrictions.

(a) A landlord may withhold from a tenant's security deposit only for the following:

3. Payment which the tenant owes under the rental agreement for utility service provided by the landlord but not included in the rent.

QUESTION 6

For what reasons would the utility disconnect my water service?

The Public Service Commission allows the utility to disconnect or refuse water service for any of the following reasons:

- Diversion of service around the meter
- Refusal or failure to permit authorized utility personnel access to the base meter. This could be due to failure to respond to correspondence requesting access to exchange a meter that has failed to respond or appears to have stopped.
- Violation of utility's rules pertaining to the use of service in a manner that interferes with the service of others or the operation of substandard equipment if the customer has been notified and given a reasonable opportunity to remedy the situation.
- Failure to comply with Wisconsin Statutes, PSC rules, or PSC orders pertaining to utility services.
- Failure to comply with the utility's rules or if the customer uses a device that unreasonably interferes with communication or signal service used for reading meters.
- A utility may disconnect service without prior notice where a dangerous condition exists. See PSC 185.37(3)
- A utility may disconnect service with a written 24-hour notice for nonpayment of a bill covering surreptitious use (theft) of water. See PSC 185.37(4).