



---

## Transfers FAQs

**1. A personal representative, including one who is an heir, inherits one-fifth of a building and wishes to purchase the interest of the other heirs. Are these transfers excluded from the Rental Unit Energy Efficiency code?**

**Answer:** The transfers are excluded from code compliance as long as they occur within the probate or per the provisions of a last will and testament. If the probate process has ceased, the heir's acquisition of the property would be a subsequent transfer and, thus, subject to the code, unless excluded for another reason.

**2. A residential property is being sold to settle an estate. The sole heir is a nephew. He has been willed \$5000 by the estate to be paid out of the proceeds of the sale of the property to another party. Is the property in question excluded from the Rental Unit Energy Efficiency Code?**

**Answer:** Yes. Property transferred pursuant to the requirements of the Last Will and Testament is recognized as a conveyance under Chapter 851 to 8779, Stats., probate, and therefore is excluded from the requirement of the weatherization rules.

**3. A single-family residence has been used as a rental property for some time by its owner. Recently, the owner passed away and this rental property forms part of the estate which is still under probate. As part of the probate proceedings, the property is sold to a party that intends to rent out the residence. Is this probate related transfer excluded from code compliance?**

**Answer:** Yes. The department interprets the code to exclude properties used as residential rental units when they are purchased directly from an estate during the probate process. (The sale may be the result of a court order, last will and testament or personal representative choice.)

The plain meaning of s. 101.122 (1)(f), Stats., exempts a transfer that comes under the category of probate in any sense. Because the chapters cited cover all forms of probate proceeding, including summary and informal procedures, it is the department's opinion that a transfer that was agreed to before the death of a residential rental property seller, but which actually occurs afterwards as a transaction handled by a personal representative, is not subject to Comm. 67 compliance.

**4. Are transfers of condominiums excluded from compliance?**

**Answer:** Yes, if there are 3 or more condo units in the building. Comm. 67.05 applies to buildings with 1 or 2 condo units in them and only elements in the unit, not common areas, must meet code requirements. Rented individual units in a building with 1 or 2 units, must meet the standards. Common areas would not have to meet code requirements.

**5. When can I transfer a rental unit?**

**Answer:** No owner may transfer a rental unit unless a certificate of compliance has been issued or a waiver agreement has been issued or a stipulation agreement has been issued or a satisfaction of compliance has been issued.

**6. Is a transfer between partners of one partner's ownership interest in a residential rental property subject to code compliance?**

**Answer:** Yes, if the transfer creates or changes controlling interest.

**7. If I buy a residential building to fix it up and sell, do I need to comply with the Rental Weatherization standards? The property will not be rented to anyone or occupied as a primary residence during the time of rehabilitation.**

**Answer:** Yes, since the future use of the building is not ensured, these types of transfers are subject to the Rental Weatherization standards. However, you may file a Stipulation to delay compliance for up to a year. If the property is sold within that year, the buyer may take over responsibility for compliance. If the buyer will owner-occupy within that year, they can obtain a Satisfaction of Compliance from the Department of Safety and Professional Services.

**8. Are property purchases by relocation companies subject to the Rental Weatherization standards?**

**Answer:** Yes. However, similar to the rehabilitation scenario above, a Stipulation may be filed, compliance may be taken over by a subsequent buyer and then satisfied by owner-occupancy within a year of the first transfer.

**9. Are transfers due to foreclosures subject to the Rental Weatherization standards?**

**Answer:** If sec. 77.25(14), Wis. Stats. as a transfer to a person holding the mortgage or to the seller under land contract applies to the conveyance they are also excluded from the Rental Weatherization standards under exclusion code W-3. (Note: If sec. 77.25(14), Wis. Stats. does NOT apply to the conveyance then they are subject to the Weatherization Standards. Any previously recorded Stipulations or Waivers related to that property will be nullified. However, any subsequent transfer to a party without a previous interest in the property could be subject to the standards.

**10. Are the Rental Weatherization standards applicable to a dwelling that I plan on allowing a family member to live in without paying rent?**

**Answer:** Yes. The exemption for owner-occupied property is limited to the purchaser and does not extend to other family members if the purchaser does not use it as his/her primary residence. (If the occupant will have life tenancy, then it would be a W-11 excluded transfer.)