

cost. If the court rules in favor of the tenant, the tenant may receive twice the amount the court finds the landlord owes them, plus any court costs and reasonable attorney fees (MGO 32.12(7)(c)).

Whether making a complaint to the City Attorney or suing in court, aggrieved tenants should document the violations. Save all your paperwork and keep a log with dates when you spoke with the landlord and what they said. This will make it easier for the City Attorney to take the case, and easier for a judge to find in the tenant's favor.

## How can landlords set a good Minimum Income Policy?

Create a set of non-discriminatory procedures and follow them consistently regardless of the tenant's income level. Compliance with City of Madison's Minimum Income Ordinance imposes a small burden on landlords but has a beneficial impact on tenants. Landlords should do the following:

- **Consider eliminating rules and procedures requiring an income standard.** Design rules and worksheets to look at ability to pay rent. Develop worksheets, applications, denial letters & other paperwork for employees and your files. Educate managers, agents & other employees that tenants are not to be rejected based on a strict income standard.
- **Set up application criteria that will ensure that you accept good tenants.** Check prior landlord references, eviction records, employment and personal references. Review the application thoroughly for missing and inaccurate information. Accept tenants who have paid an equivalent rent. Be prepared to thoroughly review income and rent records of tenants who are denied due to minimum income standards. If tenants have paid an equivalent rent and are otherwise qualified, accept them.
- **Provide the proper disclosures in writing and within the required time limits.** Upon receiving an application or earnest money, give the tenant notice in writing of any income standard being used and what evidence of ability to pay will be acceptable. Upon rejecting an application based on income, put the following in writing and send to the tenant within three business days: 1) the reason for denial, 2) explanation that the tenant can get another consideration, and 3) the additional information that the

tenant needs to provide in order to be reconsidered.

For more information, contact the Tenant Resource Center. For legal advice, consult a local housing attorney.

## Vocabulary

**Earnest money** Any money a tenant gives a landlord before the application is accepted or denied

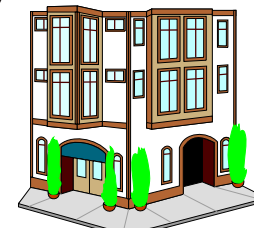


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The **Tenant Resource Center** is a non-profit, membership organization dedicated to promoting positive relations between rental housing consumers and providers throughout Wisconsin. By providing information and referrals, education about rental rights and responsibilities, and access to conflict resolution, we empower the community to obtain and maintain quality affordable housing.

# Minimum Income Requirements in the City of Madison



## Tenant Resource Center

1202 Williamson St. Ste 102 Madison, WI 53703  
9:00 a.m. – 6:00 p.m., Monday – Friday  
[www.tenantresourcecenter.org](http://www.tenantresourcecenter.org)

**Rental Rights** (608) 257-0006  
[asktrc@tenantresourcecenter.org](mailto:asktrc@tenantresourcecenter.org)

**En Español** (608) 237-8913  
**Toll-free** (877) 238 RENT (7368)

**Mediation** (608) 257-2799  
**Business Line/TTY** (608) 257-0143

## Tenant Resource Center Campus Office

Student Activity Center  
ASM Office - Room 4301  
(608) 561-3727  
[uw@tenantresourcecenter.org](mailto:uw@tenantresourcecenter.org)

## Housing Help Desk

1819 Aberg Ave. Room 2  
Madison, WI 53704  
(Dane County Job Center)  
(608) 242-7406, 10:00 a.m. – 2:00 p.m.

If you need an interpreter, materials in alternate formats, or other accommodations, call our office at (608) 257-0143.

No part of this brochure should be regarded as legal advice or considered a replacement of a landlord's or tenant's responsibility to be familiar with the law. If you need legal assistance, seek the services of a Wisconsin housing attorney.

NOTE: New law SB107 will change some local laws. These are indicated by ~~strikethrough~~ or **bold**. Whether they affect you depends on when the law is signed and when the lease went into effect.

Information in this brochure is only applicable for apartments located in the City of Madison.

## What is a prohibited “Minimum Income Requirement”?

The City of Madison has an ordinance that affects the rental application process by restricting the ability of landlords to use income requirements to screen potential tenants (MGO 32.12(7)).

Tenants with good rental history cannot be denied housing solely because they did not meet an income standard unless the landlord complies with the ordinance. If landlords follow the procedures outlined in the ordinance, tenants have the opportunity to demonstrate an actual ability to pay the required rent amount. However, landlords may still deny tenants for poor rental history, poor credit, and other legitimate reasons:

## How do I know if the landlord uses an income requirement?

Landlords must “disclose in writing to the applicant any use of a minimum income requirement or minimum income-to-rent ratio” (MGO 32.12(7)(f)). The notice must be given when the landlord receives either an application or money down on the apartment or applications fees (“earnest money” deposit).

The notice must also inform tenants of what evidence they may give to the landlord to prove that they have paid similar amounts of rent in the past. Examples may be a past lease or recent paycheck stub.

## When are income requirements illegal in the City of Madison?

Landlords cannot deny an application simply because of a flat income requirement if the tenant can provide

~~other evidence that he or she has paid a similar amount of rent in the past. An example of a flat income standard would be “applicants must make at least \$12,000 yearly” or “applicants must make a monthly income at least three times the monthly rent” without the landlord looking at additional information.~~

## What evidence of a tenant’s ability to pay can be considered?

~~If the landlord is considering denying the application based on income, the ordinance requires that the landlord consider all lawful sources of income:~~

~~Lawful sources of income the landlord should consider include wages, tips, student financial aid, vouchers, and governmental assistance (like W-2, SSI, SSDI, etc.). However, this ordinance does not require a landlord to accept a Section 8 voucher holder. Landlords may request and consider information from the past two years. The ordinance does not prohibit landlords from requesting information about the tenant’s increased debts or expenses. The landlord may also request additional documentation if it is required to establish eligibility for a government program (for example, Section 42-funded housing):~~

## What if the tenant has paid a comparable amount of rent?

~~If a landlord finds that a tenant has been able to pay a rent equal to or greater than the rent of the current unit the tenant is applying for, the landlord may not deny the tenant based on amount of income (but may still deny based on other legal reasons):~~

## Can a co-signer be required?

~~Landlords concerned about an tenant’s income can require a guarantor or co-signer if:~~

- ~~• the tenant does not meet the minimum income or income-to-rent ratio, and~~
- ~~• some or all of the rent will be paid by a private individual on the tenant’s behalf.~~

## What if the tenant is denied housing based on income?

If a landlord denies an application ~~based on an income requirement~~, the landlord is required to furnish the tenant the reason for the denial **in writing**. This notice must be sent by the end of the third business day after the landlord receives the application or earnest money deposit, unless the tenant agreed in writing to a longer period not longer than 21 calendar days. [MGO 32.08(5)]

~~This notice must inform the tenant that the application will receive another consideration if there is an available unit when the landlord receives evidence of actual ability to pay the rent. The notice must also describe what information the landlord considers evidence of actual ability to pay. The landlord is not required to hold the apartment while the tenant gathers necessary information.~~

## Can applicants still be denied for other reasons?

Yes. The ordinance prohibiting Minimum Income Requirements does not require landlords to rent to a tenant if there is a legal reason to deny the rental application. Some legitimate reasons include:• poor landlord references

- a record of eviction
- bad credit
- incomplete application turned in
- false information on application.

Note: A tenant cannot be denied for refusing to provide a Social Security Number unless such disclosure is mandated by state or federal law (MGO 32.12(7)(b)).

## What are the penalties for violations of the Minimum Income Ordinance?

The Minimum Income Ordinance is enforced by fines from the City of Madison or tenants may sue in court for damages.

A tenant who is denied housing or suffers any other loss based on a minimum income requirement or income-to-rent ratio may complain to and sue at no