



Wisconsin REALTORS® Association **Legislative Report 2013**

Progress toward a healthier real estate market



Wisconsin REALTORS® Association

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Pending Issues & Past Victories

Progress toward a healthier real estate market



Rob Keefe
2013 RPAC Chair

"As this report illustrates, decisions are made in Washington and Madison that affect the real estate industry and your bottom line like never before. These issues such as mortgage interest, zoning, capital gains, legal liability and more. That's why you need the REALTORS® Political Action Committee (RPAC) as much as RPAC needs you. The National Association of REALTORS®, the WRA, and your local board of REALTORS® together as a team have stopped proposals that would have made it harder for you to conduct your business, taking money out of your pocket. With your help and support, we have secured legislative victories that saved REALTORS® and property owners millions of dollars. These victories were made possible because RPAC supports candidates for public office who support our issues. Please invest in RPAC. It's a wise investment in your business."

PENDING LEGISLATIVE ISSUES

APPRAISAL MANAGEMENT COMPANY LEGISLATION

The WRA is proposing legislation to register and regulate Appraisal Management Companies (AMCs) as required by federal Dodd Frank Law. This legislation will seek to establish "customary and reasonable" rates for appraisers, require fee disclosure, and require appraisers to meet competency and performance standards. This bill will help protect the public and maintain high standards of professional conduct by AMCs.

BROKER EXPERIENCE LEGISLATION

The WRA is proposing legislation (SB208) that will better protect consumers and raise the level of professionalism in the real estate industry by requiring that licensees have two years of supervised, transactional experience before being allowed to obtain a broker's license. With the increasing complexity of today's real estate transaction, hands-on experience is imperative for a real estate broker.

MUNICIPAL UTILITY BILLS

The WRA is working on legislation (LRB0613) to limit a landlord's exposure for unpaid municipal water and electric bills that end up on the owner's property tax bill. Under current law, if a tenant fails to pay a water or electric bill to a municipal utility, the landlord is obligated to pay the past due amount.

LANDLORD-TENANT LAW

The WRA supports legislation (SB179) that would reform current landlord-tenant law related to vehicle towing practices, eviction proceedings, nonstandard rental provisions, disposal of personal property after eviction, security deposits and more. These changes will balance and equalize the relationship between landlords and tenants to ease the operation for a landlord.

VESTED RIGHTS LEGISLATION

The WRA is proposing legislation (LRB1591) seeking to clarify when a property owner's right to use or develop their property is protected from subsequent changes to local regulations,

ordinances and requirements. This bill will help ensure that property owners have a permit approval process that is fair and predictable.

MORTGAGE INTEREST DEDUCTION (again)

The Congressional tax reform discussions are taking place again, using what is called the "blank slate" option. This means that as a starting point, all tax exemptions (including tax deductions such as the mortgage interest deduction, tax exemptions such as capital gains exemption on the sale of a primary residence, and tax credits such as energy efficiency tax credits) will be removed from the tax code. Each Senator has been asked to submit, in writing, any tax "expenditures" they wish to see kept in the code and provide justification. Using the "blank slate" approach allows Congress to highlight just how much tax rates could be reduced by eliminating all tax "expenditures." The National Association of REALTORS® and the WRA are working to make sure that critically important real estate tax provisions are maintained in any rewrite of the federal tax code.



PAST LEGISLATIVE VICTORIES

REQUIRING ATTORNEYS AT ALL CLOSINGS

Think about how different your job would be if attorneys were required at every closing, as they are in Illinois and Georgia. In other states, real estate licensees are not allowed to complete offers to purchase and other state-approved forms because state bar associations in those states actively lobbied their legislatures, or successfully argued to their courts, that only attorneys be allowed to complete forms related to a real estate transaction. In Wisconsin, the state Supreme Court recently reaffirmed your right to use these forms, responding to an amicus filed by the WRA.

PROHIBIT REALTOR® OPINIONS OF VALUE

In 2010, some appraisers and the city of Milwaukee attempted to pass legislation that would prevent real estate licensees from giving broker price opinions or other opinions of value unless they had an appraiser's license. Fortunately, the WRA, with much help from individual REALTORS® across the state, defeated this legislation and preserved the ability of consumers to choose to hire an appraiser or real estate licensee to provide them with an opinion on the value of their property.

JOINT AND SEVERAL LIABILITY

In the 2009 Wisconsin state budget, a provision was included that would have involved REALTORS® in never-ending lawsuits. Gov. Jim Doyle's proposal would have forced a defendant, who was as little as 1 percent at fault in a lawsuit, to pay up to 100 percent of the damages if the

other defendants were unable to pay. The WRA and allied business organizations successfully defeated this proposal.

REAL ESTATE TRANSFER TAX

The WRA defeated a state budget proposal to double the real estate transfer tax that would cost your sellers hundreds of dollars on the sale of their home. This legislation was defeated by determined REALTORS® and homeowners across Wisconsin who opposed this tax increase.

FRAUDULENT MISREPRESENTATION

The WRA drafted and passed legislation to overturn a misguided court case in which REALTORS® could be held liable for fraudulent misrepresentations made by a third party in a real estate transaction. Without this important legislation, REALTORS® would have been exposed to lawsuits for defects or other material facts concealed by sellers that only sellers could have known.

EXTENDING LEVY LIMITS TO COVER CERTAIN FEES

Homeowners and property owners are now protected from large fee increases related to property-related services such as garbage collection, snow plowing, street sweeping and storm water management, by discouraging communities from shifting such services from the property tax to separate fees in order to avoid current levy limits. All revenues generated by such fees are now subject to local levy limits. This is a big win for property taxpayers.

STATE PREEMPTION OF THE REGULATION OF REAL ESTATE BROKERS AND BROKERAGE SERVICES

Because the practice of real estate is already regulated by state and federal laws, local regulation of real estate brokers could result in the creation of laws in direct conflict of one another. A new law ensures that the regulation of real estate brokers will remain consistent and uniform throughout Wisconsin by prohibiting local communities from creating and enforcing their own regulations and fees in this area. Can you imagine the confusion if local governments could regulate brokerage services?



Additional Legislative Victories

1. Farmland Conversion Fee eliminated (AB40)
2. Health Savings Accounts now tax deductible (SSB2)
3. Regulatory Reform guarantees riparian owners right to place a pier (SB326)
4. Presumptive Approval for DNR permits (SB326)
5. Landlord-tenant law reform (SB107)
6. Property Tax Freeze (AB40)

LEARN MORE WRA.ORG/JPAC



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Making a Difference with **RPAC**

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HERE'S WHY THESE REAL ESTATE INDUSTRY
LEADERS ENCOURAGE YOU TO INVEST IN THE
REALTORS® POLITICAL ACTION COMMITTEE.



"RPAC is the only political group in Wisconsin organized for REALTORS® and run by REALTORS®. The only people we can count on to protect our industry's interests are REALTORS® like you."

Renny Diedrich
Coldwell Banker TREG, Appleton



"Over the past several years, RPAC helped secure legislative victories that saved REALTORS® and homeowners millions of dollars. That's why you need RPAC as much as RPAC needs you. It's critically important that all REALTORS® invest in RPAC."

Dan Kruse
Century 21 Affiliated, Madison



"The purpose of RPAC is to help elect candidates from both parties who will promote and defend issues that impact homeowners, property owners and the livelihood of every WRA member. It's a vitally important investment in your business."

Rita Blenker
Century 21 Gold Key Realty, Marshfield



"Now more than ever, it is imperative for REALTORS® to come together and speak with one voice about the stability that a sound and dynamic real estate market brings to Wisconsin. Through RPAC, that voice is heard loud and clear."

John Horning
Shorewest REALTORS®, Milwaukee



"The REALTORS® Political Action Committee gives REALTORS® a powerful voice on issues that matter to the real estate industry. RPAC identifies and invests in candidates who understand and support our issues. RPAC supports REALTOR® Party candidates for public office."

Jim Imhoff
First Weber Group, Inc., Madison

Paid for by the REALTORS® Political Action Committee