

Wisconsin REALTORS® Association **Legislative Report** 2017



Progress toward a healthier real estate market



Wisconsin REALTORS® Association



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Pending Issues & Past Victories

More Money for Schools and Property Tax Relief

The 2017-19 state budget bill is good news for homeowners and K-12 schools. K-12 education funding will increase by approximately \$640 million over two years, the largest school funding increase in 10 years, and the budget maintains levy limits on local governments, which caps how much local governments can charge property owners to pay for local services. Finally, the budget eliminates the state portion of the property tax, or “forestry tax,” saving the average homeowner \$27 per year. More money for schools and lower property taxes are a top priority for the WRA.

Right to Rent

For the past several legislative sessions, the WRA has been working to pass legislation to protect the ability of homeowners to rent their homes on a weekly basis or longer subject to local regulations. With the passage of the 2017-19 state budget, homeowners throughout Wisconsin now have the “right to rent” their homes.

Rental Weatherization Program

The WRA worked with legislators and Gov. Walker to eliminate the rental unit efficiency program, more commonly known as the rental weatherization program. The WRA has long supported total repeal of this program because the rental weatherization program is out of date, unnecessary and brings confusion to residential transfers. The elimination of this program is long overdue.

Historic Preservation Tax Credits

Wisconsin’s Historic Preservation Tax Credit (HTC) program is one of the best economic development tools available. From 2014 to 2016, 118 historic projects received approval for state

historic tax credits, totaling \$171,095,000. This generated \$683 million in direct economic output during the construction period, \$92.4 million in additional state taxes, and 10,950 new jobs were created including 9,882 construction jobs. Some legislators proposed significant changes to the HTC program that would have crippled one of Wisconsin’s most successful economic development programs. In the end, lawmakers placed a \$500,000-per-project cap on the HTC program, which will go into effect on July 1, 2018. In the meantime, the WRA will be working with lawmakers to find an alternative, long-term solution that continues to make the HTC program an effective economic development tool.

Real Estate Practice

Virtually every legislative session, the WRA seeks to modify and update laws and regulations as they relate to real estate practice. This session, the legislation will include modifications to the following topics: advertising, negotiations relating to personal property, cooperation with out-of-state licensees (OSL), the Department of Safety and Professional Services (DSPS) forms council and the definition of “broker.”

Homeowners Bill of Rights

Protecting the rights of property owners has always been important to the WRA. This year, the WRA will work hard to pass legislation that will address a broad variety of issues to protect and encourage families to become homeowners. The Homeowners Bill of Rights includes issues related to grandfathering substandard lots, broadband access, eminent domain takings reform, regulatory takings reform, conditional use permits and Smart Growth reform. This legislation is necessary to reign in overreaching government at all levels that has imperiled property rights and homeownership.



Landlord-Tenant Law

Landlord-tenant law reform has been a priority for the WRA. This session, legislation will be introduced to modify a variety of issues related to residential rental practices, including: defining late fees as rent, technical defenses to an eviction, emergency assistance, possible changes to CCAP, notarization of eviction complaints, contested hearings, five-day notice requirements, emotional support animal issues, definition of “untenantability,” municipal authority to abate rent, rental property inspections and fees, background and credit checks, special inspection warrants, landlord notification requirements for overdue/unpaid utility bills, and more.

Appraisal Management Companies

The WRA, in conjunction with other interested parties, is working on legislation that would enable the DSPS to establish and administer an appraisal management company (AMC) licensing program. An AMC is an entity that provides appraisal management services to lenders, underwriters or other principals in the secondary mortgage markets. Key provisions in the AMC legislation include appraiser competency, compensation, review, independence and enforcement. This legislation closely mirrors the federal AMC rule.

Federal Tax Reform

Tax reform is important but should not eliminate the tax benefits of homeownership. The tax reform being considered in Washington, D.C., threatens to do serious damage or even wipe out the tax benefits of owning a home for most American families. One proposal would maintain the mortgage interest deduction (MID), but the standard deduction would be doubled, greatly reducing the number of taxpayers claiming the deduction for the MID. That same proposal

would eliminate the deduction for state and local taxes paid, including property taxes. With these changes, buying a home would offer little more tax benefit than renting. The National Association of REALTORS® and the WRA are working hard to preserve these critically important homeowner tax incentives.



Legislative Victories

1. Time of sale requirements prohibited.
2. Liability protection for REALTORS® through two-year statute of limitations.
3. “One-strike” evictions for criminals or drug-related activity.
4. Supermajority vote to downzone property.
5. Unauthorized practice of law codified.
6. Property tax freeze/levy limits maintained.
7. Cooperation with out-of-state licensees.
8. Prohibit development moratoria for counties.
9. REALTORS® not liable for fraudulent third-party misrepresentation.
10. REALTOR® opinions of value protected.
11. Status as independent contractor protected.
12. Farmland conversion fee eliminated.
13. REALTORS®’ ability to complete state-approved forms protected.

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WORK TOGETHER



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Making a Difference with **RPAC**

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Dan Lawler
2017 RPAC Chair

Decisions are made in Washington and Madison that affect the real estate industry and your bottom line on 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 they need 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 business. With your help and support, we have secured legislative victories that have saved REALTORS® and property owners millions of dollars. These victories were possible because RPAC supports candidates for public office who support our issues. Please invest in RPAC. It's a wise investment in your business.

We hope you find the 2017 Legislative Report informative.