



REALTORS® LEGISLATIVE REPORT ★2015★

Improving Wisconsin's quality of life one home at a time.



REALTORS® POLITICAL ACTION COMMITTEE



WISCONSIN REALTORS® ASSOCIATION

2015 LEGISLATIVE REALTORS® ★ REPORT ★

Pending Legislative Issues



Chapter 452 Modernization/Real Estate Practice

The WRA is working to update Chapter 452 of the Wisconsin statutes to address several key issues impacting the real estate industry and REALTORS®, including liability, independent contractor status, supervision, timeshares and business entities. These changes are designed to **reduce frivolous lawsuits against REALTORS®**, clarifying the independent contractor status of REALTORS® and modernizing the practice of real estate.

Two-year Statute of Limitations for REALTOR® Liability

Wisconsin real estate licensees are currently subject to a six-year statute of limitations on litigation related to written contracts. This is important because licensees are inevitably named in many lawsuits related to transactions due to the perception they have “deep pockets.” As part of Chapter 452 modernization, the WRA is seeking legislation to pass **a two-year statute of limitations on claims against real estate licensees**. This legislation recognizes that as more time passes from the close of the transaction, the burden should be higher to prove the responsibility and knowledge on the parties. States with a statute of limitation on contract claims of three years or less include Alabama, Alaska, California, Colorado, Delaware, North Carolina and South Carolina.



Protecting Your Right to Complete State-approved Forms

In the 1961 *Reynolds v. Dinger* case, the Wisconsin Supreme Court held the completion of state-approved forms by Wisconsin real estate licensees was not an unauthorized practice of law. Simply put, the court decided that real estate licensees could continue to complete state-approved forms. In 2008, the State Bar of Wisconsin attempted to change the unauthorized practice of law rules, which could have made it illegal for licensees to complete state-approved forms, but the Supreme Court denied the request. Today, the WRA is pursuing legislation that statutorily protects your rights confirmed by the Wisconsin Supreme Court. This legislation provides another layer of protection and helps keep REALTORS® at the center of the transaction.

Landlord-Tenant Law

The WRA and allied landlord organizations will spearhead the effort to pass legislation that provides interested parties additional notice prior to local government meetings where housing issues are on the agenda, and promotes greater safety and security for all renters by **modifying the eviction process for criminal activity**. This is part of an ongoing effort to balance the needs and rights of both landlords and tenants.



Mortgage Interest Deduction

The National Association of REALTORS®, the WRA and other related organizations are opposed to tax reform legislation that would limit the mortgage interest deduction, repeal the deduction for state and local taxes, or increase the capital gains tax on the sale of your principal residence. While pursuing comprehensive tax reform, Congress should focus on doing no harm to housing and America’s 75 million homeowners by maintaining current tax laws for homeownership and real estate investment. NAR and the WRA will work to **protect these homeowner benefits** in future tax reform proposals.



Recent Legislative Victories

Time of Sale Requirements Prohibited

The 2015-2017 state budget included one provision of great importance to homeowners and REALTORS®: the new prohibition on local “time of sale” requirements. The new law prohibits local units of government from requiring inspections, property maintenance or the payment of related fees at the time of sale or title transfer. Communities impose these TOS requirements because they know the public would not support the imposition of such requirements if they were applied immediately to all affected property owners. This will streamline the homebuying process for buyers and sellers.



Property Tax Freeze/Levy Limits

Wisconsin property owners pay among the highest property taxes in the country. That’s why surveys consistently show the property tax is the most onerous tax for businesses and homeowners alike. The 2015-2017 state budget maintains the property tax freeze placed on local levies for the next two years. Local governments may exceed the levy limits if approved through local referendum.

Tax Incremental Finance (TIF)

The TIF Modernization Package, introduced by a bipartisan group of legislators, consists of eight pieces of legislation designed to update Wisconsin’s TIF laws to make them easier to administer, more effective and flexible at promoting economic development, and better protect taxpayers. Tax Incremental Financing is an economic development tool used by local municipalities to leverage private development investment. TIF is the best development incentive available for local municipalities.



Historic Rehabilitation Tax Credits Preserved (HTC)

The 2015-2017 state budget maintains the 20 percent state tax credit with no overall caps or per-project caps for historic rehabilitation projects, which have generated an estimated 2,800 jobs statewide and \$353 million in economic development activity since the tax credit was increased from 5 percent to 20 percent in 2013. The Historic Tax Credit (HTC) program benefits the state and local economies by creating jobs, generating tax revenue and revitalizing local communities.

Shoreland Zoning

As part of the 2015-2017 state budget, Gov. Scott Walker signed into law a provision that protects the property rights of shoreland property owners. Among other things, the new law bans counties from prohibiting the maintenance, repair, replacement, restoration, rebuilding or remodeling of all or any part of any nonconforming structure as long as the footprint is not expanded. These changes and others will make shoreland development regulations more uniform throughout the state.



Additional Legislative Victories

1. REALTOR® opinions of value protected
2. Joint and several liability bill defeated
3. REALTORS® not liable for fraudulent 3rd party misrepresentation
4. Real estate transfer tax increase defeated
5. Health Savings Accounts tax deductible
6. Farmland conversion fee eliminated

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Making a Difference with

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Dan Lawler
2015 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 2015 Legislative Report informative.