

Commercial Association of REALTORS® 2017-18 legislative priorities



In January, the WRA board of directors approved the legislative agenda for the 2017-18 legislative session. The legislative agenda is comprised of a wide range of policy initiatives grouped into broad themes designed to address various issues impacting the real estate industry, including housing affordability, infrastructure investments, the real estate development process, protecting private property rights, and removing hurdles to successful real estate transactions.

The development of the legislative agenda is a collaborative process that reflects input from individual REALTOR® members, local board staff, WRA public policy committee members and other individuals. The issues are identified based upon recurring problems with regulations at the local level, regulatory trends from other states, calls to the WRA Legal Hotline about transactional matters, or court cases involving important real estate issues.

The WRA's government affairs team will implement the agenda by working with lawmakers on both sides of the aisle to introduce and pass legislation through the various stages of the legislative process. REALTORS® will be asked to actively participate in this process by attending REALTOR® & Government Day on March 15 in Madison and by responding to calls for action.

The following is a list of priorities included in the WRA's 2017-18 legislative agenda.

Making home and property ownership more affordable

1. **Property taxes:** Hold the line on property taxes by maintaining current levy limits and funding levels to the school levy tax credit, which is \$211.2 million over the biennium, and opposing other initiatives that would result in a property tax increase.
2. **Home Buyer Savings Accounts (HBSAs):** Create a tax-free account that allows Wisconsin residents to deposit money into a savings account that can be used for the down payment when purchasing a home. The money would grow tax free over a certain period of time — such as two years — and during the year in which the home is purchased, income from the HBSA can be subtracted from the homeowner's gross income when determining state taxable income.
3. **Housing impact statement:** Revise the current statutory housing impact statement to require state agencies to more effectively evaluate the impact on the cost of housing prior to introducing a rule.
4. **Local affordability audits:** Require local governments to conduct an audit of their development approval process, local codes and related fees and calculate the costs added to each home.

5. **Challenging property tax assessments:** Allow property owners to challenge property tax assessments even if the owners deny local assessors access to property.
6. **Park fees:** Modify the enabling authority to impose park fees under Chap. 236 to be consistent with impact fee requirements.
7. **Condo document fees:** Cap the fees that can be charged for furnishing copies of condo documents.

Making necessary infrastructure investments

1. **Transportation funding:** Provide an adequate and permanent increase in funding for transportation infrastructure projects to maintain existing and provide new highways, roads, airports, railroads, public transit, bike paths and bridges that support our state's economic development and quality of life.
2. **Broadband access:** Provide necessary funding to expand broadband in underserved communities such as northern and rural Wisconsin.
3. **School funding:** Support an increase in funding for K-12 schools.
4. **Tax Increment Financing (TIF)**
 1. **TID revenue sharing:** Under current law, existing tax increment districts (TIDs) are eligible to receive increments from other TIDs if the districts are blighted, in need of conservation or rehabilitation, or have been designated as distressed or severely distressed. This legislation would allow any type of TID to be an eligible recipient.
 2. Current law also prohibits sharing between TIDs with different overlapping taxing jurisdictions. This legislation would eliminate this restriction in cases where the only dissimilar district is a lake sanitary, public inland lake protection and rehabilitation district or a town sanitary district.
 3. **Increase 12 percent limit:** Increase from 12 percent to 15 percent the limit on the amount of taxable property permitted to be within a TID or TIDs at the time a TID is created or territory is added.
 4. **Redetermination of base value:** Provide municipalities with more flexibility for redetermining TID base values when the current value of the TID has fallen at least 10 percent below its base value.
5. **Additional local infrastructure financing tools:** Provide local units of government with additional tools to finance infrastructure necessary for economic development projects, such as:
 1. **Certificates of participation:** Funded by incoming municipal payments, which are subsequently sold as issues to raise revenue for financing infrastructure projects.

2. **Community development districts:** Quasi-governmental entities with distinct boundaries that provide financing for infrastructure projects by charging property owners within the district's boundaries an annual tax surcharge.
3. **GARVEE Bonds (Grant Anticipation Revenue Vehicles):** Bonds secured by anticipated federal funds. Twenty-nine states currently authorize the use of GARVEEs by statute.
4. **Sales tax TIF:** Allows for increases in sales tax revenues generated within the TID to be used to help pay off the bonds.

Preserving our environment and water resources

1. **High-capacity wells:** Protect the property values of neighboring property owners by requiring (a) sufficient setbacks from lakes, rivers and streams; and (b) compensation from high-capacity well owners for damaging private wells.
2. **Phosphorus runoff controls:** Protect water quality by controlling phosphorus runoff into navigable waters.

Protecting private property rights

1. **Right to rent:** Prohibit local ordinances from banning homeowners from renting their homes for seven days or more.
2. **Substandard lots:** Grandfather all substandard lots that were legal when created. Current law grandfathers only substandard lots in shoreland areas.
3. **Conditional use permits:** Require local governments to issue conditional use permits (CUPs) if the property owner satisfies all requirements necessary to obtain the CUP.
4. **Eminent domain:** Make several changes to Wisconsin's eminent domain law to better protect the rights of property owners including allowing for the use of the income approach in determining the value of property to be acquired through eminent domain.
5. **Statute of limitations on inverse condemnations:** Clarify that no statute of limitations exists on inverse condemnation/regulatory takings claims.
6. **Nonconforming structures:** Clarify that protections for nonconforming structures apply in all areas of the state, not just shoreland areas regulated by counties.

Reducing frivolous lawsuits against REALTORS®

1. **Patent trolling:** Reduce the likelihood of predatory lawsuits against real estate licensees and real estate companies who use software and other technology protected by patents.
2. **Disclosure of insurance claims (RECR):** Require sellers to disclose whether any insurance claims have been filed related to damage to their home, buildings or vacant land.

Removing hurdles to successful real estate transactions

1. **Seller pre-agency:** Require a seller to have a written listing agreement in order to advertise the property. This will return the law to the way it was before 2006. The law will continue to permit buyer pre-agency.
2. **Advertising of firm name:** Specify in statute when advertisements require the disclosure of the firm's name, the firm's name must be the more prominent name in the advertising.
3. **Home inspector uniformity:** Modify the terminology used by home inspectors to match the definition of "defect" in the state-approved offer to purchase.
4. **Appraisal management companies:** Create registration and supervision requirements for appraisal management companies, such as timely payment, third party liability agreements, disclosure of appraiser fees in appraisal reports, and AMC staff requirements. Required by federal Dodd-Frank law.
5. **Rental weatherization:** Eliminate the rental weatherization requirements for most single-family and multi-family properties.