

WRA
LEGISLATIVE REPORT
2024



RPAC

REALTORS® POLITICAL ACTION COMMITTEE

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2024 LEGISLATIVE WRAP-UP



BECAUSE OF YOUR HELP, THE WRA ADDRESSED DISCRIMINATORY COVENANTS, SECURED MLS SALES TAX EXEMPTIONS, MITIGATED REALTOR® RISK, BOOSTED TRANSPARENCY, ELEVATED STANDARDS, FOSTERED GREAT LAKES GROWTH, MAINTAINED THE PROPERTY TAX FREEZE AND CLOSED THE FORECLOSURE EQUITY THEFT LOOPHOLE DURING THIS LEGISLATIVE SESSION. ***YOUR VOICE MATTERS!***

LEGISLATIVE HIGHLIGHTS

- Addressed discriminatory covenants and deed restrictions.
- Secured the MLS sales tax exemption.
- Mitigated REALTOR® risk, boosted consumer transparency and elevated practice standards.
- Created tools to boost growth in Great Lakes communities.
- Held the line on property taxes.
- Closed the foreclosure equity theft loophole.



RECENTLY PASSED LEGISLATION

WRA LEGISLATIVE VICTORIES IN 2024

1 Addressed Discriminatory Covenants and Deed Restrictions

Offensive, discriminatory covenants that prevent the purchase or occupancy of property based on race and other protected classes appear in deeds and subdivision restrictions and covenants throughout Wisconsin. Prohibited by the 1968 Fair Housing Act and Wisconsin Open Housing Law, discriminatory language plagues title records and commitment reports, shocking and upsetting both prospective buyers and current property owners.

2023 Wis. Act 210 allows property owners to voluntarily record a statutory form to discharge and release the restriction on their land record. Act 210 preserves the property's significant historical context and does not delete or erase the language from the land record. This legislation was a top priority for the WRA this session and received wide bipartisan support in both houses.

2 Secured the Sales Tax Exemption for Multiple Listing Services

In pursuit of a certain tax environment, the WRA advocated for 2023 Wis. Act 141 to establish a statutory clarification regarding the sales tax exemption for the sale of certain Multiple Listing Service (MLS) services. A revised Wisconsin Department of Revenue (DOR) guidance document related to "digital goods" created confusion because MLS services could be construed as additional digital goods subject to the retail sales tax. The WRA worked with the DOR on language that statutorily clarified that MLS services are exempt from the sales tax.

3 Mitigated REALTOR® Risk, Boosted Consumer Transparency and Elevated Practice Standards

Professionalism is and will continue to be a priority for the WRA. Under legislation signed into law by Gov. Tony Evers, 2023 Wis. Act 208 made several changes to the practice of real estate to help manage your risk, increase consumer transparency and improve accountability when license laws are violated. The new law creates a safe harbor for licensees when using government information if attribution to the source is provided, requires specific disclosures to consumers in contracts when contractual rights are being assigned to another, and raises the fines and forfeitures the Real Estate Examining Board may charge from \$1,000 to \$5,000 for violations of license law. The WRA supported these changes to address licensee liability, increase transparency regarding contract rights when wholesalers are involved, and raise the bar for licensees.



Although the Fair Housing Act made racially restrictive covenants illegal in 1968, there's no law that says racial restrictions are prohibited in Wisconsin property deeds, and many families have been disturbed to find them buried in the deed of a home they hope to buy ... So, I hope this bipartisan bill will be the beginning of more efforts to erase divisions and bring our state together."

— written testimony for the Senate Committee on Government Operations, December 23, 2023

SEN. LATONYA JOHNSON

State Senate, D-Milwaukee, District 6

4 Created Tools to Boost Growth in Great Lakes Communities

Numerous Wisconsin municipalities located along the Great Lakes or Mississippi River — for example Ashland, Bayfield, La Crosse, Oshkosh, Sheboygan, Sturgeon Bay and Superior — are having difficulty redeveloping their shorelines because of legal title issues associated with the land adjacent to or near the waterway. To generate shoreline development opportunities in Great Lakes and Mississippi River communities, Gov. Tony Evers signed into law 2023 Wis. Act 247. The new law had the full support of the WRA to ensure municipalities have the tools for waterfront developments. Passage of this legislation was a priority for the WRA and a big win to advance community growth in Wisconsin.

5 Closed the Foreclosure Equity Theft Loophole

The WRA spearheaded the passage of 2021 Wis. Act 216, which stipulated that if a county or the City of Milwaukee foreclosed on a property due to unpaid property taxes and subsequently sold the property, any remaining net proceeds must be returned to the property owner. However, a legal loophole in Wisconsin law allowed counties and Milwaukee to retain ownership of properties indefinitely even if their value exceeded the owed property taxes. 2023 Wis. Act 207, championed by the WRA, closed this loophole, mandating the sale of tax-foreclosed properties. Retaining the equity in a homeowner's property exacerbates financial struggles and could permanently hinder their ability to fully recover financially in the long term. This legislative victory is particularly significant for distressed homeowners, especially seniors, in Wisconsin. The WRA is proud to have played a role in safeguarding Wisconsin's most vulnerable homeowners.



PAST REALTOR® VICTORIES

WRA LEGISLATIVE VICTORIES IN 2023

1 By-right Approval and Development Certainty

2023 Wis. Act 16 provides certainty and predictability in the development-approval process by requiring local governments to approve housing developments if the developments comply with local regulations. Additionally, the law streamlines the rezoning process and limits the ability of existing residents to oppose the development of a new housing project after a project has been approved. Expediting the development-approval process and eliminating unnecessary delays reduces costs for developers, thus increasing housing affordability.

2 Infrastructure Access Loan Program

One of the biggest hurdles for residential developers is obtaining the financing for the infrastructure — like streets, water lines, sewers and sidewalks — of the proposed residential development. 2023 Wis. Act 14 creates a loan program at the state level to fund this type of infrastructure for single-family or multifamily workforce housing or senior housing. The loans can fund up to 20% of total development costs of a project. To ensure local governments are actively reducing housing costs, eligible projects must be located in a community that is in full compliance with state housing requirements, such as updating the housing element of the community's comprehensive plan and completing a housing affordability analysis. This program was allocated \$275 million in the 2023-25 Wisconsin state budget.

3 Restore Main Street Loan Program

2023 Wis. Act 15 provides a loan program for the repair and rehabilitation of residential rental housing above existing main-level businesses for work related to windows, lead-based paint, electrical and plumbing. These no- to low-interest loans can be approved for up to \$20,000 or 25% of the total rehabilitation costs, whichever is less. Eligible rental units must be located on the second or third floor of a building that is at least 40 years old and has not had significant improvements in the last 20 years. This program was provided \$100 million in the 2023-25 Wisconsin state budget.

4 Vacancy-to-Vitality Loan Program

To repurpose vacant commercial buildings, the state established a loan program to assist in the conversion of vacant commercial buildings for new residential workforce or senior housing. These no- to low-interest loans provide funding for up to \$1 million or 20% of total development costs, whichever is less. To be eligible, the converted commercial property must be used to build single-family or multifamily workforce or senior housing, and the zoning must allow for 16 or more dwellings. This program was allocated \$100 million in the 2023-25 Wisconsin state budget.

5 Home Repair and Rehab Program

2023 Wis. Act 17 creates an opportunity for homeowners to repair and rehabilitate older housing stock. Projects can include repairs to heating, electrical and internal plumbing systems as well as roofing, windows, exterior doors or flooring projects. Moreover, projects may include the removal of asbestos, lead-based paint or other environmental contamination. The loans can be up to \$50,000 or 100% of the improvement project. For a homeowner to be eligible, the property must be at least 40 years old prior to the application and is the homeowner's primary, single-family residence. This program received \$50 million in the 2023-25 Wisconsin state budget.

6 Held the Line on Property Taxes

Since 2011, Wisconsinites have been protected from dramatic property tax increases at the local level due to legislation that created property tax levy limits. In that time, property owners have saved more than \$12 billion due to these limits. During the 2023-25 Wisconsin state budget process, there was an attempt to remove these strict limits and allow local governments to raise property taxes without voter approval. The WRA successfully worked with the legislature to ensure that the levy limits stayed in place and that property tax increases at the local level continue to be based on voter approval by referendum through the 2023-25 biennium.

RPAC at Work, Helping Homeowners and Property Owners



This bill creates a legal process where an owner of real property affected by a deed or other instrument containing a discriminatory restriction can record a certification with the register of deeds to discharge and release the restriction from the property. It is important that we address the abhorrent and painful housing practices of our past and make these changes to ensure that we continue to ensure openness and fairness in the housing market.”

— written testimony for the Senate Committee on Government Operations, December 23, 2023

REP. TODD NOVAK

State Assembly, R-Dodgeville, District 51

7 Eliminated the Personal Property Tax

Most property owners receive one property tax bill annually. However, many business owners receive two tax bills: one tax bill for their real property and a second for their personal property, including furniture, fixtures, tools and other business-related items. The annual process of calculating the amount of personal property taxes owed requires an understanding of which personal property items are taxable, and then establishing the value of those taxable items. This process can be time-consuming, frustrating and expensive. Wisconsin's personal property tax is riddled with exemptions, and the \$202 million it generated in the 2000s is a tiny fraction of the \$1.2 billion collected in 1971. This onerous and exclusive tax on small business owners was eliminated in the 2023-25 Wisconsin state budget.

8 DSPS License Renewal Efficiencies

The WRA supported the pilot program for REALTOR® continuing education (CE) included in the 2023-25 Wisconsin state budget. This program allows an education provider authorized through the pilot program to certify that a real estate licensee completed CE through the provider. This private-sector solution allows a prequalified education provider to confirm the individual has completed the required CE at renewal. The pilot program reduces the allocation of Department of Safety and Professional Services (DPS) staff resources and streamlines the license renewal process.

Historic REALTOR® Victories

- 1. Elimination of farmland conversion fees.**
- 2. Deductibility of health savings accounts.**
- 3. Reform of wetland regulation.**
- 4. Adoption of development moratoria framework.**
- 5. Protection against joint and several liability.**
- 6. Accountability for fraudulent misrepresentation by sellers.**
- 7. Defeat of the real estate transfer tax increase.**
- 8. Reform of landlord-tenant law.**
- 9. Protection of the right to place a pier.**
- 10. Funding for broadband expansion.**
- 11. Passage of the homeowners bill of rights.**
- 12. Elimination of rental weatherization requirements.**
- 13. Clarification of access easements.**
- 14. Preservation of property tax cuts.**
- 15. Implementation of two-year liability limitation for real estate licensees.**
- 16. Prohibition of time-of-sale requirements.**
- 17. Protection of licensees' ability to complete state-approved forms.**
- 18. Expansion of historic rehabilitation tax credits.**
- 19. Funding for private septic systems.**
- 20. Preservation of independent contractor status.**
- 21. Preservation of the right to rent your home.**
- 22. Clarification in the definition of emotional support animals.**
- 23. Clarification of the definition of "defect" and inspection reports.**
- 24. Prohibition of chasing sales.**
- 25. Prohibition of home equity theft.**

Making a Difference with **RPAC**

REALTORS® POLITICAL ACTION COMMITTEE



RITA BLENKER
2024 RPAC CHAIR

It Has Never Been More Important to Support RPAC!

“As the backbone of the REALTOR® party, RPAC enables REALTORS® to support candidates who support the issues that are important to our profession, livelihood, private property rights and property ownership. RPAC’s mission is to identify candidates for elected office on the local, state and national levels who will work with REALTORS® to promote and protect the American Dream of homeownership. RPAC is nonpartisan and supports both Democrats and Republicans. Candidates who receive RPAC support are not selected based on their political party affiliation or ideology, but solely on their support for real estate issues. If real estate is your profession, then politics is your business. Make an investment in your business today!”



Invest now: wra.org/RPAC