

Legislative Issues

33rd Annual

Illinois Association of REALTORS[®]

CAPITOL CONFERENCE

March 10, 2009

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Real Estate License Act

SB 1894 (Haine)/HB 2498 (McCarthy) - SUPPORT

- ✓ SB 1894/HB 2498 is a joint effort by the IAR and the DFPR. Summary of key provisions (*see position paper for more complete details*):
 - The bill represents a major overhaul of the Act and constitutes the “rewrite” of the Act; extends the January 1, 2010, to January 1, 2020.
 - Changes the license categories under the Act from Salesperson and Broker to Broker and Managing Broker. Increases the coursework requirements for both categories of licensure. Re-apportions the coursework to focus on transactional issues for entry-level brokers, and on management and administrative issues for managing brokers. Provides for a transitional period to the new categories through April, 2012.
 - Contains additional enforcement and consumer protection provisions:
 - ✓ Provides that the Department must employ a specified minimum number of prosecutors and investigators based on the licensee population;
 - ✓ Creates a limited civil right of action for unlicensed practice.
 - The bill also has many updates and technical revisions suggested by the IDPFR.

Other Regulatory Issues

License Condo Managers

- SUPPORT HB 271 (Nekritz)/SB 1579 (Wilhelmi) to provide for the licensure under the Department of Financial and Professional Regulation of community association (including condominium) managers.

Update Appraiser Licensing

- SUPPORT HB 1015 (Saviano) which revises and updates the Appraiser Licensing Act.

Clarify Radon Disclosure

- SUPPORT HB 2439 (Reitz) which amends the Radon Awareness Act to exempt transfers of dwelling units on the third story or higher, including condominiums and cooperatives.

Seller Disclosure

- NEUTRAL ON HB 214 (Smith) which requires sellers to disclose, on the seller disclosure form, if they are aware that methamphetamine has been manufactured on the property.
- OPPOSE HB 40 (Arroyo) which requires sellers to have the sewer line inspected by video camera and attach the inspection report to the seller disclosure form.



Real Estate Finance Issues

Foreclosure Notice/Relief/Counseling

- **Provide support and expertise** in legislative and policy discussion regarding foreclosure relief and counseling. There are numerous bills pending in this area. The IAR helped form the Partnership for HomeOwnership, a HUD-certified counseling agency, and is exploring ways to directly assist in counseling through that entity.
- **OPPOSE HB 3946 (Brosnahan)** which provides that in Cook County, notices of foreclosure and eviction shall state the name and birthdate of each known occupant, and each known occupant with a disability. **One strong concern with this bill is that inquiring whether a person has a disability is a violation of federal fair housing law.**

Community and Industry Support

- **Support and lend expertise** in the implementation of the federally-funded Neighborhood Stabilization Program (NSP) at the state and local. The program is designed to help communities to restore and reclaim foreclosed properties.
- **Support and lend expertise** to discussions on how to stimulate and revitalize the real estate sector in the state of Illinois. Understanding that Illinois is facing a serious budget deficit, we support the concept of initiatives like **HB 802 (Wait)**, which provides a tax credit of 1% of the purchase price of a principal residence (limits the credit to \$2,000) for homes purchased in calendar year 2010. **HB 2698 (Senger)** is a similar bill that covers purchases in 2009, 2010, and 2011, and provides for a credit up to \$5,000.

FHA Financing – Right of First Refusal

- **Support HB 155 (Ford)** which amends the Condominium Property Act to provide that no condo association shall exercise a right of first refusal on the basis that the purchaser is using FHA financing. HUD will not provide financing for any condo purchase if the condo association has a right of first refusal. **This is a serious problem as much of the market now depends on FHA financing.** There is a question as to whether state legislation can fix this problem – discussions need to continue at the state and federal level.

Predatory Lending/Mortgage Fraud

- **Monitor and discuss** legislation to extend the Predatory Lending Database Counseling Program to Kane and Will counties. The program requires counseling with a HUD-certified counselor for first-time buyers seeking loans with certain characteristics, and currently applies only in Cook County. **Consideration should be given to whether there are adequate counselors to expand this program, given other counseling needs.**
- **Discuss and work on** legislation – **SB 253 (Link)** – to provide that mortgage lenders shall attach a rider to mortgages stating the name of each participant in the origination of the loan, including the mortgage originator, funding lender, loan officer, real estate broker, and title insurance company.



Owner-Tenant & Rental Housing Issues

Rental Housing Nuisance Act

- **OPPOSE** legislation to give municipalities and counties the unlimited power to license and regulate landlords **HB 593 (Zalewski)/SB 1352 (Viverito)**.
- **SUPPORT** alternative legislation for addressing this issue. Work with Rep. Reboletti, Rep. Zalewski, Sen. Viverito, and others in crafting **HB 3857 (Reboletti-Zalewski)**, which enacts the Rental Housing Nuisance Act. Provides a process for municipalities and counties to use in trying to address seek the owner's cooperation in addressing recurrent crime issues in rental housing. The Act would require property owners to meet with local officials to discuss issues and develop an abatement plan, and would allow local governments to ask a judge for sanctions against the owner or property if the owner does not respond, or the nuisance activity persists. Contains affirmative defenses for property owners.

Human Rights Protection – Domestic Violence Victims

- **OPPOSE HB 721 (Fortner)**, which provides that it is unlawful discrimination under the Human Rights Act to discriminate against a person because they are or have been protected by an order of protection in Illinois law or in another state. This is a sweeping and vague expansion of fair housing laws that creates a great deal of uncertainty and liability for property owners.

24-Hour Notice to Enter Leased Premises

- **OPPOSE HB 936 (Jakobsson)** which amends the Landlord and Tenant Act to require landlords to provide tenants with at least 24 hours notice prior to entering leased premises. Allows tenants to deny access to the leased premises if the purpose for entry by the landlord is not within the 8 reasons specified in the bill.

Taxation Issues

Special Service Areas

- **SUPPORT Senate Bill 1723 (Althoff)** to address the issue of “back up” or “dormant” SSAs to provide needed protections for property owners. The legislation will also include language to prohibit a deed restriction or restrictive covenant that would waive rights of property owners.

Impact Fees – OPPOSE Expansion

- ✓ **OPPOSE SB 2030 (Lauzen)**, which authorizes all municipalities and counties to impose fees on new development (impact fees) on behalf of themselves or other local units of government. *Impact fees have skyrocketed in recent years, with some homebuyers paying as much as \$50,000 in fees!*



Other Issues of Importance To REALTORS®

- ✓ **OPPOSE** additional recording fee for county affordable housing programs. [SB 1398 \(Garrett\)/HB 2630 \(Ryg\)](#)
- ✓ **SUPPORT** allowing voters to put a referendum on the ballot to enact the Property Tax Extension Limitation Law. [HB 62 \(Stephens\)](#)
- ✓ **SUPPORT** enhanced information (in counties other than Cook) on notices of change in property tax assessment. [SB 207 \(Bond\)](#)
- ✓ **OPPOSE** exemptions to the Eminent Domain Act, the reform statute enacted after the Kelo decision. [HB 3657 \(Hoffman\)](#)
- ✓ **OPPOSE** legislation to restrict objection petition procedures for Special Service Areas. [HB 2417 \(Jakobsson\)](#)
- ✓ **SUPPORT** legislation to provide for grants by DCEO for energy efficient boilers in commercial and multi-family buildings. [HB 3698 \(Fortner\)](#)
- ✓ **SUPPORT** legislation to provide for a pilot program under DCEO to encourage businesses to refurbish, restore, and retrofit buildings that have been abandoned for at least 90 days; provides for a loan program, subject to appropriation. [HB 3637 \(Farnham\)](#)
- ✓ **NEUTRAL** on legislation to create a Hazardous Housing Registry for properties upon which a lead mitigation notice has been issued. [SB 1869 \(Kotowski\)](#)
- ✓ **MONITOR** legislation to require (now, permits) the Department of Public Health to provide for the registration of mold remediation professionals. [HB 4231 \(Schmitz\)](#)
- ✓ **MONITOR and work on** legislation to enact the Homeowners' Association Bill of Rights Act to give homeowners certain rights with respect to single-family, detached home common-interest communities. [SB 1933 \(Wilhelmi\)](#)