



IAR Capitol Conference "REALTOR® Lobby Day"

★ April 14, 2015 ★

LEGISLATIVE ISSUES



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STATE BUDGET

(Discuss with both the House and Senate)

- ✓ While the state's dire fiscal condition has been a dominant issue for several years, we are cautiously optimistic that the legislature and the Governor seem poised to finally deal with budget issues in a bipartisan manner this session.
- ✓ We know the budget choices will be difficult, and we don't have a proposed magic formula for resolving budget issues; but REALTORS® and the property owners they work with feel that the system is "broken." People are losing faith in this great state of ours, and we urge legislators to chart and stay the course towards fiscal health in order to rebuild that confidence.
- ✓ One example that strikes home for us is the repeated "raiding" of dedicated funds. The General Assembly just passed and the Governor signed legislation to take \$30 million out of the \$35 million balance in the Real Estate License Administration Fund to be used for general revenue purposes. These funds were designated to be used to protect consumers from unscrupulous real estate practitioners. State budgets have relied on gimmicks such as these for too long, and the time is right to head in a new direction.
- ✓ ***As REALTORS®, we promote the great communities of the State of Illinois every day. With the General Assembly's help and perseverance, we can restore pride and confidence in the greatest state in the country – the Land of Lincoln!***

MANDATED VIDEO SEWER INSPECTION – EVERY HOME SALE

(HB 1376 is awaiting a vote on the House floor; focus on House members)

- ✓ We are **OPPOSED** to **HB 1376 (Arroyo, D'Amico, Dunkin, Verschoore)**, which requires **ALL HOME SELLERS** to hire a licensed plumber to do a video inspection of the sewer or septic line. The plumber's written report would have to be submitted along with the seller disclosure form.
- ✓ ***This is a ridiculous mandate to place on sellers!*** Even sellers of newer homes would have to incur this expense. Why? We conservatively estimate that these inspections will cost sellers about \$500. With about 150,000 home transactions per year, ***this bill will impose costs of about \$75 million on home sellers each and every year!***
- ✓ Most homebuyers have a general home inspection done, and they are free to request a sewer inspection if they are concerned about the issue. But there is absolutely no evidence that this is a problem that cries out for the state to come in and impose this mandated expense.
- ✓ While some unions may support this bill in concept, mandates like this do more harm than good. Fostering a strong and vibrant real estate market will benefit tradesmen, home owners, and the Illinois economy in general.



LOCAL GOVERNMENT ISSUES

(Discuss with both the House and Senate)

- ✓ We are **OPPOSED** to continued legislative efforts to grant local governments short-cuts around the legal process for resolving liens and otherwise collecting unpaid fines or costs.
- Local governments don't want to have to go through the same legal process as other lienholders (waiting until the property is sold, or foreclosing on the lien and/or getting a judgment on the deficiency). They want a special process – like getting a judgment without enforcing their lien, and automatically transferring their lien to other properties. ***Liens and judgments are two distinct legal instruments, and we oppose heading in the direction of treating them as the same for the sake of convenience for local units of government.***
 - We have helped craft numerous laws to give local governments “super-liens” and other measures to help them deal with major issues like dangerous, unsafe, and abandoned buildings; but now they want to use these extraordinary measures for minor items like “cutting the grass”, again, for the sake of granting a convenience that other lienholders don't have. ***We've done enough.***
 - Several bills were introduced; most of the bills were held in committee – but could still be called for a vote: **SBs 118, 1380; HBs 2648, 2752, 3350.**
- ✓ We continue to be **OPPOSED** to legislation to allow local governments to form “land banks”, and essentially act as real estate holding companies, developers, and speculators. This just doesn't seem to be a proper role of local government. Given all of the legislation that has been passed, that we have helped craft, to give local units tools and funding to deal with vacant and abandoned property, we don't think the creation of numerous local land fiefdoms is necessary or a good idea. ***(Discuss this issue mainly in the House; HBs 1517 and 4077 were introduced, but failed to get out of committee in the House).***

BUYER COSTS IN CONDO FORECLOSURES

(Discuss with both House and Senate)

- ✓ As you'll recall, **SB 2664** was a major initiative on our agenda last year. The bill would have provided more timely notice to buyers as to the cost they will owe, AND established a reasonable limit on what HOAs could charge buyers. Our strong lobbying and your grass roots support got the bill passed in the legislature, ***but Governor Quinn vetoed the bill with a “poison pill” amendment that killed it.***
- ✓ ***We've changed our approach this year to simply require HOAs to file a document at the time of foreclosure stating what they are owed.*** While this doesn't curb some of the abusive practices taking place, it would at least eliminate the closing table surprise. We **SUPPORT** **Senate Amendment #1 to SB 157 (Harmon)**, and the efforts of **Representative Yingling** to bring this revised initiative forward. Amazingly, the condo management lobby opposes even this “sunshine” proposal.
- ✓ We **OPPOSE** **HB 486 (Cassidy)**, which would require buyers to pay 9 months of regular assessments, and require banks to pay anything else ever owed by the prior owner (no lookback period); this is even more than HOAs get now, does nothing to curb abusive practices, and would make condo financing even more difficult. This is the language from Governor Quinn's veto, and is not a passable bill.



OWNER-TENANT ISSUES

(Discuss primarily to Senators about SB 1547; but these owner-tenant issues overall are applicable to both Senate and House)

- ✓ We initially supported the concept of **SB 1547 (Hutchinson-Koehler-Collins-Martinez)**, which would have prohibited ALL municipalities from enacting ordinances that penalize landlords or tenants based on police visits to rental property (often done under the auspices of “crime free” property ordinances). Neither landlords nor tenants should be held responsible for the activities of criminals, and shouldn’t be penalized for calling the police.
- ✓ **BUT...we are reluctant to agree with SB 1547 as amended.** As amended, the bill now allows for, and essentially sanctions such ordinances, but provides a safe harbor for police calls relating to domestic or sexual violence. While we understand the intent of the bill, we’re concerned that the language legitimizes such ordinances, and may cause the proliferation of this approach to housing issues.
- ✓ There was also legislation to expand the authority to enact these “crime free housing” ordinances to ALL municipalities (now just home rule). We **OPPOSE SB 1496 (Tom Cullerton)**, which was introduced, but was never called in committee by the sponsor.
- ✓ We **SUPPORT** efforts by **Representative Thapedi** to take steps to address some of the dysfunctional aspects of the eviction process in Cook County, where non-paying tenants can often remain in a rental unit 6-8 months or more while evading eviction. **HB 160**, which was voted out of committee and is on the House floor, addresses part of the issue: allowing an expedited eviction hearing if a tenant doesn’t pay “use and occupancy” when ordered to by the judge. ***The sponsor intends to further discuss this issue with interested parties over the summer.***

OTHER ISSUES OF INTEREST

- ✓ **SUPPORT** efforts to streamline the number of local governments through consolidation.
- ✓ **SUPPORT** efforts to enhance information on local government public websites.



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