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RADON

House File 46 – A bill requiring that information on radon be given at the time of transfer. This information would include the health effects of radon gas and how to test for radon in the home. The Iowa Association of REALTORS® is neutral on this legislation and is working with the Iowa Real Estate Commission to develop a one sheet flier that can be given to buyers at the time of transfer. The buyer will initial on the purchase agreement that they have received the information, similar to the lead based paint information. If the Real Estate Commission decides to implement this process through administrative rules the legislation will not be necessary.

PROPERTY TAX STUDY RECOMMENDATIONS

The following six recommendations were made by the Legislative Property Tax Study Committee the first week in January. This language will likely be drafted into legislation for the General Assembly to consider. The Iowa Association of REALTORS® is opposed to recommendations 1 and 2, as they expand the taxing authority of local governments. Note: Two of the allowed local taxes in recommendation 2 directly impact real property – transfer taxes and development impact fees.

Legislative Property Tax Study Committee Recommendations

Recommendation #1

Revenue diversification will be allowed for cities and counties. Any new revenue will be coupled with the following requirements:

At least 75 percent of the new revenue will be used to reduce property taxes. Of that new revenue at least two-thirds will be used to reduce commercial property taxes and the remainder will be used to reduce taxes on other classes of property.

The remaining new revenue will be used for:

- o Public Safety
- o Disaster Recovery and Prevention
- o Infrastructure
- o Energy Efficiency Improvements
- o Service sharing that reduces the cost of government

Recommendation #2

The following nine alternative revenue options are commended, without recommendation, to the General Assembly for consideration.

1. Franchise fee – language to include legalizing provisions, up to 5%
2. Locally imposed hotel/motel tax increase of up to 2% or a \$1.50 per room/per night fee
3. Local option income surtax
4. Entertainment tax

5. Local option cigarette/tobacco tax
6. Real estate transfer fee
7. False alarm fees
8. Development impact fees
9. Payments in lieu of (property) taxes (PILOTS)

Recommendation #3

The General Assembly should consider an expenditure limitation component of any revenue diversification program.

Recommendation #4

Give cities and counties flexible bonding authority for disaster recovery if they meet a strict definition of disaster impact.

Recommendation #5

Sunset the LOST-TIF

Recommendation #6

The State of Iowa should establish a Commission on Smart Growth.

SEPTIC TANK INSPECTIONS AT TIME OF TRANSFER

The Iowa Department of Natural Resources has released its proposed rules on septic tank inspection regulations. All REALTOR® members are encouraged to review these proposed rules and recommend any changes to the IAR legislative committee. Please e-mail jen@iowarealtors.com with suggestions, concerns or changes. The rules can be viewed by clicking [here](#).

CELL PHONE BAN

House File 9 would ban cell phone use while driving, but an amendment added to the bill would allow for hands-free devices to be used. The IAR has not determined a position on this bill, but will discuss it on a legislative committee conference call on Monday, February 2nd.

PRIVATE CAUSE OF ACTION FOR CONSUMER FRAUD LEGISLATION

Senate Study Bill 1037 is legislation that would allow individuals to hire their own attorneys and sue many types of businesses for consumer fraud. In this legislation consumer fraud is very broad and poorly defined. The bill does not include the traditional requirements of proving wrongful conduct and leaves many businesses including REALTORS at risk of being sued without knowing they did anything wrong. There are several groups of licensees that are currently exempt from this legislation as written; some of the groups who are protected are doctors, hospitals, lawyers, insurance companies, engineers and many others. Real estate licensees are not currently exempt, but the IAR is working on an amendment to include real estate.

LOCAL OPTION SALES TAX

SF 44 -The House and Senate both approved legislation this week that allows a local municipality to implement a one cent sales tax increase if they are located in a county that was declared a natural disaster area by the President. This would only apply to cities that do not currently have a local option sales tax, and the measure would have to be voted on by residents in the communities impacted. The initiative will have to be approved by the local municipality and sent to a vote of the people on either March 3 or May 5, 2009. The sales tax would become effective on April 1 or July 1, 2009 depending on when the election was held. The vote required to pass the measure will be a simple majority of 50% plus 1.

Disaster Relief

HF 64 - The Legislature worked on disaster relief measures this week, approving \$56 million from the emergency fund for flood and disaster relief and the Rebuild Iowa Office. The legislation appropriates \$10 million to the DHS for disaster assistance grants for individuals affected by the disasters. It also appropriates \$22 million to the Department of Management for disaster grants to cities and counties affected. Finally, the legislation establishes the Rebuild Iowa Office.

LICENSING OF ESCROW/CLOSING AGENTS

Senate Study Bill 1114 requires licensing of escrow or closing agents. This legislation has been introduced by the Iowa Finance Authority and Title Guarantee Division of the State. The IAR is currently reviewing the legislation and will make a determination on how to proceed with the bill during a legislative conference call on February 2nd.

Please contact Jennifer Kingland with any questions or concerns: jen@iowarealtors.com