

Iowa Association of REALTORS®



Legislative Hill Visits

The purpose of the Iowa Association of REALTORS®, one of Iowa's largest professional associations, is to serve its approximate 7,000 members representing all facets of the real estate industry by providing and promoting programs and services to enhance members' freedom and ability to conduct their individual businesses successfully, with integrity and competency, and through collective action to promote the extension and preservation of the right to own, transfer and use real property.

Private Cause of Action

IAR supports amending House File 712 and Senate File 178 - This legislation would allow individuals to hire their own attorneys and sue many types of businesses for consumer fraud. 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 - the IAR is working on an amendment to include the exemption of real estate licensees.

In this legislation, consumer fraud is very broad and poorly defined. A vague and ambiguous law invites abusive lawsuits and no one is safe – not even an honest, ethical business. The bill does not include the traditional requirements of proving wrongful conduct and leaves many businesses, including REALTORS®, at risk of being wrongfully sued.

Lead Base Paint

IAR opposes Senate File 213 and House File 448 – These companion bills require testing and abatement of lead hazards in residential dwellings constructed prior to 1978 and child care facilities. It requires inspections

of residential housing for lead hazards prior to sale, and establishes a childhood lead poisoning prevention and control committee.

The IAR opposes this legislation as it will create a significant financial burden on all Iowans owning a property built prior to 1978 and will impede the homeowners ability to sell the property. The IAR also opposes the mandate of inspections and remediation of health hazards at the time of sale.

Current federal law requires that sellers provide a lead based paint brochure to buyers and also requires the seller to disclose the knowledge of any lead based paint.

Local Option Taxes and Impact Fees

IAR Opposes Senate Study Bill 1308 – This legislation allows local municipalities to increase local franchise fees and also creates new taxing authority at the local level for the following: income tax, hotel/motel tax, entertainment tax and cigarette tax.

This legislation allows for significant tax increases on Iowans and not all of the tax revenue generated will go toward dollar for dollar property tax relief. The IAR does not believe that new taxes and fees will solve the problems with escalating property taxes in Iowa.

The IAR opposes Senate File 362 –

This legislation allows municipalities to charge a fee for storm water drainage systems in new construction. The IAR opposes all development impact fees and would ask the legislature to consider that real property be taxed primarily for the cost of services to serve and protect that real property, such as fire and police protection.

Property Assessment Appeals Board

IAR opposes House File 661 - This legislation would abolish the Property Assessment Appeal Board. The Statewide Property Assessment Appeals Board was created with overwhelming bi-partisan support during the 2005 legislative session, with an effective date of January 1, 2007.

- PAAB provides a consistent, fair and equitable assessment appeal processes and allows taxpayers the opportunity to present protests to a board of unbiased assessment experts.
- Without PAAB, in today's economy and with taxes increasing, most taxpayers would have no other remedy for relief of an assessment they believe is incorrect or unfair.

- Without PAAB, most taxpayers would not appeal their assessment because filing a case in the courts is expensive, time consuming, and nearly impossible to do successfully without hiring an attorney.
- PAAB provides a cost-effective alternative to the district court for a taxpayer unsatisfied with the decision of the local board of review. Currently, there are no fees for filing an appeal with PAAB.
- Taxpayers are using PAAB. PAAB received appeals on 975 parcels of real property from approximately 465 different taxpayers in 2007 and appeals on 705 parcels of property from approximately 140 taxpayers in 2008.

Homestead Property Tax Credit

The IAR opposes cuts to the Homestead Property Tax Credit which will increase the tax burden of all Iowa homeowners.

Governor Culver recommended a \$50 million dollar cut to the Homestead Property Tax Credit in his budget proposal for FY 2010. The Homestead Credit was funded at \$99.3 million the last several years

and under the Governor's proposal it would only be funded at \$49.3 million.

This legislation will reverse the intent of the Homestead Credit and significantly burden Iowa's homeowners who are already struggling to keep their homes in a tough economy.

The Homestead Credit was originally adopted to encourage home ownership through property tax relief. The current credit is equal to the actual tax levy on the first \$4,850 of actual value.

In order to receive the Homestead Property Tax Credit, a person must own and occupy the property as a homestead on July 1 of each year, declare residency in Iowa for income tax purposes and occupy the property for at least six months each year. Persons in the military or nursing homes who do not occupy the home are also eligible.

Real Estate Transfer Taxes

The IAR opposes the levying of an additional transfer tax on sellers of property. We believe before an additional transfer tax is levied, there should be an increase in the percentage of the current transfer tax that goes toward housing programs.