



REALTORS' POLITICAL ACTION COMMITTEE



**WRA**

WISCONSIN REALTORS' ASSOCIATION

## 2020 **LEGISLATIVE REPORT**

Advancing toward a healthier real estate market



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# 2020 LEGISLATIVE REPORT

## Recently-Passed Issues

1

### **REALTORS® and Real Estate are Essential**

In March, when Gov. Tony Evers issued the “Safer at Home” order, real estate services were on the list of “essential” services. The WRA took the lead to advocate that real estate be considered an essential service under the order, which allowed REALTORS® to continue to conduct real estate business. In some states, real estate services were not considered essential, and this led to a host of problems for REALTORS® and consumers. Not in Wisconsin. As noted by one thankful REALTOR®: “Life’s basic needs are food, water and a roof over your head, which makes real estate an essential service.” This was a very big victory for the real estate industry in Wisconsin.

2

### **Remote Online Notarization (RON)**

On the list of the WRA’s legislative priorities was remote online notarization (RON), a way to allow for remote or e-notarization of documents in Wisconsin. Essentially, RON allows consumers to have certain documents notarized remotely, including deeds and mortgage documents, rather than in person. In light of the many disruptions caused by COVID-19, the WRA worked with the Wisconsin Department of Financial Institutions to immediately implement this law so real estate transactions could continue to take place.

3

### **Condominium Association Dispute Resolution**

The new Wisconsin law (Act 168) creates a statutory framework of direct negotiation for dispute resolution between a condominium association and a property owner where a process does not exist. When a condominium association does not have a predetermined dispute resolution process, confusion and frustration are the end result. The WRA worked to make sure condominium associations that did not have a process now have one, and associations that already had processes in place could keep them.

4

### **More Money for K-12 Schools and Property Tax Relief**

The 2019-21 state budget bill provided good news for homeowners and K-12 schools. K-12 education funding will increase by \$570 million over two years, one of the largest increases in over a decade, and the budget maintained strict levy limits on how much local governments and technical colleges can charge property owners to pay for local services. More money for schools and lower property taxes are a top priority for the WRA.

5

### **Broadband Expansion**

The state budget included the largest appropriation for broadband expansion grants in state history: \$44 million over two years. The broadband program awards funding for critical infrastructure projects to deliver high-speed internet service to Wisconsin’s rural communities. Gov. Evers and the legislature agreed on the need to dramatically expand broadband internet access in underserved and unserved areas of the state. This is great news for rural Wisconsin, but much more is needed. Broadband expansion for underserved areas remains a top priority for the WRA.

## 6 Income Tax Cuts

The state budget also included a state income tax cut. Income taxes will be reduced by approximately \$450 million over two years: by \$75 per person on average in 2019, and by \$136 per person in 2020, while married-joint filers will see a reduction of \$182 annually. Taxpayers will get to keep more of their hard-earned money, and this is good for housing and the economy.

## 7 Seller Audio/Video Surveillance at Showings

Due to the increase of surveillance equipment in properties, the WRA took the lead on passing legislation (2019 Wis. Act 72) to clarify it is not an invasion of privacy to have surveillance equipment in properties when selling property. This new law avoids requiring: 1) a seller to post or disclose the seller has surveillance equipment on the property, and 2) the agent to ask the seller about or to disclose the existence of any surveillance equipment on the property. This law is necessary due to the increase of affordable wireless security systems and wireless cameras placed in sellers' homes and on their property. The new law includes all types of properties and is not limited to residential.

## 8 Prohibit Chasing Sales

The WRA helped pass legislation that will better educate property owners and assessors about the prohibition on using the sales price of real estate as the sole basis for adjusting the assessed value of a property, a practice known as "chasing sales." The practice of chasing sales violates the uniformity clause in Wisconsin's constitution and results in new homebuyers paying more than their fair share of property taxes. This legislation (2019 Wis. Act 114) was signed into law by Gov. Evers in March.

### Pending Issues

## 1 Right to Place a Pier on Flowages

For over 140 years, Wisconsin law has recognized that owners of waterfront property have riparian rights, including the right to place a pier. However, in 2018, the Wisconsin Supreme Court, in *Movrich v. Lobermier*, declared that some waterfront property owners do not have the right to place a pier. The court's ruling applied to all flowages and man-made bodies of water. The WRA is working on legislation to restore the right of all waterfront property owners, including those who own property on flowages and artificial waterways, to place a pier. This legislation passed in the state Assembly and is pending in the state Senate. Final passage in the Senate was delayed due to the COVID-19 pandemic.

## 2 Home Inspection Reports and "Defects"

One of the biggest disputes between buyers and sellers in a real estate transaction is whether a condition of the property constitutes a "defect." The main reason for this disagreement is because home inspectors are not required to use the word "defect" in their report, even though they are required to inspect the property for conditions that are defined in the statutes as "defects." The WRA is working on legislation requiring a home inspector to label in the inspection report items identified as a "defect" during the home inspection, and to provide a summary page as part of the report. This legislation passed the state Assembly and is pending in the state Senate. The delay in the Senate is due to the COVID-19 pandemic.

## 3 Workforce Housing Shortage

Wisconsin has a serious workforce housing shortage, and workforce housing is a top priority for the WRA. The state is not building enough housing to keep up with demand for its growing workforce. The WRA and interested allies are working on a number of legislative proposals to address the workforce housing shortage. These proposals will focus on issues such as lack of inventory, construction costs, land use regulations and affordability.



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## 2020 LEGISLATIVE REPORT

### Recent Legislative Victories

1. Time of sale requirement prohibited
2. Liability protection on two-year statute of limitations
3. "One-strike" evictions for criminals or drug-related activity
4. Supermajority vote to downzone property
5. Unauthorized practice of law codified
6. Property tax freeze/levy limits maintained
7. Cooperation with out-of-state licensees
8. Prohibited development moratoria for counties
9. Opinions of value protected
10. Status as independent contractors protected
11. Right to complete state-approved forms protected
12. Not liable for fraudulent third-party misrepresentation
13. Landlord-tenant law reform
14. Health savings accounts now tax-deductible
15. Presumptive approval for DNR permits
16. Real estate transfer tax defeated
17. State pre-emption of local regulations to brokers

# Making a Difference with **RPAC**

## It Has Never Been More Important to Support RPAC

On March 24, 2020, the state of Wisconsin imposed a "Safer at Home" order, requiring Wisconsin residents to "stay at home or a place of residence" unless they met one of the few exceptions. Many businesses were required to discontinue operations or operate remotely without meeting in person. Fortunately, real estate services were among the businesses considered to be "essential" and allowed to continue to operate. We hope we can count on you to keep real estate "essential" in Wisconsin now and in the future. Please consider keeping your RPAC donation on your dues statement.

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**WORKING TOGETHER**



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