

**In this weeks edition of Hill Notes:**

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**CALL TO ACTION ON**

**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. 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. This legislation is scheduled to be debated by the Senate Judiciary Committee on Monday, February 16<sup>th</sup>.

**Please go to the Iowa REALTORS website at [www.iowarealtors.com](http://www.iowarealtors.com) and click on the legislative link - go to the Iowa Action Center to contact your legislator and ask for a real estate license exemption to this bill!!**

**Declaration of Value form changes – House Study Bill 154**

The Iowa Association of REALTORS® supports legislation mandating that social security numbers on the Declaration of Value forms are not accessible to public viewing. Currently, there is no protection of this personal information.

**RADON**

The Real Estate Commission met last Thursday and will pursue administrative rules to add the following language to the Seller's Disclosure form:

12. **Radon:** Any known tests for the presence of radon gas? Yes [ ] No [ ] If yes, test results? \_\_\_\_\_

Date of last report \_\_\_\_\_

Buyer acknowledges receipt (initial here) \_\_\_\_\_ of "Radon Fact sheet" prepared by the Iowa Department of Health and approved by the Real Estate Commission.

The Iowa Association of REALTORS® supports this change to the Seller's Disclosure form and will monitor the rulemaking process.

**Federal Tax Stimulus Package**

The Homebuyer Tax Credit portion of the bill provides for a \$8,000 tax credit that would be available to first-time home buyers for the purchase of a principal residence on or after January 1, 2009 and before December 1, 2009. The credit does not require repayment. Most of the mechanics of the credit will be the same as under the 2008 rules: the credit will be claimed on a tax return to reduce the purchaser's income tax liability. If any credit amount remains unused, then the unused amount will be refunded as a check to the purchaser. For more detailed information about the stimulus package please go to NAR's website at:

[http://www.realtor.org/government\\_affairs/gapublic/gses\\_conservatorship](http://www.realtor.org/government_affairs/gapublic/gses_conservatorship)

### **Property tax reclassification for four plexes**

House File 181 is legislation that would reclassify four plexes as residential property instead of commercial property. There is a lot of misinformation circulating that this legislation would change the classification of condos from residential to commercial – this is NOT the case. The bill changes how four plexes are taxed but in no way does it change the earlier part of Iowa Code on how condominiums are taxed.

### **House File 181 does the following:**

1. Adds a new paragraph to Chapter 421, section 21, which adds another type of property – four or fewer separate dwellings – to what is defined as residential property, regardless of whether it is owner occupied or rented – except if rooms are usually rented for less than one month. (Current definition of a hotel, motel, bed & breakfast, etc.)
2. It does not eliminate any type of property defined as residential under current law.
3. The effect of the bill is to expand the current single/two-family definition of residential property to a single/two-/three-/or four family definition of residential property.
4. Since Chapter 499B, section 10, defines a condo unit as a separate parcel of real property – it is still the same as a single family home and will not be affected by HF 181.

### **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](mailto:jen@iowarealtors.com) with suggestions, concerns or changes. The rules can be viewed by linking to the following website:

<http://www.iowadnr.gov/water/npdes/files/final69.pdf>

### **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 is opposed to this legislation. This legislation was approved by a subcommittee in the House earlier this week, however, it is unclear as to whether the bill will move forward through the committee process as there is some controversy over this measure.

### **LICENSING OF ESCROW/CLOSING AGENTS**

Senate Study Bill 1114/HSB 137 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

has worked with IFA to make several changes to the legislation. Originally the legislation would have set up a new licensing division for escrow agents under the jurisdiction of the Iowa Finance Authority. The legislation has been amended significantly and will now just require the registration of escrow agents through the Iowa Real Estate Commission. Escrow agents will have to be bonded and set up trust accounts similar to real estate brokers. Escrow agents will also have to complete a criminal background check. The IAR will support the legislation with the current changes.

Please contact Jennifer Kingland with any questions or concerns: [jen@iowarealtors.com](mailto:jen@iowarealtors.com)