

In this week's edition of Hill Notes:

The legislature is slowly working toward adjournment and it is unclear as to whether several initiatives will survive the process these last few days. There are many large issues still on the docket which may potentially be debated including federal deductibility, the bonding bill, private cause of action and the Adam Walsh Act legislation. It is believed that there are not enough votes to support legislation which will do away with federal deductibility, but Democrat leaders in the House, Senate, and the Governor are working to try to find one or two more votes to successfully pass the legislation. Private cause of action was believed to be "dead" this session, but as with any issue, each passing day (or hour) the legislators are in session, the tides can change and new compromises are reached. As of today, it appears that a compromise agreement has been reached on private cause of action. We are waiting to see the amended language; however, we were successful in getting an exemption for real estate licensees.

The legislative leaders are hoping to adjourn session by Friday, April 24th. The last bill to be introduced in the legislature is the Standings bill, and it is estimated this bill may be in excess of 300 pages long. This is a bill where "anything goes" - meaning any language or legislative bills that had previously failed this session can be revived and added to the bill. The IAR will be watching the amendments on all legislation this week to ensure that private property rights, license laws, and taxation issues are kept in check.

The following are a few of the issues the IAR has been working on the last two weeks:

SEPTIC TANK INSPECTIONS AT TIME OF TRANSFER

The IAR worked with legislators on the Agriculture and Natural Resources Appropriations Committee over the last few weeks to delay the implementation date of mandatory septic tank inspections at time of transfer. The mandatory inspection language passed the legislature during the 2008 legislative session and was to become effective July 1, 2009. The 2009 effective date was intended to give the Department of Natural Resources time to implement administrative rules and regulations to establish requirements for the inspections and septic systems. However, the DNR administrative rules did not get approved until February of 2009 and left little time for the private sector and counties to review the requirements of the newly adopted rules. It also allowed a limited time for individuals in counties across the state to become certified in order to comply with the law and carry out the necessary task of inspections. As of a month ago there were only 64 DNR certified and trained septic tank inspectors, but the DNR indicated there were as many as 250 individuals registered to become certified by the July 1, 2009, deadline.

The IAR heard from several REALTORS® around the State who were concerned with the new rules and how they would be implemented, as well as, concerns that there would not be enough inspectors in certain areas throughout the State. The IAR worked with the Bankers and Bar Association to delay the effective date of mandatory inspections.

The delayed implementation date language was included in the Agriculture Appropriations bill and approved by the House and Senate, and will be sent to the Governor for his signature.

COUNTY RECORDER FEES

Senate File 465/House File 506 – Senate File 465 passed the Senate on April 14th by a vote of 43-6. Although the debate was contentious at times, a majority of the Senators agreed that the County Land Records System needs to get back online and remain operational, and the only way to ensure this is

to allow a \$2 fee to pay for the redaction of social security numbers from the website and recorded documents. The land record system website was taken off line this summer after the media and other public entities discovered that private citizen's social security numbers were available for public viewing, including Governor Culver's social security number.

This bill would provide an increase in the electronic transaction fee that County Recorder's can charge for filing documents with their office. The charge would be used primarily for the cost of removing social security numbers from the public website and getting the system back online. The charge is currently \$1 per document and the legislation would increase the fee to \$3 per document from July 1, 2009 until June 30, 2011. The legislation was amended to remove the additional fee of \$1 per document after July 1, 2011. The bill specifies the purposes for which electronic transaction fees may be used and provides that fees collected in excess of the amount needed shall be used by the county land record information system to reduce or eliminate service fees for electronic submission services.

STORMWATER FEES ON NEW CONSTRUCTION

IAR Actively Opposes Senate File 458 – This bill authorizes cities to establish schedules of fees for the connection of property to storm water drainage system utilities using the same procedure and requirements that currently exist for city sewer and water utilities. Each person whose property will be served by connecting to the storm water system will be required to pay a connection fee to the city when the application for connection is filed with new construction.

The legislation is supported by the League of Cities, but the City of West Des Moines is the primary municipality pushing for the adoption of this legislation. There are new construction development issues in certain areas of West Des Moines, and they would like to charge storm water hookup fees to reduce their financial burden. The City of West Des Moines also led the charge on the park impact fee legislation a few years ago, which the IAR worked to defeat. Also, some Iowa cities have supported charging an impact fee for police and fire protection.

The IAR will continue to actively oppose any new construction impact fees such as these, as the IAR supports the use of existing property tax revenues to pay for real property infrastructure on new development. The IAR will work to ensure that real property services will be paid for from real property taxes as a first priority.

This legislation passed the Senate on April 1, by a vote of 32-18. The House Ways and Means subcommittee met on SF 458 this week, and the IAR and homebuilders participated in the meeting in opposition of the measure. On Thursday evening, the House Ways and Means chair indicated he would not be moving forward with this legislation during this session.

Please go to the Legislative website at www.legis.state.ia.us to view any of the bills mentioned.