

# **Iowa Association of REALTORS®**

## **Statement of Policy**

### **Statement of Purpose**

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.

The Iowa Association of REALTORS® general objectives are:

- We are extremely proud to reaffirm our support of the Constitution and to be the voice for private property of Iowans before the judicial, legislative and regulatory entities so as to preserve those rights as guaranteed by the Constitution of the United States of America.
- To promulgate and enforce our Code of Ethics and Standards of Practice to ensure that the delivery of real estate services is accomplished consistent with the highest degree of ethical and moral conduct.
- To provide and promote educational opportunities for our membership so as to offer the public a continuing source of competent real estate services.
- To utilize the resources of the Association to preserve and strengthen the free enterprise system, eliminate unwarranted litigation from all sources against our members and improve the affordability and availability of housing.
- To improve public awareness of, and confidence in, our members and the benefits provided by their services.

### **Property Ownership**

The right of private ownership of real property is the foundation of our free enterprise system; we dedicate ourselves to the achievement of that right by every citizen. Real property ownership is a leading contributor to a sense of pride, to community responsibility, and to family well-being. Each citizen's right to share in the privilege of real property ownership must have a preferred place in our system of values and must be a state and national goal. The REALTORS® of Iowa pledge to assist all citizens regardless of socioeconomic background in achieving that goal.

### **Property Rights**

We are opposed to government requirements at all levels that greatly add to the cost of property ownership. Currently, one of the consumers' greatest problems is coping with the increasing number of costly government and court imposed regulations, resulting in unwarranted delays and added costs to the price of property, interference with transfer of property and the continued erosion of private property rights.

As of 10/09/06

## **Seizure/Regulatory Agencies**

We oppose government seizure of property from an owner who has no knowledge or reasonable means of knowing of illegal activity on that property. We believe strongly that in the event property has been seized for suspected criminal activity, the property should not be disposed of until the owner has been convicted.

We believe all governmental agencies including, but not limited to, OSHA, Department of Natural Resources, and the Environmental Protection Agency should use common sense when levying fines permitted by administrative rule. We also believe revenues received by fines should be paid to general funds, not to the accounts of the administering agency. These agencies should be funded through the normal budget process.

## **Electronic Commerce**

We support the use of electronic commerce and view it as a significant emerging technology for real estate transactions.

The Iowa Association of REALTORS® also supports the use and validity of electronic signatures as an option for all real estate documents, as such technology will streamline real estate transactions and will allow for easier record keeping in the future.

## **Political Responsibility**

We strongly urge active involvement of our members in all phases of political activity. We encourage them to participate in local, state, and national political affairs.

1. We recommend all local Boards establish a Political Affairs Committee and charge these committees with the responsibility to:

- a) Provide a continuing political education program for all members;
- b) Establish a communications and information network within the local community which can provide the political expertise needed to support the activities of state and national legislative committees;
- c) Establish and participate in the REALTORS® Political/Legislative Activity Network (RPLAN), a grassroots political force that will enable our national, state, and local Political Affairs Committees to identify, mobilize, and recognize the vast resources of politically involved REALTORS®.

2. We further recommend each local Board maintain a REALTORS® Political Action Committee (RPAC) that will:

- a) Urge all members at the Board level to participate financially in the RPAC program; and
- b) Aggressively support those qualified candidates who pledge themselves to the preservation of property rights, ownership, fiscal responsibility, and the free enterprise system.

3. We oppose public financing of elections. Public financing, in whole or in part, will inevitably lead to the elimination of private contributions to all candidates. Such a system will reduce communication between members of the legislature and the people they serve. We believe that the largest portion of a candidates campaign funds should come from those within the candidates election district.

Any attempt to reduce the participation of voluntary political action committees in state elections undermines a basic political freedom and civic right. Candidates for state office should be encouraged to seek support from many diverse sectors of the electorate to ensure representation of the widest spectrum of viewpoints.

### **Mortgage Banking**

We support the strictest regulation of thrift and banking institutions as well as the addition of appropriate regulatory safeguards on any mortgage banking activity.

### **Private Property Tax Reform**

Iowa's tax laws urgently need to be reformed so that real property can be relieved of bearing the burden of taxes on services completely unrelated to its needs. The Iowa Association of REALTORS® stress the urgent need of immediate reform to eliminate the unreasonable reliance upon real property taxes. Further, there is a need to eliminate the inequities and discrimination between classes of property prevalent in the State's real property tax laws.

All real property should be taxed primarily for the cost of services to serve and protect real property, such as fire and police protection. We urge the examination of broad-based statewide taxes to replace property tax revenues to provide property tax relief to Iowa's property owners.

We strongly urge members of the Iowa Legislature to accelerate and complete their efforts in shifting all costs of the Department of Human Services and education funding off property tax and onto general fund revenues.

### **Tax Exempt Properties**

As with privately owned real property, all tax exempt institutions including, but not limited to, municipal, legitimate religious, charitable and educational organizations should be required to pay for local public services received, but should maintain their real property exemption due to their positive contributions to the communities in which they reside.

Many religious, cultural, educational, civic, fraternal institutions and the like, maintain real estate holdings that do not have direct relationship to the purpose for which the institutions are established. These institutions should be required to fully pay for local services received as well as any other real property taxes assessed to like property within the same community.

### **Title Insurance**

Iowans must be allowed to join the other 49 states in having the right to purchase title insurance within the state from private insurance providers. Property owners must be given full disclosure concerning the available protection of title insurance and the requirements of the secondary mortgage market.

### **Civil Justice Reform**

We support efforts to continue to reform our civil justice system to reduce litigation costs, bring disproportionate damage awards into balance, and reduce court congestion and delays.

### **Iowa Economic Growth**

Iowans should continue efforts to create legislative programs for retaining and expanding industry and agriculture as well as attracting new industry, thereby providing new jobs.

A major area for legislative action is taxation, where industry is willing to pay normal costs but no greater than it is expected to pay elsewhere. We must reduce whatever tax on industry necessary to compete with national and state-by-state taxing policies. When private property taxation reform is achieved, many economic growth initiatives will be fully unnecessary and others possibly merged into reform.

We support the expansion of world trade through aggressive marketing of Iowa products. We encourage involvement by all Iowans to expand and develop business and industry in the state.

### **Environmental Concerns**

Efforts to control pollution and protect natural resources are the responsibility of every Iowan. However, provisions should be included in legislation and regulation to relieve property owners and their agents of liability when they are unknowingly involved in property transfers where potential environmental hazards may be present.

We oppose reactionary legislation involving possible environmentally hazardous property conditions prior to the accumulation of scientific data substantiating such conditions.

The Iowa Association of REALTORS® believe that all Iowans are entitled to enjoy an indoor living environment where risks to health and welfare from pollution are minimized. Increased efforts by both the private and public sectors should be encouraged to characterize and evaluate the extent of indoor air quality problems and to encourage the development of meaningful and affordable monitoring and mitigation strategies. We support federal indoor air quality research and information dissemination. We support efforts to educate homeowners as to their responsibilities to identify and disclose to real estate brokers, agents, and buyers, any known environmental hazards presenting a significant risk to health.

### **Energy Efficiency**

The Iowa Association of REALTORS® continues to favor and encourage the development of greater energy efficiency in all real property and to oppose any legislation that would take away any of the property rights of an individual buyer or seller of real property.

### **Stigmatized Property**

The Iowa Association of REALTORS® encourages the Legislature to reinforce the Iowa Real Estate Commission ruling that all psychological impacts or stigmas which are associated with real property are not material facts and need not be disclosed to a potential purchaser or lessee.

### **Community Revitalization**

One of Iowa's most challenging opportunities in housing lies in the recovery and rehabilitation of declining neighborhoods. To that end, we support efforts by the state as well as local governments to implement enterprise zone programs as viable frameworks to foster community revitalization and economic growth.

REALTORS® hold the greatest potential for initiating and coordinating the resources and methods for restoration of neighborhood housing and commerce. We urge local boards and individual members to actively participate in and promote community revitalization efforts which are designed to maintain and improve the quality of life in the neighborhoods of our cities, towns, and communities. We applaud the action of communities which have implemented a community revitalization program without federal assistance and continue to encourage the involvement of the private sector to take advantage of the present investment possibilities.

The Iowa Association of REALTORS® oppose 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.

### **Community Service**

In order to promote the meaningful public service program to upgrade the quality of life in their communities, including programs for the homeless, we support REALTOR® Community Service Programs to involve local boards of REALTORS® as well as the state association.

### **Fiscal Responsibility**

In order to keep all taxes at a minimum level, we strongly urge government at all levels to adopt the fiscal responsibility necessary to limit or reduce budgets of the various divisions of government and to eliminate unnecessary governmental agencies. The state of Iowa must maintain adherence to Generally Accepted Accounting Principles.

### **Mortgage Financing**

The state of Iowa must assign a high priority in aiding its citizens in every way possible to maintain the availability of mortgage funds. We support legislation that would encourage or require the investment of public and private pension funds in Iowa real estate mortgages. We urge the use of the Iowa Finance Authority as a vehicle to provide mortgage loans for all qualified Iowans.

### **Financial Entities In Real Estate**

The expansion of financial institutions into marketing of real estate has blurred the distinction between the lender of the money and the user of the money, causing potential conflict of interest.

The law must protect the consumer from coercion or tying proposals by financial entities attempting to promote their non-lending services.

To avoid conflicts of interest, and to give the consumer freedom of choice in financial transactions, we support tie-in legislation and regulation by appropriate supervisory authorities which clearly outline the obligation of lenders engaged in third party brokerage transactions, and provide appropriate penalties for non-compliance.

We support disposition of foreclosed property in a timely manner with efforts made to minimize adverse impact on property values.

### **Housing Availability And Affordability**

REALTORS® of Iowa support a housing objective of affording every Iowan the opportunity to live in safe, sanitary, and adequate housing.

We urge the Iowa Finance Authority to assist lower income families, the elderly and the handicapped. We urge the agency to recognize the necessity of working with new and existing housing and to use reasonable standards.

We urge governmental agencies such as Department of Agriculture, Department of Housing and Urban Development, and the Veterans Administration to establish realistic management and marketing practices to ensure that real property values are not eroded and that proper loan limits are established to reflect current-market values.

### **Land Use**

We believe in the fundamental right of all private property owners working through local government to determine the highest and best use of their land.

Every person should have the right to acquire real property with confidence and certainty that the value of such property will not be unduly diminished or jeopardized by governmental action at any level-without just compensation or the owner's expressed consent. We maintain that planning for the classification and use of land must adequately consider the needs of housing, agricultural, commercial and industrial growth, as well as quality of life and a healthy local economy.

We urge that, when issues such as the restrictions on corporate farming and foreign ownership are considered they be evaluated only after full disclosure of ownership and its implications, and that decisions be based on a complete evaluation of land ownership and the agricultural economy.

We urge that when the issue of agricultural land protection is addressed, all economic factors and private property rights be fully considered before government agencies impose any restrictions on the conversion of agricultural land to nonagricultural purposes.

### **Linkage & Impact Fees**

We believe in reasonable growth, but maintain that no growth policies, sewer hook-up restrictions and building moratoria by any level of government are not a satisfactory response to community development problems.

### **Wetlands**

The Iowa Association of REALTORS® supports a narrower definition of wetlands and does not believe this will result in significant loss of wetlands. We urge the use of, and support the fact that all three indicators (hydric soil, vegetation and hydrology), must be present for extended periods for wetland classification. We believe that once the local Department of Agriculture office has classified land as “crop acres”, those parcels of land should be exempt forever from wetland restrictions.

We believe all wetland determinations should be made with an on site evaluation. We believe there should be 3 tiers of wetlands established, from highly valuable wetlands that should receive the greatest protection, to the least valuable wetlands where alterations might be allowed.

### **Equal Opportunity In Housing**

We subscribe to the policy that equal opportunity in the marketing of housing can best be achieved through leadership, observances of law, education, and the mutual cooperation of the real estate industry and the public through a free and open housing market. In support hereof, we urge all local Boards of REALTORS® within the state of Iowa to support the Fair Housing Partnership Act as mutually agreed upon between the National Association of REALTORS® and the Department of Housing and Urban Development. Our members have pledged to offer equal service to all persons without regard to race, color, religion, national origin, familial status, disability, age or sex, and to refrain from any activity which has the purpose of inducing panic selling. The Iowa Association of REALTORS® continues to urge its local boards and their members to sign and actively support these agreements.

### **Owner-Tenant Relations**

We believe the continuing need and the demand for rental housing can best be met by investors who are willing to take long term capital risks unencumbered by burdensome and unnecessary regulation imposed by government at all levels.

Ownership disincentives caused by utility liens, rent control laws, and mandated inspection upset the supply and demand of rental housing. We urge Iowa’s elected officials at all levels of government to strongly oppose such laws as being counterproductive to the best interest of all segments of our society and the economic well-being of Iowa. These laws also have the effect of reducing the availability and affordability of housing for tenants.

### **Real Estate Education And Licensing**

Competency in real estate practice through continuing education and training is a primary objective of the Iowa Association of REALTORS® through its Division of Education. We recognize our responsibility to encourage and assist in the development and improvement of

continuing education programs as well as periodic updating of our license requirements to enhance professionalism and to maintain reciprocity of other states.

The real estate profession is a dynamic industry in which those who actively direct the transfer of title to property must possess a broad range of knowledge. Trends in the industry require real estate agents be adept in land economics, appraisal, finance, market and investment analysis, and taxation; to name just a few.

We urge REALTORS® and all other participants in real estate transactions to maintain and improve upon their efforts to serve and protect the consuming public. To that end we also encourage REALTORS® to seek out and encourage participation in the educational opportunities offered by the Real Estate Education Program at the University of Northern Iowa.

### **Closure**

These policies, having been adopted by the Board of Directors, present the current positions of the REALTORS® and REALTOR®-ASSOCIATES toward many and varied issues and therefore constitute the current statement of policy of the Iowa Association of REALTORS®.

Every effort was made to reach a true consensus of the membership in developing these positions on contemporary issues. Members from all segments of the industry were consulted and given an opportunity to contribute. Following thorough deliberation, each statement was prepared succinctly yet as clearly and fully as necessary to present the REALTORS® and REALTOR®-ASSOCIATE position. Every effort was made to ensure that this document and its contents are in conformity with the mission statement and general objectives of the Association.

This document has been approved by the Public Policy Coordinating Committee, the Executive Committee, the Board of Directors, and the Delegate body. When reading this document please bear in mind that the format used implies neither priority nor relative importance of any particular policy position.