



RGD
22

REALTOR® & GOVERNMENT DAY

WELCOME

DAVID FELDHAUS

Senior Vice President, External Affairs
Federal Home Loan Bank



FHLBank
Chicago



MICHAEL THEO

President & CEO

Wisconsin REALTORS® Association



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Chairman

Wisconsin REALTORS® Association





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MARY JO

BOWE

Treasurer

Wisconsin REALTORS® Association





**TONY
EVERS**
Governor



JOE MURRAY

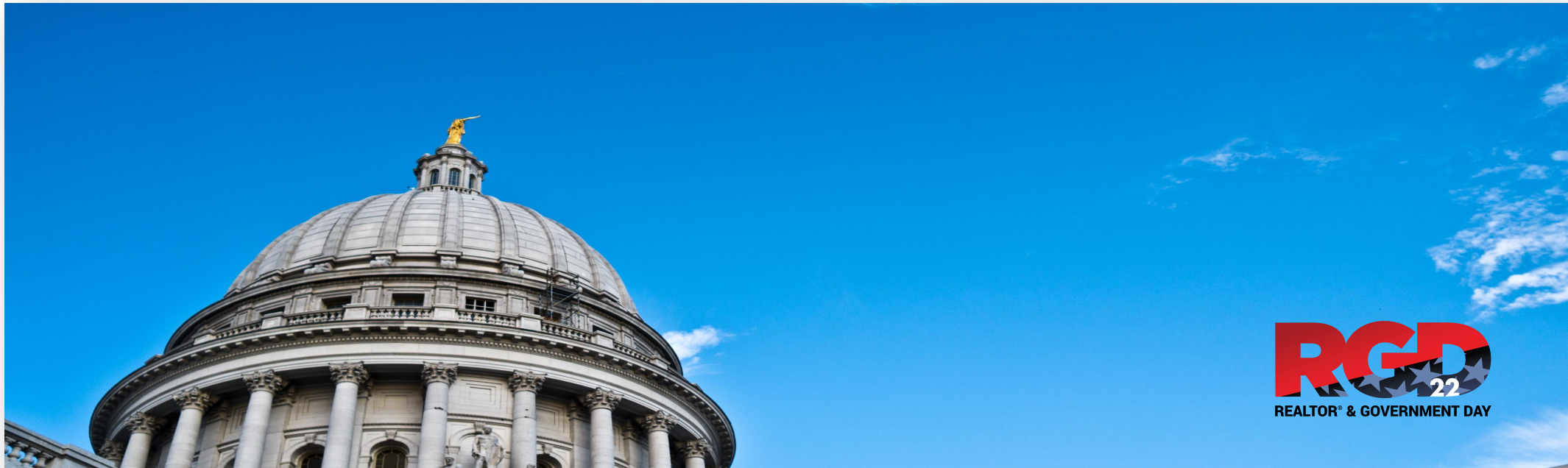
Director of Political and
Government Affairs
Wisconsin REALTORS® Association



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REALTORS® POLITICAL ACTION COMMITTEE



REALTOR® & GOVERNMENT DAY

DAN LAWLER

Chair,

REALTORS® Political Action Committee (RPAC)

Wisconsin REALTORS® Association



**THANK
YOU**



AMY CURLER

2021 Chair,
RPAC





REALTORS® POLITICAL ACTION COMMITTEE



TOM LARSON

Executive Vice President
Wisconsin REALTORS® Association



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Overview

- 30 days remaining in session
- 4 floor days remaining in each house
- 12 remaining legislative priorities
 - 8 workforce housing bills
 - 6 bills have opposition
 - 4 regulatory reform bills
 - 3 bills have opposition



WORKFORCE HOUSING

WRA Message

Support initiatives that will increase the supply of workforce housing by

- Reducing regulatory costs
- Expediting permitting processes
- Updating older housing stock
- Providing additional financial tools

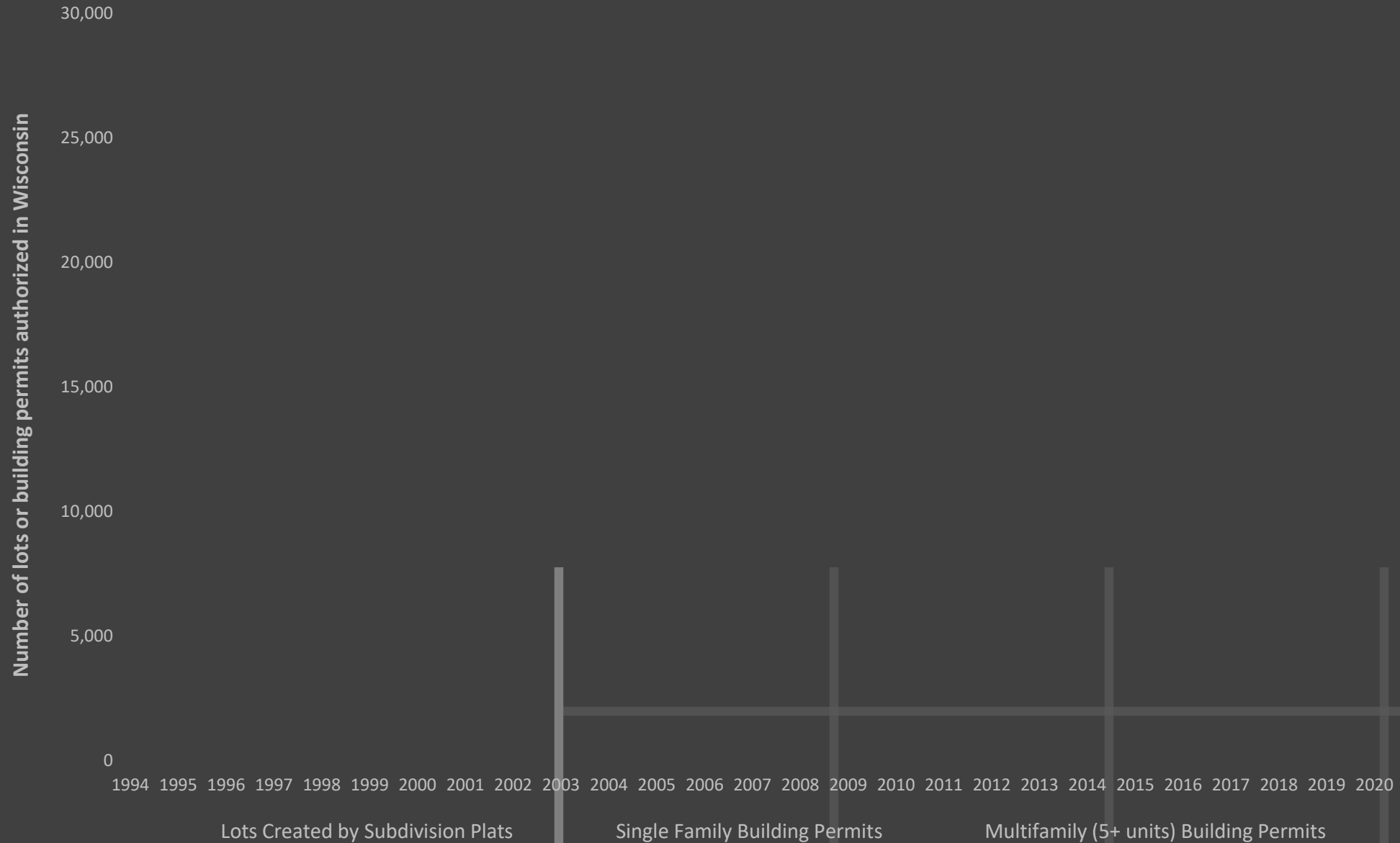


Workforce Housing Definition

- Housing costs do not exceed 30% of the household's annual income.
- Household annual income
 - Rental = between 60% and 100% of the county median family income
 - Owner-occupied = Not more than 120% of the county median family income



Housing Construction and Subdivision Activity in Wisconsin have not Recovered from Great Recession, Remain at Historically Low Levels



Source: Subdivision Lots from Wis. Dept. Admin.; Building Permits Database, U.S. Census Bureau.



Despite uptick in construction and subdivision lots (2018-2020), new housing production remains less than half of historic trends.

Wisconsin Building Permits and Subdivision Lot Summary

	1994 - 2004	2012 - 2017	2018 - 2020
Avg. Lots (by subdivision), per year	14,255	3,120	4,996
Avg. Building permits, per year	35,908	16,070	18,733
Avg. building permits per 1,000 population	6.78	2.79	3.21

Local Government Regulation

- Big barrier to housing affordability
 - President Trump – 2019 Executive Order
 - President Obama – Housing Dev. Toolkit
- Subdivision approval = 18 to 24 months
- Cost impacts
 - Single-family homes = 25%
 - Multi-family homes = 40%
- NIMBYs



Declining Housing Affordability in Nearly All Wisconsin Metro Regions

Median-Price to Median-Income Ratio (Wis. Metros)	2015	2020	Change
Milwaukee-Waukesha-West Allis, WI	3.89	4.24	9.0% ↑
Madison, WI	3.68	4.03	9.5% ↑
Racine, WI	2.69	3.08	14.5% ↑
Green Bay, WI	2.57	2.99	16.3% ↑
Oshkosh-Neenah, WI	2.45	2.94	20.0% ↑
La Crosse-Onalaska, WI-MN	2.85	2.93	2.8% ↑
Sheboygan, WI	2.46	2.80	13.8% ↑
Appleton, WI	2.32	2.79	20.3% ↑
Janesville-Beloit, WI	2.38	2.60	9.2% ↑
Eau Claire, WI	2.83	2.58	-8.8% ↓
Wausau, WI	2.54	2.41	-5.1% ↓
Fond du Lac, WI	2.17	2.28	5.1% ↑
Chicago-Naperville-Elgin, IL-IN-WI	3.39	3.70	9.1% ↑
Minneapolis-St. Paul-Bloomington, MN-WI	3.11	3.69	18.6% ↑
Duluth, MN-WI	2.70	2.66	-1.5% ↓
United States	3.97	4.37	10.1% ↑

Source: Joint Center for Housing Studies, Harvard University: State of the Nation's Housing, 2021

Existing Housing Stock

Housing stock built before 1980

- Statewide = over 64%
- National = 57%
- Beloit = 71.2%
- Eau Claire = 61%
- Green Bay = 74.5%
- LaCrosse = 69.1%
- Madison = 56%
- Menomonie = 63%
- Milwaukee = 92%
- Wausau = 73%



Many Wisconsin Counties Have More Jobs than Housing Units

County	Jobs/Housing Ratio 2019
Waukesha	1.48
Dane	1.42
Brown	1.39
Outagamie	1.38
La Crosse	1.34
Eau Claire	1.28
Sauk	1.23
Winnebago	1.20
Sheboygan	1.19
Marathon	1.16
Milwaukee	1.15
Ozaukee	1.12
Monroe	1.06
Portage	1.06
Fond du Lac	1.04
Wood	1.04

Source: BLS QCEW (jobs); Census (housing units)

Workforce Housing Shortage Summary

- **New housing production is low**
- **Local housing regulatory costs are high**
- **Housing affordability is declining**
- **Existing housing stock is old**
- **More job openings than houses**



Workforce Housing Package

- **Workforce housing tax credits (AB 156/SB 172)**
- **Shovel-ready residential development sites (AB 603/SB 629)**
- **Local ARPA funds (AB 605)**
- **Workforce housing materials sales tax exemption (AB 606/SB 631)**
- **Workforce housing rehabilitation loan program (AB 607/SB 877)**
- **Local regulatory reform (AB 608/SB 840)**
- **Local housing investment fund (AB 609)**
- **Property tax assessment reform (AB 610/SB 630)**

New Financial Tools

- New WFH tax credit program (\$42M)
- New local infrastructure financing tools
- WHEDA no-interest/low-interest loan program for rehabbing older housing stock
- Directs 10% of local ARPA Funds for WFH



Expedites Approval Process

- Creates a mandatory 90-day local approval process for WFH
- Makes residential a permitted use in vacant, commercial areas
- Creates a “developer’s remedy” to seek court approval of projects
- State program to promote “shovel-ready” development sites



Lowers the Cost

- Sales tax exemption for building materials
- No list/asking prices for property tax assessments
- Creates incentives to reduce local development fees



Reminders

- Don't discuss specifics of all eight bills
- Highlight the need for workforce housing by sharing stories about housing shortage
 - Not enough inventory
 - Multiple offers on every home
 - Time delays for plat approvals
 - Local regulations drive up cost of construction
 - Housing shortage impacts the local and state economy

DON'T

FORGET

CORI LAMONT

Senior Director of
Legal and Public Affairs
Wisconsin REALTORS® Association



The image shows the interior of a grand domed capitol building. The dome is covered in a grid of decorative panels. In the center of the dome, there is a large fresco depicting a woman, likely Liberty, holding a scale and a sword, with the word "LIBERTY" written below her. The architecture is highly ornate, with gold accents and classical columns. The lighting is bright, coming from windows around the perimeter of the dome.

HOAs

AB 917 / SB 865

WRA Message

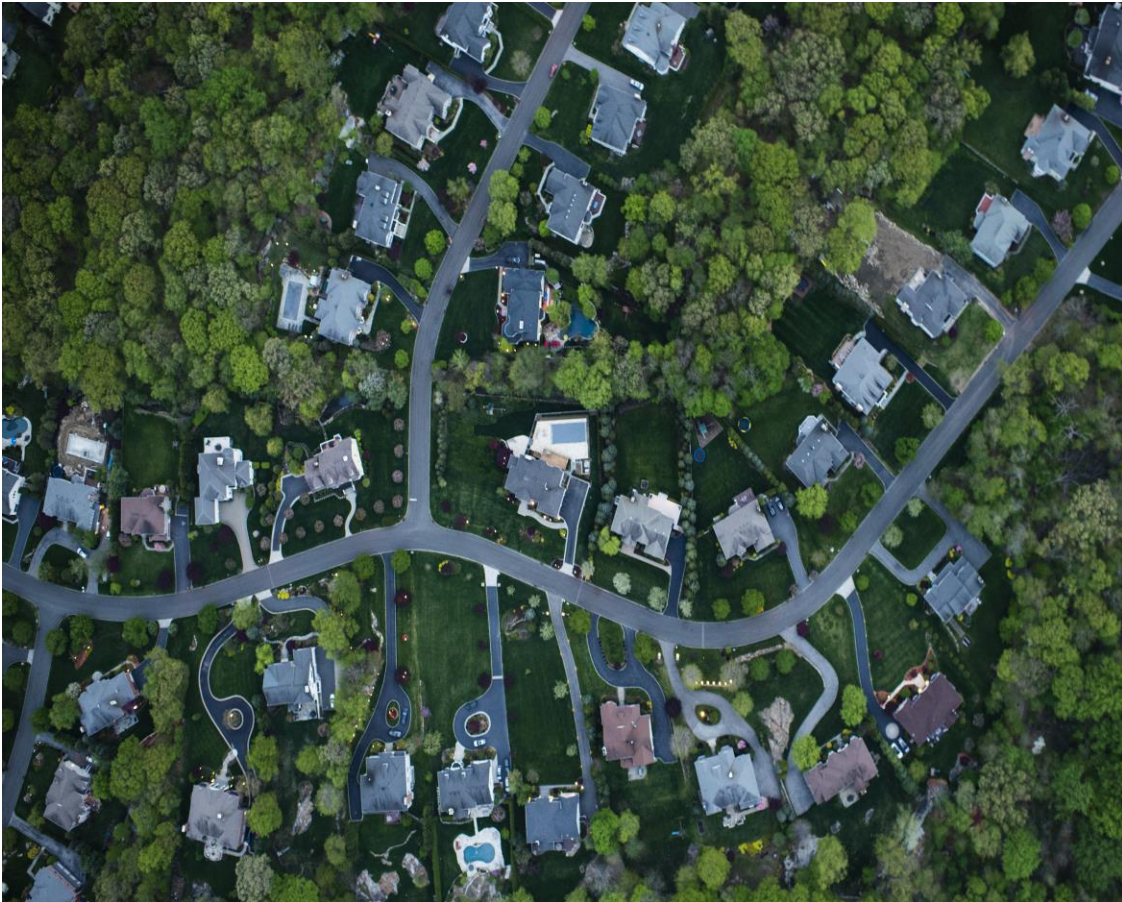
Support creating a simple framework for homeowners' associations (HOAs) that allows residents living in or purchasing properties access to the rules and regulations impacting the property.



Homeowners' Associations (HOAs)

- Subdivision organization, similar to a government body
- Create and enforce rules relating to properties within its control
- Can assess fees when rules are violated
- Often regular fees are paid (e.g., annual association fees)
- Generally, become an HOA member when property is purchased

HOA Myth/Truth



- Myth: HOAs are regulated like condos
- Truth: Generally, no HOA regulation
- HOAs **don't**
 - Have to provide certain docs
 - Have a certain timeframe when docs must be given
 - Provide rescission rights

HOAs have power

- Can regulate the use through covenants and restrictions (CC&Rs), subdivision covenants, or deed restrictions
- Great impact on the property owner's rights
- When purchasing, buyers MUST understand any
 - Obligation
 - Limitation
 - Fee

Examples of HOA rules/regulations

- Fence material, fence height, distance from property line, etc.
- Materials (no vinyl, wood roof shingles), specific house colors
- Amount of time vehicle can be parked outside, type of vehicles/boats/trailers that can be in drive or on the street and for how long
- Duration the garage or overhead door can be open



Examples of HOA rules/regulations

- Type of landscaping – stone or mulch – color, type of shrubs, bushes, trees, types of flowers – height and color
- Holiday lights: when they can be placed, turned on, removed, color
- Accessory structures in the yard – clothing lines, tree houses, play equipment



Examples of HOA rules/regulations

- Garage sale dates, if allowed
- Hours to snow throw, to mow lawns, to do any yard work
- Dress codes for garage sales, mowing lawns
- Hours as to when trash and recycling bins can be placed and when they must be removed from the curb, stored out of sight



HOAs rules and regulations should be readily available.

AB 917 / SB 865

Does NOT

- Restrict how HOAs can regulate
- Limit the ability or amount of any special assessment or periodic association fees an HOA can charge

AB 917 / SB 865

• 2 things

1. Makes regulations more transparent to property owners and prospective buyers
2. Creates a reasonable statutory framework for HOAs for consumers to gain information



AB 917 / SB 865

Makes **regulations more transparent** to property owners and prospective buyers

- Record CC&Rs with the ROD
- Post CC&Rs on website, if there is one
- 48 hr. notice to HOA members of upcoming meetings and decisions made by the board

AB 917 / SB 865

Creates a **reasonable statutory framework** for HOAs for consumers **to gain information**


- Registration of HOAs with DFI
- Searchable DFI database
- Cap on fees
 - \$25 max. for DFI registration
 - \$50 max. for CC&Rs, by HOA if not on internet
- HOA fails to comply: one-time transfer fees or late fees are unenforceable

Reminders

- Specifics of the bill are not necessary
- Highlight the need for access to HOA rules and regulations by sharing stories
 - Buyers learning about rules/regulations before closing impacting buyer's purchasing decision
 - Buyers learning after closing about rules/regulations that impacted anticipated plans

DON'T

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The background of the image is a photograph of the interior of a grand domed capitol building. The dome is covered in a grid of decorative panels. In the center of the dome, there is a large fresco depicting a woman, likely Liberty, holding a scale and a sword, with the word "LIBERTY" written on a banner. The architecture is highly ornate with gold accents and classical motifs.

40-YEAR EASEMENTS AB 707 / SB 682

WRA Message

WRA supports legislation eliminating a statutory expiration of access easements.

What is an access easement?

- Private contract
- Entered between parties
- Gives the right to travel across another's land for a specified purpose
- Can impact commercial, residential, agricultural properties

Access easement examples

- Driveways
- Access to parking lots
- Hunting/fishing access
- Access to water
- Farm equipment access



Current law

- Access easements automatically expires after 40 years unless re-recording within the 40 years.
- Most individuals are completely unaware of the:
 - 40-year statute of limitation or
 - Re-recording requirements

Certain easements are exempt

- Wisconsin's 40-year statute of limitation doesn't apply to:
 - Government or public easements
 - Utility easements
 - Railroad easements
 - Conservation easements
- States that have a statute of limitation, exempt easements that can show physical evidence of its use



Parties should have the freedom to contract.

AB 707 / SB 682

- Removes the 40-year statute of limitations on access easements
- Removes the re-recording requirement for access easements



AB 707 / SB 682

- Concerns were raised by the Wisconsin Land Title Association
 - As drafted searches would be required to the original recording of the parcel
 - Increasing the cost of the search, resulting in higher title insurance costs for consumers



Amendment to AB 707 / SB 682

- Access easements recorded on or after January 1, 1960 run in **perpetuity**.
- Access easements recorded before January 1, 1960 proven from physical evidence of its use run in **perpetuity**.
- **Limits** title **search requirements**.
- Clarifies litigation resolved as of the effective date is not impacted.



Amendment to AB 707 / SB 682

- Talking points of amendment:
 - Maintains overall objective of having access easements run in perpetuity
 - Limits search requirements




Reminders

- Don't discuss specifics of the bill or amendment
- Highlight the need for protecting easement agreements by sharing stories
 - Discovered the easement expired when the title commitment was provided
 - Types of easements at risk:
 - Driveway
 - Hunting/fishing
 - Access to water
 - Farm equipment access

DON'T

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**FORECLOSURE
EQUITY THEFT
AB 889 / SB 829**

WRA Message

- Support requiring counties to pay any net proceeds in a property tax foreclosure sale to the former property owner.



5th Highest Property Taxes In Country

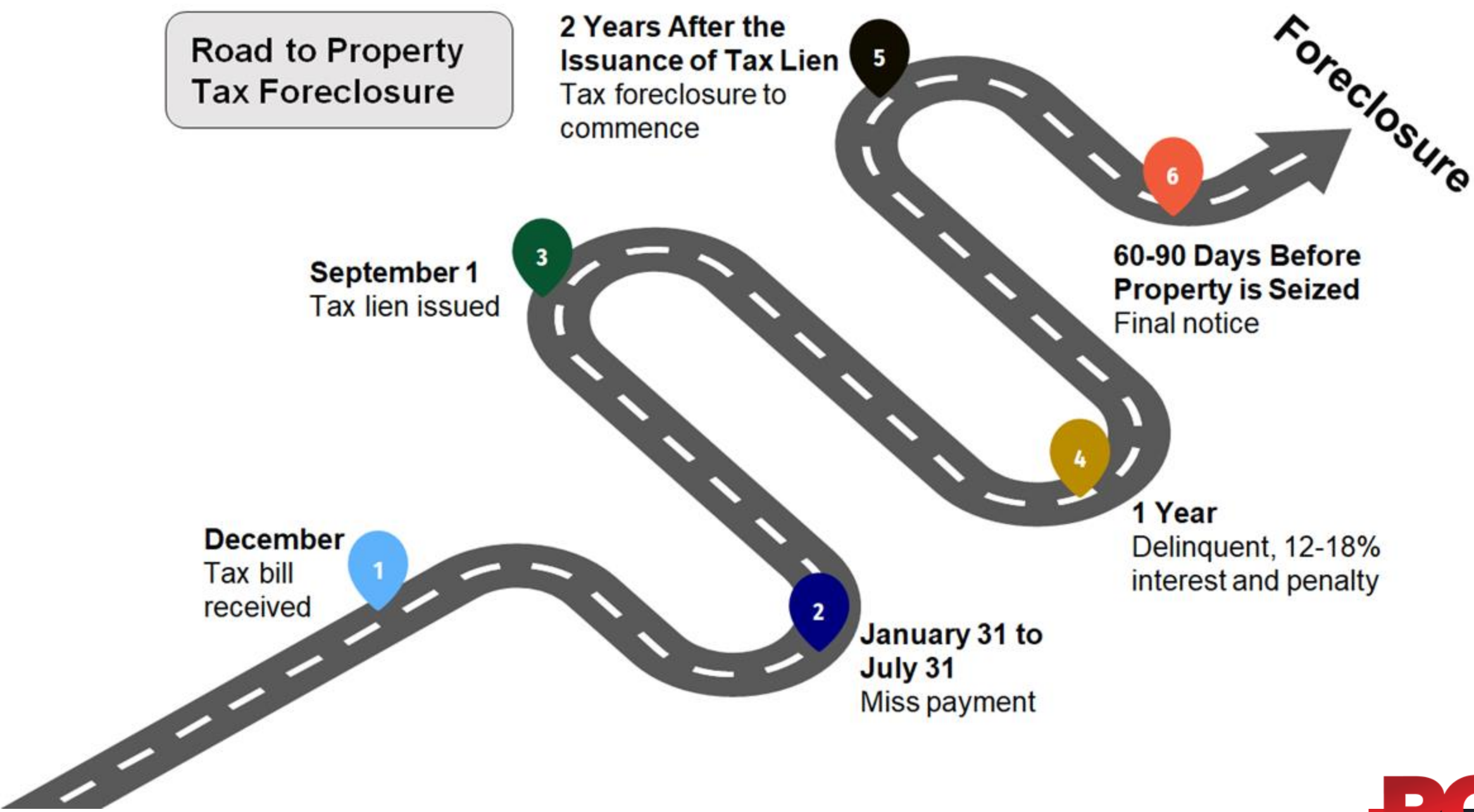
Rank (1=Lowest)	State	Effective Real-Estate Tax Rate	Annual Taxes on \$194K Home*	State Median Home Value	Annual Taxes on Home Priced at State Median Value
51	New Jersey	2.44%	\$4,725	\$321,100	\$7,840
50	Illinois	2.31%	\$4,476	\$179,700	\$4,157
49	New Hampshire	2.20%	\$4,257	\$244,900	\$5,388
48	Connecticut	2.07%	\$3,999	\$270,100	\$5,582
47	Wisconsin	1.94%	\$3,756	\$169,300	\$3,286

Reasons For Tax Foreclosures

- Job loss
- Medical emergency or illness
- Divorce
- Death of a spouse
- Natural Disaster



Road to Property Tax Foreclosure



Counties Have Broad Authority to Recover Expenses

- Interest (1% to 1.5%/month)
 - 12 – 18% - Year 1
 - 24 – 36% - Year 2
 - 36 – 54% - Year 3
- Penalties
- Foreclosure costs
- Selling costs



Foreclosure Equity Theft

When a county forecloses on a property for non-payment of property taxes, counties can keep any remaining proceeds after the foreclosure sale for

- All non-homestead property
- Homestead property – IF the owner does not make a written request w/in 60 days



Ritter v. Ross (1996)

- Ritters owned 38 acres in Rock County
- Owed \$85 in back property taxes
- FMV of property = \$37,920
- County foreclosed, sold property for \$17,345
- County kept net proceeds
- Court ruled in favor of county



AB 889 / SB 829

The legislation does the following:

- Continues to make counties whole – full reimbursement
- Ensures any lien holders are paid off with proceeds
- Any net proceeds paid to former property owner, regardless of property type
- Eliminates 60-day notice requirement



Reminders

- Don't discuss specifics of the bill
- Highlight the injustice
 - Counties getting a windfall at the expense of someone's financial challenges
 - Ritter v. Ross
- Personalize the issue
 - Discuss your experience working with families during the Great Recession
 - Biggest investment in most people's lives
 - Losing any remaining equity will make financial problems worse

DON'T

FORGET

**CONCLUSION
OF THE
ISSUE
BRIEFING**



GETTING TO AND FROM THE CAPITOL

- Right onto **Wisconsin Ave**
- Use the **NW Wing at Capitol**
- Lost your way? Go to the center of the rotunda— each wing is designated
- Look to the light! The light above every exit door includes the street name





LEGISLATOR VISITS

See program

COCKTAIL RECEPTION

Concourse Hotel @ 4:30 pm

SPECIAL GIFT AT THE RECEPTION COURTESY OF



TO THE FIRST 200 ATTENDEES

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