

North Shore – Barrington Association of REALTORS®

Statement of Public Policy

Adopted November 4, 2009; Amended March 9, 2011 and October 18, 2012

The North Shore – Barrington Association of REALTORS® (NSBAR) is dedicated to the protection and preservation of the free enterprise system and the right of the individual to own real property as guaranteed by the Constitution of the United States of America.

We affirm our faith in our profession, and faith in the future of America. We offer to the public in general and government in particular the benefits of our knowledge of real estate, our experience, and our technical resources in protecting the free enterprise system and private property rights.

Subject to the policy adopted herein, we do officially adopt and pledge our support of the policy positions of the Illinois Association of REALTORS® (IAR) and the National Association of REALTORS® (NAR).

This document is to be viewed as dynamic and one intended to change, grow, and develop in sync with our mission as well as our community and business environments.

This document shall empower the Board of Directors to take positions and implement strategic action on behalf of the NSBAR, either on their own initiative or through recommendations by the Government and Political Issues Committee. Implementation of these positions shall be handled by the Chief Executive Officer and/or the Government Affairs Director, and others that may be authorized by the Board of Directors.

When it is impractical to seek a recommendation from the Government and Political Issues Committee or direction from the Board of Directors, and where the positions and strategy are not irregular, the Government Affairs Director and the Chief Executive Office may implement strategic actions on behalf of the NSBAR according to the letter and/or spirit of this document and with credibility and sound judgment.

Initiatives funded by IAR RVOICE may be executed with the direct advice and consent of the GAD, CEO, and Chairs of the GPIC and BOD.

Recommendations to IAR and NAR REALTORS® Political Action Committee (RPAC) Trustees shall be made by the GPIC.

Because of the complexity and nuances of and novel approaches to public policy, the adopted positions within do not prohibit NSBAR from making minor deviations from this policy or addressing issues not addressed by this policy.

CONSTITUTIONAL ISSUES

Constitutional rights: We pledge to support the constitutional rights of property owners, tenants, and our members.

Alienation of real property: We oppose any efforts by local government to inhibit the free transfer of real property.

Confiscation of property: Except in the rarest of circumstances for the public good, we oppose the confiscation of property, including property rights. We oppose use of eminent domain to further policies such as economic development or rescuing underwater properties.

TAXATION AND FEES

Demolition taxes: We believe demolition taxes are generally implemented as a revenue generator and/or a means to stifle growth. Such taxes are unfairly assessed on persons who happen to own older properties and disproportionately affect seniors and those on the lower end of a community's socio-economic scale; subsequently we oppose their implementation.

Fees: We believe that fees should be commensurate with the services provided by local government, as is required by state statute and case law. In no instance do we support the collection of fees as a revenue generator or to fund unrelated purposes.

Impact fees: The development of real estate brings with it the economic benefits of providing jobs and expanding the tax base as well as providing places for people to live and work. We recognize that the development of real estate may necessitate improvements in certain infrastructure components. NSBAR cautiously accepts impact fees only after thorough needs assessment study is conducted by the beneficiary governments and that needs assessment study demonstrates a direct impact by new development. However, we believe that the impact must be uniquely and specifically attributable to the new development and the new development will principally benefit from the new infrastructure. We oppose any efforts by local governments from collecting fees in excess of the impact and from using the collected fees for operational or unrelated expenses. Furthermore, we encourage local government to incorporate reasonable credits into their impact fee formula.

Special service areas: We do not necessarily oppose special service areas, except in cases where the payees are being required to fund operations that do not uniquely and specifically benefit them, or where the money is being diverted from its stated purpose. Nonetheless, we support full disclosure to payees and potential payees, and we support the rights of property owners to object to their inclusion in a special service area.

Rent taxes: We strongly oppose any municipal attempts to tax rent receipts. Investment property owners are already subject to property taxes and income taxes, and a third tax is unmerited. Such a tax would generally increase rent costs on residential and business tenants, driving some tenants out of the community. Owners of income producing properties will likely see a decrease in their property's value.

Transfer taxes: We believe real estate transfer taxes are regressive, a detriment to housing affordability, an unreliable and inefficient revenue source, and has no relation to the transfer of property. Other than a small fee charged by the county and state to recover administrative costs associated with transferring the property, we oppose any efforts to implement new or increase existing real estate transfer taxes or their scope. Furthermore, we oppose private transfer taxes, transfer taxes via an annexation agreement, zero dollar or nominal dollar transfer taxes, exempt transfer fees not approved by referendum, administrative fees on transfer taxes, or other unorthodox means to implement a transfer tax.

EQUAL OPPORTUNITY HOUSING AND DIVERSITY

Affordable housing: We support efforts by government to create and maintain affordable housing opportunities. However, we oppose efforts to place the burden on funding affordable housing on narrow segments of society. Teardown taxes, transfer taxes, mandatory inclusionary zoning, and the like unfairly place the burden of funding affordable housing on narrow segments of society, and increase housing costs for both new and existing housing. We strongly urge units of governments to actively participate in regulatory reform as a means to generating more affordable housing.

Military families: We support the inclusion of military families in our communities and support efforts by local school districts to receive funding from the federal government equivalent to the cost-per-student spending by the school district in question.

Fair housing/Equal opportunity: We strongly support classes of people protected from housing discrimination by the federal and state government, however, in order to ensure thoughtful uniformity, we do not encourage local units of government to adopt other protected classes above and beyond the state and federal government, including requiring acceptance of housing choice (section 8) vouchers. However, in instances where a unit of government may be compelled to add protected classes in order to receive grant money or other financial payment, we likely will not oppose the inclusion of additional protected classes.

LANDLORD/TENANT ISSUES

Owner-tenant relations: Owners of rental property must provide safe and decent premises. Rental occupants should also accept reasonable responsibility for their health and safety. We oppose laws and policies which are injurious to the basic rights of private property ownership. We believe that property owners should be afforded adequate legal recourse to enable them to promptly evict those persons who not have a legal right to occupy the premises.

Condominium conversions: Illinois state statute already provides for a process where rental tenants receive notification and right of first refusal if their residence is to undergo conversion to condominiums. Any changes to process should be addressed by the state legislature to ensure universal, predictable standards for the whole state; other than a simple notification process to the unit of local government, we oppose additional condominium conversion requirements by individual public bodies.

Crime-free housing: We support thoughtful, reasoned crime-free housing policies that targets problem properties rather than burdening the whole community. However, such policies should

have protections for both property owners and tenants. We oppose mandatory training for all property owners or tenants, and we oppose mandatory police inspections of properties.

Rental licensing: Local government licensing of rental properties and/or property owners is a specious means to regulate landlords and/or tenants, as licensing further complicates existing law without adding additional tools. Furthermore, we believe that licensing serves to discourage landlords from investing in licensed communities. However, we do support simple registration efforts.

Rental inspections: We do not oppose municipal inspections of rental property so long as the inspections are not unduly burdensome or too frequent. We believe inspections that occur more than once every four years are unnecessarily burdensome and expensive.

Short term rentals: We support the right for property owners to engage in short term rentals of their dwelling unit. Owners that engage in that practice should not be deemed as running a hotel unless the home is quartered in a manner to allow varied groups of people to live under one roof and has been determined to be a hotel by the Illinois Department of Revenue.

LAND USE AND ZONING

Forced deconversion: We oppose efforts by local government to force deconversion of legal, conforming and non-conforming multi-unit properties except in the case of bona fide abandonment -- simple vacancy without intent to abandon does not constitute true abandonment.

Green building: We support policies that incentivize environmentally-friendly building practices, but oppose green building policies that are unduly burdensome.

Energy audits: NSBAR opposes mandatory energy audits of real property. Energy audits are available on a voluntary basis and mandating them would simply add unnecessary costs and stigmatize existing properties.

Historic preservation: We support efforts by individual property owners that wish to place a historic designation or restriction on their own property. We oppose historic districts without the informed consent of a supermajority of the affected property owners. We oppose efforts that place the burden of preservation on the current property owner unless it is the current owner that seeks such restrictions.

Open space: We fully support open space and other conservation measures. However, we oppose efforts to place a disproportionate burden on narrow population segments to fund conservation efforts.

Tree preservation: We support reasonable tree preservation policies so long as such policies do not interfere with the rights of property owners to use and enjoy their property. We encourage allowing property owners to mitigate the affects of removing a tree by being able to deposit a fee commensurate with the costs of a new, younger tree in a different location. We also encourage municipalities to allow other private property owners to adopt trees offered through the tree fund.

Design review: We believe aesthetic design is best decided by the free market – consumers and the development community.

Moratoria: We will not oppose moratoriums on development so long as the genuine intended purpose is to allow more time to study and better plan for particular development, and that such analysis is being conducted at a reasonable pace. We opposed moratoriums for the sole purpose of stifling growth or attempting to control the free market.

Non-retail restrictions: We oppose efforts by municipalities that restrict non-retail commercial businesses in otherwise commercially zoned areas and/or impose a surcharge for operating.

LIFE AND SAFETY ISSUES

Fire sprinkler suppression systems: We oppose mandating the installation of fire sprinkler suppression systems in detached real estate. We remain neutral on mandating the installation of fire sprinkler suppression systems in newly constructed, attached real estate. We believe that mandatory retrofitting of existing multi-unit buildings should only be imposed on buildings that cannot meet minimum fire safety standards.

Nuisance properties: We encourage municipalities that seek to address nuisance properties to narrow their focus and regulations toward actual nuisance properties rather than the community as a whole.

Occupancy: We support reasonable restrictions on occupancy set forth by the International Code Council or similar bodies. We believe that government should not be in the business of defining family.

Point of sale inspections: Government inspections prior to the transfer of real estate are beyond the scope of necessary government intervention, especially since most buyers hire their own privately licensed inspector. Furthermore, point-of-sale inspections are a very inefficient way to address specific community issues, such as flooding. In those instances, it is more efficient and logical to inspect properties with apparent issues or through community-wide programs not tied to the transfer of property. Lastly, inspections should not be used a means to prevent the transfer of property even with outstanding violations.

Vacant property registration: While we do not flatly oppose vacant property registrations, we believe that public bodies that elect to adopt vacant property registries should do so with minimal requirements and fees.

GOVERNMENT OPERATIONS

Annexation and disconnection: We support the right of property owners to annex to or disconnect from a local unit of government so long as they meet the requirements set forth by state statute.

Debt collection: We support the right of municipal government to collect outstanding payment owed to the municipality. However, similar to the private sector, local government has many tools

afforded to them to collect outstanding money, including liens, collections, and the legal system. We oppose efforts by local government to use the transfer of property as a coercive means to collect outstanding money, and further oppose efforts to pass the obligation of unpaid money on to a new property owner.

Undue delegation of authority to non-elected officials: We understand that community groups and government commissions/committees play an important role in shaping a community. However, in most cases, excessive or final authority to such parties creates disproportionate influence and makes elected officials less accountable.

Consolidation: We support citizen efforts to consolidate local units of government as a means to increase government efficiencies and to provide better services.

Home rule: NSBAR believes home rule authority is too often used to diminish the rights of private property owners and provides less checks and balance on local government; we oppose efforts by local municipalities to become home rule, and we support efforts by the citizenry to revert from home rule to non-home rule.

Transparency: We believe transparency in government is fundamental to ensuring citizen participation and holding government officials accountable. We expect government to follow the minimum requirements set forth in Illinois' Open Meetings Act and Freedom of Information Act. We support and applaud governments that go above and beyond those minimum requirements.

Policy support: NSBAR pledges to be a resource to local governments in their development of public policy. We encourage local governments to reach out to NSBAR for real estate related research and expertise.

Lobbyist registration: We oppose efforts by local public bodies to impose lobbyist registration requirements, especially if the requirement requires a fee and/or ongoing reporting of activities. All Illinois REALTOR[®] lobbyists are already registered with the Secretary of State and with thousands of local governments in Illinois the burden to register with every public is too onerous and stifles our constitutional right to petition our government.

MARKETING AND TRANSACTIONAL ISSUES

Anti-solicitation: We support as a basic component of the free enterprise system the right of real estate agents to actively market real estate and actively offer their services to home buyers and sellers. We oppose any proposals which would place unreasonable limitations on the free and open marketing of real property or the availability of real estate brokerage services.

Disclosure: We support efforts by local government to ensure greater disclosure in real estate transactions so long as such efforts are not unnecessary, unduly burdensome and create a barrier to closing the transaction. We encourage local government to work with REALTORS[®], title companies, and real estate attorneys in developing forms related to the sale of real estate.

Signage: We support efforts by our members to effectively market their properties by way of signage, including on-site and off-site signage. However, we do not support irresponsible off-site

placement of signage beyond the times of a scheduled open house, nor do we support off-site placement of signage in an unsafe or obtrusive location, or the use of attention-getting devices such as balloons and streamers. We oppose mandated uniformity of real estate signs, however we support voluntary efforts that encourage the use of clean, attractive signs.

POLITICAL INVOLVEMENT

Political involvement: Advancement of our members' business interests and the protection of private property rights by way of government education and advocacy is a principal component of our mission. It is our obligation and fundamental right to credibly address government policies that impact the real estate industry.

Factors for support: The principal reason behind supporting a candidate for public office is support of private property rights and creating a healthy, economically viable real estate environment. However, issues such as the candidate's viability, thoughtfulness, ethics, grasp of government and public policy, and relationship with the REALTOR[®] community may also be considered.

LICENSING OF REAL ESTATE LICENSEES

Unlicensed practice of real estate: Except for exemptions detailed in the Illinois Real Estate License Act, under no circumstances do we support the practice of unlicensed real estate by government or non-profit agencies regardless of good intentions. Unlicensed practice of real estate devalues the real estate profession and puts the public in harms way. NSBAR reserves the right to forward complaints of unlicensed practices to the Illinois Department of Professional Regulation and/or any other enforcement agency.

Restrictions on real estate licensees: We oppose any local governmental restrictions on the activities of real estate licensees who are otherwise legally allowed to engage in the practice of real estate.

Local licensing of real estate licensees: The state of Illinois maintains the sole authority to license real estate practitioners. We oppose any efforts by local government to license real estate agents or brokerage firms. Except as it relates to fair housing violations, we also oppose any efforts by local government to summons and/or judge the practices of any real estate licensee. We encourage a local government that is concerned with the practices of a particular real estate licensee to relay those concerns to the licensee's local REALTOR[®] Association or to the Illinois Department of Financial and Professional Regulation. However, we will support efforts by local to register brokerage firms within their municipality for the purposes of knowing which businesses operate in the community, executing life-safety inspections, and contacting businesses within the community.