



WISCONSIN REALTORS® ASSOCIATION

# REALTOR® LEGISLATIVE REPORT

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**RPAC**

REALTORS® POLITICAL ACTION COMMITTEE

Your best investment in real estate.

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**THE FULL**

# 2022

## SESSION WRAP-UP



## **14 LEGISLATIVE PRIORITIES PASSED INTO LAW**

On March 8, 2022, the Wisconsin Legislature adjourned and ended the 2021-22 legislative session, capping off a very productive session for the WRA. In the end, the WRA passed 14 top legislative priorities on a variety of issues affecting all sectors of the real estate industry. Our success was made possible by your participation in our advocacy efforts, such as REALTOR® & Government Day, responding to calls to action and your contributions to the REALTORS® Political Action Committee (RPAC). Your participation makes a real difference. Thank you!

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State lawmakers showed strong support for the WRA and issues important to the real estate industry. We received unanimous support for virtually all our top legislative priorities. The following pages provide a summary of the 14 legislative priorities passed into law during the 2021-22 legislative session.



**THROUGHOUT THE LEGISLATIVE SESSION, THE WRA LOBBYING TEAM WORKED CLOSELY WITH LEGISLATORS ON BOTH SIDES OF THE AISLE TO PASS LEGISLATIVE PRIORITIES.**

## **HIGHLIGHTS INCLUDE**

- Exempting access easements from the 40-year statute of limitations
- Prohibiting local governments from retaining the proceeds from the tax foreclosure sales of non-homestead properties
- Creating a statutory framework for homeowners associations
- Broadband expansion
- Significant income tax cuts and property tax cuts



## LEGISLATIVE REPORT

# RECENTLY PASSED LEGISLATION

## WRA LEGISLATIVE VICTORIES IN 2022

# 1

### Disclosure Reports

The WRA pursued legislation offering practical modifications to Ch. 709. 2021 Wis. Act 96 provides clarity to various parts of the seller disclosure law, including the return of earnest money after exercising the right to rescind, any seller condition report with strike-throughs and responses to questions left unanswered is deemed incomplete, revising the disclosure about private not public rights of way, and adding FIRPTA as a new question.

# 2

### 40-year Access Easements

Gov. Tony Evers signed into law 2021 Wis. Act 174, bipartisan legislation that will protect the freedom to contract and preserve private easements. The new law allows recorded private access easements recorded on or after January 1, 1960, to run in perpetuity, while also allowing access easements recorded before that date to run in perpetuity if certain events occur, such as re-recording or proof of physical evidence that the easement is being used. The law does not impact any litigation resolved as of the bill's effective date. The new law is great news for property owners, sellers and buyers. Act 174 eliminates the confusion or shock for the owner and buyer who discover the easement has expired without their knowledge.

# 3

### Homeowners Associations

The WRA worked hard to pass legislation creating transparency for Wisconsin homeowners associations (HOAs). Residents living in or purchasing properties within an HOA will now have access to the rules and regulations impacting the property. An HOA is a subdivision organization that creates and enforces rules relating to properties within its control. HOAs can regulate the use of and have a great impact on property owners' rights. Therefore, a buyer must understand any obligations, limitations or fees when considering purchasing a property in an HOA. Prior to the enactment of 2021 Act 199, HOAs were generally unregulated. Act 199 allows the rules and regulations of HOAs to be readily available to those living in or purchasing a property within an HOA.

## 4 Home Equity Theft

The WRA proudly led the effort to require counties to pay any net proceeds in a property tax foreclosure sale to the former owner of the property. Under the previous law, if a property owner was unable to pay their property taxes, counties were authorized to seize the property and sell it to pay the property taxes owed. However, after paying off the property taxes owed and all other penalties, interest and selling costs, the county could keep any net proceeds unless the property was the former owner's homestead. The new law, 2021 Wis. Act 216, is a simple matter of fairness. Allowing counties to profit by keeping any remaining proceeds was a financial windfall for the county at the expense of the affected property owner.

## 5 WHEDA Workforce Housing Rehabilitation Loans

Older, existing homes are often the primary source of workforce housing in Wisconsin. At the request of the WRA, the legislature passed 2021 Wis. Act 221 to increase the supply of workforce housing in Wisconsin by authorizing WHEDA to offer low-interest or no-interest rehabilitation loans to update older housing stock. The rehabilitation loans will help update Wisconsin's older housing stock and revitalize older neighborhoods in Wisconsin, where 65% of all housing units were built before 1980. Homeowners must agree to repay the loan upon sale or title transfer.

## 6 Limiting Liability for Appraisers

The WRA helped pass 2021 Wis. Act 194, legislation that limits the time a person has to start a lawsuit for damages against a licensed or certified real estate appraiser to five years from the date the appraiser submits the appraisal report to the client. Over the last several years, the number of individuals entering the appraisal profession has decreased. Establishing a statute of limitations for appraiser liability is good news for all parties in the transaction

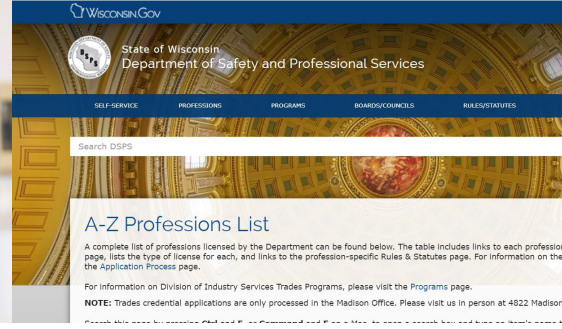
### RPAC at Work, Helping Homeowners



**Now thousands of people will have their dreams and hopes back with full riparian rights, and our property values back."**

**With Appreciation, Gail and Jerry Movrich**

Waterfront owners threatened by restrictions on placing piers on flowages — another example of your RPAC dollars at work.



## LEGISLATIVE REPORT

# 2021 REALTOR® VICTORIES

## WRA LEGISLATIVE VICTORIES IN 2021

### 1 Right to Place a Pier on Flowages

For over 140 years, Wisconsin law recognized that owners of waterfront property have riparian rights, including the right to place a pier. However, in the 2018 Wisconsin Supreme Court decision *Movrich v. Lobermeier*, the court declared that some waterfront property owners did not have the right to place a pier. The court's ruling applied to all flowages and man-made bodies of water. 2021 Wis. Act 47 permanently protects pier rights for all waterfront property owners, including those who live on the 260 flowages throughout Wisconsin. This is a major victory for property rights and the WRA.

### 2 Property Tax Cut

The WRA lobbied the legislature to help cut property taxes by \$650 million. The 2021-23 state budget provided \$300 in property tax relief for the typical home. In addition, the state budget maintained strict levy limits on how much local governments and technical colleges can charge property owners to pay for local services. Property tax relief is a priority for the WRA. The property tax remains the single-highest tax in Wisconsin.

### 3 Broadband Expansion

The state budget included the largest appropriation for broadband expansion grants in state history: \$125 million in additional funding for the Broadband Expansion Grant Program over the next two years. In addition, Gov. Tony Evers allocated \$100 million in additional funding from the American Rescue Plan Act passed by Congress. The combined \$225 million, along with private sector investments in broadband, will generate huge improvements that will connect Wisconsin residents and businesses all across the state. This is great news for rural Wisconsin. Broadband expansion for unserved areas remains a top priority for the WRA.

### 4 Home Inspection Reports and "Defects"

2021 Wis. Act 17 requires a home inspector to label in the inspection report items identified as a "defect" during the home inspection and to provide a summary page as part of the report. The purchase of a home is typically the single-largest investment a person makes. As a result, buyers purchasing a home want to understand the conditions of the home. Neither real estate licensees nor legal counsel are the experts when it comes to understanding the condition of the property. The expertise as to the condition of the property belongs to the home inspector. These simple but necessary changes will provide more trust in the home inspection report for all property transactions.

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## 5 **DSPS Technology Upgrades to Simplify Online Credentialing**

The state budget included \$5 million to pay for long-overdue upgrades to Department of Safety and Professional Services (DSPS) information technology platforms. The upgrades will make the license and customer portals more user-friendly and interactive as well as significantly improve customer service for license status, affiliation, disciplinary actions and more. The DSPS regulates and licenses over 200 different types of credentials, including real estate licenses.

## 6 **Significant Income Tax Cuts**

The state budget sent a total tax cut of \$3.2 billion back to the people of Wisconsin. Income taxes were cut by \$2.5 billion. The average family received approximately \$900 in income tax relief. These tax cuts were good for housing, the economy and Wisconsinites.

## 7 **COVID-19 Civil Liability Exemption**

The unknown of liability associated with COVID-19 created a lot of uncertainty for businesses, including real estate firms and their agents. 2021 Wis. Act 4 creates immunity from civil liability for death, injury or other damages due to any act or failure to act resulting in, or related to, a person's exposure to COVID-19 in the performance of the entity's functions or services. This civil immunity protects entities including real estate firms and independent contractors.

## 8 **Bad Proposals Rejected by the Wisconsin Legislature**

Prior to the passage of the Wisconsin state budget, several proposals were removed from the budget that would have been detrimental to the real estate industry, including limiting the capital gains tax exclusion, raising local levy limits by a minimum of 2% annually, raising taxes by \$1 billion, significant rollbacks of landlord-tenant law reforms, and establishing the "Office of Environmental Justice." The WRA opposed all these proposals and actively lobbied for their removal.

## Historic REALTOR® Victories

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- |   |  |
|---|--|
| 1. <b>Time of sale requirements prohibited</b>                          | 10. <b>Status as independent contractors protected</b>             |
| 2. <b>Liability protection on two-year statute of limitations</b>       | 11. <b>Right to complete state-approved forms protected</b>        |
| 3. <b>"One-strike" evictions for criminals or drug-related activity</b> | 12. <b>Not liable for fraudulent third-party misrepresentation</b> |
| 4. <b>Supermajority vote to downzone property</b>                       | 13. <b>Landlord-tenant law reform</b>                              |
| 5. <b>Unauthorized practice of law codified</b>                         | 14. <b>Health savings accounts now tax-deductible</b>              |
| 6. <b>Property tax freeze/levy limits maintained</b>                    | 15. <b>Presumptive approval for DNR permits</b>                    |
| 7. <b>Cooperation with out-of-state licensees</b>                       | 16. <b>Real estate transfer tax defeated</b>                       |
| 8. <b>Prohibited development moratoria for counties</b>                 | 17. <b>State preemption of local regulations to brokers</b>        |
| 9. <b>Opinions of value protected</b>                                   | 18. <b>Keeping real estate essential</b>                           |



**Wisconsin REALTORS® Association**  
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# Making a Difference with **RPAC**

## **It Has Never Been More Important to Support RPAC!**

The purpose of RPAC is to help elect candidates from both parties who will promote and defend issues that impact homeowners, property owners and the livelihood of every WRA member. These issues include property taxes, 40-year access easements, homeowners associations, foreclosure equity theft, disclosure reports, piers, broadband expansion and WHEDA workforce housing rehabilitation loans, to name a few. And over the last several years, RPAC helped secure legislative victories that saved REALTORS® and homeowners millions of dollars. The REALTORS® Political Action Committee (RPAC) gives REALTORS® a powerful voice on issues that matter to the real estate industry. **Please invest in RPAC. It's a wise investment in your business.**



**DAN LAWLER**  
2022 RPAC CHAIR



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