



## **REALTORS® Complete Successful Legislative Session Highlighting Member Value**

*The 2013 Legislative Session adjourned at midnight on Thursday, March 28. The grassroots advocacy of REALTORS® across the state allowed GAR to achieve major victories for the 2013 Session that protected our members from legal liabilities and banned private transfer fees across the state. Continue reading to learn how GAR's legislative efforts directly impact the business of our members and translate into true member value.*

## **GAR Successful in Passing Bill Allowing REALTORS® to Safely Engage in Short Sale Transactions**

The Georgia Association of REALTORS® proudly co-authored [HB 83](#), a bill that allows REALTORS® to safely engage in short sale transactions without the risk of violation. HB 83 eliminated unintended consequences that existed in previous law that was passed several years ago, known as the Mortgage Broker Licensing Act. The Georgia Department of Banking and Finance realized that REALTORS® assisting their clients in short sale transactions were inadvertently violating the licensing act and thereby susceptible of a felony.

HB 83 reduces red tape, allowing REALTORS® to continue assisting homeowners and small businesses in pursuing a short sales transaction. Without the passage of HB 83, REALTORS® would have been unable to engage in short sale transactions which would have adversely affected Georgia's housing market and possibly led to more foreclosures.

The passage of HB 83 was a huge success for REALTORS® because it safeguarded our members' ability to carry out the practice of their businesses. The Georgia REALTORS® extend appreciation to Rep. Josh Clark, formerly a member of NAMAR, Rep. David Knight of Griffin, and Sen. Josh McKoon of Columbus for their diligent efforts to pass this legislation. Additionally, the coalition led by the GAR was supported by the Mortgage Bankers Association and the Georgia Department of Banking and Finance. The success of HB 83 reinforces the importance of GAR's political involvement and the effectiveness of our grassroots.

## **Ban on Private Transfer Fees is a Big Win For Georgia REALTORS®**

In 2013, Georgia became one of many states to pass legislation that bans private transfer fees. Private transfer fees are part of a covenant attached to a property deed that forces the seller to pay 1 percent of the purchase price to a private third-party entity every time the property sells over the course of 99 years. These fees would cost unsuspecting homeowners thousands of dollars in additional closing costs.

NAR has long been vocal in its opposition to private transfer fees, since there is no oversight regarding where or how the fees can be spent, the duration they are imposed, or the manner in which the fees are disclosed to homebuyers. With NAR's assistance, over 40 states have enacted legislation banning the use of private transfer fees. GAR took a strong position to support the prohibition of private transfer fees on real property and worked relentlessly to pass [HB 160](#).

This was a huge victory for Georgia homebuyers and sellers, as private transfer fee covenants were an added expense in the transaction of real estate. Developers regard private transfer fees as a method in which to spread improvement costs over a period of time. On the contrary, opponents believe private transfer fees decrease affordability, increase potential liability, and provide no benefit to property purchasers within that community. GAR was supported in this effort by the Real Estate Section of the Georgia Bar Association and the Georgia Land Title Association.

## **Lien Law Returns to its Original Form with REALTOR® Support**

GAR was proud to support [HB 434](#) which returns lien law to its original form. This bill was created in response to a Court of Appeals decision that limited the expenses that could be included in a material man's lien. Passage of the bill permits contractors and subcontractors to receive not only the cost of their labor but also the expense amounts for materials.

Originally the Court ruled that a contractor or subcontractor's General Condition Costs were not lienable items. According to the past ruling, lienable items were only those that were fixed to the real estate. HB 434 rectifies lien law to its original form and the traditional long standing practice of lien law in Georgia.

## **Ethics Reform Bills Passes on Legislature's Final Night**

Both the Senate and House passed measures that enact stronger ethics reform in Georgia. GAR supported [HB 142](#) and [HB 143](#), introduced by Speaker David Ralston which enforces greater government transparency. HB 142 caps gratuitous gifts to elected officials at \$75, with the exception of offerings to the entire General Assembly, individual chambers, caucuses, and committees. Additionally, the bill requires citizen activists to register as a

lobbyist if they spend or are reimbursed \$250 a year. The introduction of both bills represents the Speaker's willingness to reform ethics in Georgia.

GAR closely monitored 142 and 143 throughout the legislative process to ensure regulations were not included that would prevent events such as REALTOR® Day at the Capitol or require members to register as lobbyist that address their elected officials with legislative concerns.

### **Georgia Passes Resolution over Tennessee Boundary at State Line**

GAR supported the passage of [House Resolution 4](#) as a just attempt to end the 200 year boundary dispute between Georgia and Tennessee, which plays a large role in the water wars between the two states. When Georgia relinquished the Mississippi Territory to Congress in 1802, Georgia purposefully marked the northern boundary of this state to permit access to the Tennessee River. In 1818, a flawed land survey erroneously placed the border south, prohibiting Georgia's access to the river. This resolution proposes Georgia access to the Tennessee River by legally adopting the flawed current boundary between the two states, with exception to the original portion that should have been constituted as the State of Georgia. Essentially, Georgia would give up 66 miles of land in exchange for 1.5 miles, allowing Georgia to install a pipeline. This resolution was significant because it attempted to aid Georgia's, and more specifically Metro Atlanta's, water issues.