



## **Georgia REALTORS® Strengthen the Business Practice of Our Members in 2015**

*The 2015 Georgia Legislative Session marked the first year of a biennial, where over 2,000 new bills and resolutions were introduced, many of which impacted the real estate industry. Our strength in numbers was boldly demonstrated on REALTOR® Day at the Capitol when at least 800 Georgia REALTORS® advocated for legislation to support private property rights and the real estate industry. Political representation is a critical member value, and the engagement of our grassroots membership serves as an invaluable tool for our political advocacy efforts. Fortunately, the presence of GAR's Governmental Affairs team - comprised of both staff and members - ensures that REALTORS'® best interests are upheld in the arena of public policy. Above all else, GAR remains committed to providing unparalleled value to our membership through effective political representation that ensures the real estate industry remains thriving for Georgia REALTORS®.*

### **GAR Ensures REALTORS® are Protected from Increased Legal Liability in a Closing**

It is standard practice within the real estate industry to advise clients on the completion of a contract and negotiate special stipulations. The original version of [House Bill 153](#) would have made REALTORS® susceptible to legal liability for the mere practice of those tasks. Introduced at the request of the Georgia Bar Association, the bill's intent was to address a problematic increase in "witness only" closings, which pose serious financial damages to consumers. The original version of HB 153 created a new cause of action in which attorneys could file a lawsuit against any individual they suspected was practicing the law without a license in Georgia.

Though the REALTORS® were sympathetic to the root of the issue, our Governmental Affairs team quickly recognized the unintended consequences that HB 153 created and took a stance to oppose the original version. GAR contacted the bill's sponsor, Rep. Tom Weldon, to convey concerns that the broad language could expose our members to increased legal liability when assisting in aspects of a closing. Rep. Tom Weldon heeded GAR's recommendations to reduce the scope of the bill and included language specifically protecting the standard business practices of Georgia REALTORS®. GAR was now in a position to support the amended version, which creates additional protections for our members and specifies that REALTORS® are not susceptible to lawsuits when advising their clients in the completion of a real estate contract or writing special

stipulations.

Without political representation at the Capitol, the passage of HB 153 could have resulted in adverse consequences and financial burdens to the business of our members. Fortunately, the Governmental Affairs team was fully engaged and delivered even greater protections for REALTORS® than was written in previous law.

### **GAR® Improves the Process of Appeals for Appraisers**

GAR's Governmental Affairs team partnered with the Georgia Real Estate Commission (GREC) and Rep. Mandi Ballinger to pass [House Bill 253](#), granting state authority to the Georgia Real Estate Appraiser Board (GREAB) to process appeals against Appraisal Management Companies (AMCs) in violation of Regulation Z. Regulation Z is a provision in the 2010 Dodd-Frank Act, which requires AMCs to pay for appraisals at a rate that is customary and reasonable for services performed in the market area of the property. Previously, appraisers could only file grievances with a federal agency, resulting in lengthy processing and delayed outcomes. The passage of HB 253 provides the GREAB new authority to enforce rules against AMCs that will result in a more effective arbitration process for appraisers. Efficient arbitration ensures that qualified appraisers remain in the business and improves the quality of real estate appraisals in Georgia.

The fact that the Georgia Real Estate Commission approached GAR to partner in the championing of this initiative is a testament to the influential voice REALTORS® occupy at the Capitol. The Governmental Affairs team fought hard to pass HB 253 and we believe it will allow appraisers to fulfill their roles with greater protection and provide long-term benefits to the industry.

### **Georgia REALTORS® Increase Options for Real Estate Trust Accounts**

Prior to the 2015 Legislative Session, several brokers contacted GAR to inform that they had been sanctioned by the Georgia Real Estate Commission (GREC) for operating a real estate trust account that was not a "bank checking account" as mandated by Georgia law. In an effort to reduce regulation, [Senate Bill 95](#) was brought forth by Sen. Michael Williams at the request of a REALTOR® constituent to expand the types of accounts permitted under law for a real estate trust account.

Under the bill, real estate trust funds such as down payments, earnest money, security deposits, rents, or association fees can now be held in any federally insured account, which vastly expands the options available to our members. The passage of SB 95 makes it lawful to deposit funds into money market accounts, savings accounts, credit union accounts, or other investment instruments, so long as it is federally insured.

GAR is proud to have worked with Sen. Williams and the GREC to reduce the regulation of our members and provide greater flexibility for Georgia REALTORS® to thrive in the

marketplace.

## **Effort Defeated to Provide Super Liens to Condominium Associations for Unpaid Fees**

The Georgia REALTORS® stood united with the Georgia Bankers Association, the Georgia Community Bankers, and the Georgia Credit Union Association in efforts to defeat [Senate Bill 117](#), a measure aimed at granting condominium associations the authority to impose super liens for unpaid dues and assessments on foreclosed units. Statutory modifications proposed in SB 117, would have significantly changed the lien structure in Georgia, allowing condo association super liens to supersede both tax and mortgage liens. While GAR is not unsympathetic to the financial burden of unpaid association dues, this approach would dramatically alter the priority schedule of liens in Georgia and would impose market barriers for future purchasers.

## **GAR Prevents Attempt to Create New Criminal Penalties for Hindering Code Enforcement Officers**

[House Bill 33](#) was introduced at the request of the Georgia Association of Code Enforcement, seeking to establish new criminal offenses for obstructing or hindering the duties of a code enforcement officer. GAR expressed concern to members of the House Judiciary Non-Civil Committee that property owners, property managers, and REALTORS® could be exposed to severe criminal penalties for disagreements with code enforcement officers, including a felony for “offering violence” to a code enforcement officer. Code Enforcement officers are not P.O.S.T. certified in Georgia and there is no mandatory training. Due to potential unintended consequences and vague language in the bill, HB 33 did not receive a committee hearing and failed to pass in 2015.

## **Georgia REALTORS® Strengthen the Rights of Taxpayers in the Appeals Process**

The Georgia REALTORS® proudly supported the passage of [House Bill 202](#), which streamlines the process for property tax assessments and appeals, providing greater protections to property owners. The taxpayer friendly legislation provides additional resources to property owners seeking to appeal their assessment and improves the length of time in which an appeal must be handled.

Under the legislation, all parties involved in an appeal will be given the right to request names of witnesses, documents, or other written evidence that is submitted during the hearing at least 7 days prior. It requires the boards of equalization (BOE) to announce their decision to the taxpayer at the conclusion of the hearing before taking up the next appeal. Further, it requires the board of tax assessors to meet with the taxpayer to decide on an arbitrator within 60 days of rejecting the certified appraisal. Additionally, the bill allows taxpayers to opt-in for electronic notices of tax bills and authorizes property owners to file for CUVA, FLPA, or Ag Preferential Assessment at any time while the property is under appeal. Lastly, The Georgia REALTORS® were successful in efforts

to include an amendment which requires the board of equalization to accept valid certified appraisals from property owners that are less than 9 months old.