



2017 LEGISLATIVE SCORECARD



2017 was another contentious year in Springfield as the budget impasse and calls for major regulatory reforms dominated debate in the Illinois General Assembly. There were more than **6,300** bills introduced and Illinois REALTORS® tracked more than 250 measures.

OUTCOME OF KEY ISSUES

1. Real Estate License Act Changes

The Illinois REALTORS® initiative, House Bill 3528 (Rita/Weaver), was signed into law on Aug. 18, 2017. This important bill streamlines regulation of education providers, modernizes delivery of courses, provides for more focused course material and addresses issues regarding leasing agents. *Public Act 100-188, Effective Jan. 1, 2018.*

PASSED

2. Property Assessed Clean Energy Bonds-Commercial/Industrial Property

A new Act, creating the Property Assessed Clean Energy (PACE) Act was strongly supported and signed into law on Aug. 11, 2017. House Bill 2831 (Lang/McConnaughay) provides for this innovative financing mechanism for specified energy efficiency improvements on commercial and industrial properties (single family homes are NOT included). A city or county may establish a clean energy program and create a PACE area by entering into a voluntary assessment contract with the property owner to finance or refinance energy projects. The repayment of the costs of the energy project are through assessments on the property. Key safeguards are included in the bill. *Public Act 100-77, Effective Aug. 11, 2017.*

PASSED

3. Repeal of Statewide Ban on Rent Control

Illinois REALTORS® launched a Call for Action early in the 2017 spring session in OPPOSITION to House Bill 2430 (Guzzardi), a legislative initiative that sought to repeal the statewide ban on the power of home rule units to impose rent control measures. This state law has been in effect since August of 1997, the result of a successful initiative advocated by Illinois REALTORS®. Rent control is widely discredited by economists and many housing advocates. It is destructive and counterproductive, it is difficult to administer and would have many unintended consequences. It provides a disincentive to invest in rental property and shrinks funds available for maintenance and improvements.

DEAD

4. Granting Home Rule Powers to Non-Home Rule Units

House Bills 511 and 3639 (Breen) were STRONGLY OPPOSED by the Illinois REALTORS® as we believe both measures violate the Illinois Constitutional provisions governing how units of local government can be designated as home rule units. These bills attempted to simply grant non-home rule municipalities and counties the power to exercise all powers provided to home rule units by the Constitution except for the powers to tax, impose fees or incur debt. We have always been as concerned about the regulatory powers that home rule units have as we have about their taxation powers.

DEAD

5. Objectionable Changes to Seller Disclosure Form

Three bills that sought to amend the Seller Disclosure Act to add objectionable provisions were stopped this year. House Bill 3118 (Jesiel) sought to add a provision that stipulates that the seller is aware that the property is subject to condominium, homeowners' association or other restrictive covenants. We objected to this addition as contrary to the intent of the Act which is to provide for the disclosure of known material defects. House Bill 3434 (K. Wheeler) sought to add language that essentially implied that a buyer was required to sign the form. House Bill 2911 (Bellock) contained a provision that would amend the Seller Disclosure law to add a reference to "toxic mold." The Illinois REALTORS® OPPOSED this provision since NO standards as to what "toxic mold" is have been adopted by the Illinois Environmental Protection Agency or Illinois Department of Public Health.

DEAD



6. Proposal To Amend Human Rights Act- Source of Income

Senate Bill 1331 (Bush), sought to make it an Illinois Human Rights Act violation to discriminate in a real estate transaction based on a person's "source of income," which is defined to include Section 8 housing assistance as a "source of income." Illinois REALTORS® OPPOSED this measure because we view it as mandating that rental property owners participate in the Section 8 voucher program. The REALTOR® organization supports and promotes many federal, state and local housing programs, including Section 8; and the Section 8 program is one in which many of our members choose to participate. Our core problem with this proposal has always been that property owners should not be REQUIRED to enroll, which this bill essentially does. The Section 8 program requires owners to sign an extensive contract with HUD, which is dictated by HUD, and be subject to strict HUD inspections and other requirements. In short, some property owners simply don't want to be subject to terms dictated by HUD regarding their rental property.

DEAD

7. Smoke Detector Replacement

After negotiations with the sponsor, an amended version of House Bill 3773 (Willis/Sandoval) was passed and signed into law on Aug. 18, 2017. Illinois law imposes a mandate on owners of single- and multi-family "dwelling units" built before July 1, 1988 to have operating smoke detectors. HB 3773 will ultimately require owners to replace their smoke detectors with self-contained units that have a long-term battery if their existing smoke detectors are more than 10 years old and do not operate. The sponsor agreed to a delayed effective date to Jan. 1, 2023. The replacement mandate will apply only after an inspector of a pre-1988 dwelling unit finds that the smoke detector is at least 10 years old and fails to respond in an operability test. The law will also provide for a "90-day warning" to comply, then move to an initial \$100 fine for non-compliance, which would be waived if the violation is corrected prior to or on the date of the hearing scheduled to adjudicate the alleged violation. *Public Act 100-200, Effective Jan. 1, 2023.*

PASSED

8. "Contract for Deed" Changes

Senate Bill 885 (Koehler/Gordon-Booth) was an initiative of Housing Action Illinois and the Attorney General's Office, and the Illinois REALTORS® sought and secured important changes prior to passage. As introduced, SB 885 would have proposed very restrictive provisions regarding "Contract for Deed/Bond for Deed/Rent to Own" contracts for the purchase of real estate. REALTORS® argued that the original bill would essentially eliminate this as a financing option for buyers, for whom this is often a financing option of last resort. The bill was changed with amendments SUPPORTED by the Illinois REALTORS® which removed our opposition. In its final form, sellers of three or fewer "Contract for Deed" (CFD) transactions will be exempt from the new provisions. For CFD sellers that ARE covered by the new law, certain contract provisions are required, the seller must record the contract, and perhaps most importantly, the new law changes when a seller would have to foreclose on the buyer if he or she defaults (rather than evicting the defaulting buyer). *Public Act 100-416, Effective Jan. 1, 2018.*

PASSED

9. Consolidation of Local Units of Government

The Illinois REALTORS® has consistently supported legislation to consolidate and streamline local governmental units. Senate Bill 3 (T. Cullerton/Yingling) authorizes ALL counties to dissolve or consolidate governmental functions - under the procedures currently allowed in DuPage, Lake and McHenry counties. SB 3 also enacts various changes to make it easier to consolidate or merge townships, discontinue coterminous townships and abolish township road districts with fewer than 15 miles of roads. *Public Act 100-107, Effective Jan. 1, 2018.*

PASSED

House Bill 607 (Yingling/Morrison) amends the Illinois Highway Code to add language to allow the board of trustees of any township outside of Cook County (Cook currently has this authority) to submit a question to the voters whether the township road district should be abolished. *Public Act 100-106, Effective Jan. 1, 2018.*



10. Predictable Fee Schedule for Recorded Documents

House Bill 3036 (Walsh/Jones), was signed into law on Aug. 22, 2017. HB 3036 establishes a predictable fee schedule that will eliminate surcharges or fees based upon the individual attributes of documents to be recorded with the county recorder. This new law is aimed, in part, at minimizing errors in estimating and disclosing recording fees, especially given the strictures of the TILA-RESPA Integrated Disclosure (TRID) process. Fees for standard documents will be divided into five classifications of document class flat fees, which would be inclusive of county and state fees required for each recorded document. An important provision was included in the bill to require a cost study to be completed prior to increasing a document class flat fee. *Public Act 100-271, Effective Aug. 22, 2017.*

PASSED

11. State Tax Lien Registry Passed

Despite our efforts to defeat the Illinois Department of Revenue's initiative to enact a separate State Tax Lien Registry, this proposal was rolled into the omnibus revenue bill (SB 9) and ultimately became law when the legislature overrode the governor's veto of the entire bill. This concept has been strongly opposed by the Illinois REALTORS® the past two sessions. The State Tax Lien Registry will allow the Department of Revenue (DoR) to file their tax liens in a DoR state registry in lieu of recording at the County Recorder's Office. We continue to believe that this proposal will change the traditional, time-honored, and widely accepted system of providing notice of record on encumbrances on real property. By creating a whole SECOND location for the registering of liens on title, this may cause doubts as to the certainty that any lien issues are discovered and addressed in the title search process. *Public Act 100-22, Lien Registry Effective Jan. 1, 2018.*

PASSED

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