
Government Affairs Update



North Carolina Association of REALTORS®, Inc.

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North Carolina News:

Home Inspector Legislation Advances

The N.C. Assn. of REALTORS® staff has been working to draft changes to the Home Inspector Licensure statutes. These changes cover everything from the summary page issues we have been discussing for years to the pre-licensing education requirements. **Senators David Hoyle (D-Gaston) and Don Vaughan (D-Guilford)** introduced the legislation incorporating these changes, **SB 1007 (Amend Home Inspector Licensure Laws)**, <http://www.ncleg.net/Sessions/2009/Bills/Senate/PDF/S1007v1.pdf>, which received a favorable report from the Senate Committee on Judiciary II this week.

School Calendar Bills Defeated!

The NC Assoc. of REALTORS®, the Vacation Rental Managers Association and our other allies scored two important victories on the school calendar issue this week. **HB 593 (Change School Start Date)**, <http://www.ncga.state.nc.us/Sessions/2009/Bills/House/PDF/H593v1.pdf>, which would permit school districts to start classes as early as the second Monday in August, failed in the House Commerce Committee this week by a 13-to-14 vote. While this was a great victory, the sponsors of the bill have already asked that it be re-calendared for Tuesday, May 12th in the same committee and are attempting to have committee members switch their vote.

HB 1001 (Modify School Calendar Law/3 County LEAs) was also defeated this week in the House Committee on Local Government II. It is very unlikely that this bill, which applies to Stanly, Union and Montgomery Counties, will be reconsidered.

A similar bill, **HB 1306 (Restore Flexibility to School Calendar)**, introduced by **Reps. Becky Carney (D-Mecklenburg), Douglas Younge (D-Hoke), Will Neumann (R-Gaston) and Marvin Lucas (D-Cumberland)**, <http://www.ncleg.net/Sessions/2009/Bills/House/PDF/H1306v1.pdf>, will be heard in the House Education Committee on Tuesday, May 12th. It is our understanding that this bill will be converted into a study bill. The NC Association of REALTORS® and other interested parties will continue to voice our opposition and push for defeat of all bills aimed at changing the school calendar law.

Improved Jordan Lake Bill Moves Forward

In an effort to protect the water quality of Jordan Lake the state Environmental Management Commission (EMC) adopted rules with extremely high implementation costs and that will require environmental retrofits of existing development. The NC Association of REALTORS® submitted comments during the rulemaking process, and we were partly successful in having the rules modified. But the rules were ultimately approved without addressing the major concerns.

Thus, we have taken steps to disapprove the rules in General Assembly. **HB 239 (Disapprove Jordan Lake Rules)**, <http://www.ncga.state.nc.us/Sessions/2009/Bills/House/PDF/H239v0.pdf>, introduced by **Reps. Lucy Allen (D-Franklin) and Pryor Gibson (D-Anson)** was reported out of the House Committee on Environment and Natural Resources this week and will be discussed in the House Committee on Judiciary I on Monday the 11th. The N.C. Association of REALTORS® staff is working with our local REALTORS® and business and local government allies to remove the requirements placed on existing development and lessen any other negative impacts on our State's housing sector.

Impact Fee Bill Killed

The NC Assoc. of REALTORS® blocked legislation that would have provided impact fee authority to Harnett County. **HB 1007 (Harnett/Subdivision Recreation Facilities)**, <http://www.ncleg.net/Sessions/2009/Bills/House/PDF/H1007v1.pdf> introduced by **Rep. Jimmy Love (D-Harnett)**, which would have allowed Harnett County to charge homebuilders an impact fee for recreational services and facilities, was defeated in the House Committee on Local Government I.

Homeowner's Insurance

State legislators from coastal counties met this week to discuss **HB 426 (Stay on Homeowners Insurance Actions)**, <http://www.ncleg.net/Sessions/2009/Bills/House/PDF/H426v1.pdf>, introduced by **Reps. Tim Spear (D-Washington), Bill Owens (D-Pasquotank), William Wainwright (D-Craven) and Pat McElraft (R-Carteret)**, that would put a year-long stay on changes to homeowners insurance that raised rates along the coast and lowered them for some western counties. The new insurance rates were effective May 1st across the state and a court case brought by several coastal counties and other parties which tried to stop the new insurance rates from going into effect was dismissed last week.

Also, there is legislation that will completely overhaul the insurance plan known as the Beach Plan. **HB 1305 (Beach Plan Changes)**, <http://www.ncga.state.nc.us/Sessions/2009/Bills/House/PDF/H1305v0.pdf>, introduced by **Rep. Hugh Holliman (D-Davidson)** is currently being revised. The N.C. Association of REALTORS® is working with various stakeholders and legislative leadership to improve the insurance market and provide relief for coastal property owners.

Other Legislation

N.C. Association of REALTORS® staff has been working on the following bills this week:

- **SB 44 (Appeals of Quasi-Judicial Land Decisions)**, <http://www.ncga.state.nc.us/Sessions/2009/Bills/Senate/PDF/S44v1.pdf>, introduced by **Sen. Ellie Kinnaird (D – Orange)**, which sets out the details of who can appeal a court decision on land use, how it is to be appealed and when the appeal can be made. NC Association of REALTORS® staff worked on changes with other stakeholders and to ensure that the existing rights of property owners will not be diminished. This bill was passed by the full Senate and will next be debated in the House.
- **SB 764 (Real Estate/Settlement Agent Embezzlement)**, <http://www.ncleg.net/Sessions/2009/Bills/Senate/PDF/S764v2.pdf>, introduced by **Sen. Josh Stein (D-Wake)** was passed by the Senate and clarifies the Good Fund Settlement Act.
- **SB 810 (Affordable Housing/No Discrimination)**, <http://www.ncga.state.nc.us/Sessions/2009/Bills/Senate/PDF/S810v1.pdf>, introduced by **Sen. Floyd McKissick (D-Durham)**, would make it unlawful to deny a land-use permit because the project will include affordable housing units. This bill was passed by the Senate Committee on Commerce.
- **SB 831 (Extend Permits Regarding Land Development)**, <http://www.ncleg.net/Sessions/2009/Bills/Senate/PDF/S831v1.pdf>, introduced by **Sen. Dan Clodfelter (D-Mecklenburg)** was passed by the Senate Committee on Commerce and will grant an automatic 6 month extension of all building permits.
- **SB 916 (Tenant Security Deposit/Interest-Bear. Acct.)**, <http://www.ncleg.net/Sessions/2009/Bills/Senate/PDF/S916v1.pdf>, introduced by **Sen. Katie Dorsett (D-Guilford)**, would require all property managers to hold tenant security deposits in interest bearing accounts and would sweep the interest for the Housing Finance Agency. The bill was removed from the Senate Committee on Commerce agenda this week after NC Association of REALTORS® property managers from across the state expressed their concerns.

- **HB 40 (Summary Ejectment/Appeals)**, <http://www.ncleg.net/Sessions/2009/Bills/House/PDF/H40v1.pdf>, introduced by **Representative Tim Moore (R-Cleveland)**, which reduces the number of days within which a tenant may appeal a summary ejectment decision from the magistrate from 10 days to 5, was passed by the House Committee on Commerce, Small Business and Entrepreneurship.
- **HB 771 (Towns/Ordinances Regulating Trees)**, <http://www.ncleg.net/Sessions/2009/Bills/House/PDF/H771v1.pdf>, introduced by **Rep. Thom Tillis (R-Mecklenburg)**, was defeated in the House Committee on Local Government I. This bill would have given two municipalities' broad authority to regulate tree removal.
- **HB 1387 (Solar Collectors on Residential Properties)**, <http://www.ncleg.net/Sessions/2009/Bills/House/PDF/H1387v2.pdf>, introduced by **Reps. Susan Fisher (D-Buncombe) and Pricey Harrison (D-Guilford)**, passed the House Committee on Energy and Energy Efficiency. Based upon REALTOR® input, the legislation was amended and will not retroactively void restrictive covenants.
- **HB 1388 (Brownfields Property Notifications)**, <http://www.ncleg.net/Sessions/2009/Bills/House/PDF/H1388v1.pdf>, introduced by **Rep. Susan Fisher (D-Buncombe)** is currently the subject of discussion between the bill sponsor and NC Association of REALTORS® staff. The staff is working to ensure private property rights are protected while meeting the sponsor's goal of proper notification of a proposed brownfields redevelopment.

National News:

Making Home Affordable Program Expanded to Permit Modification of Second Mortgages

On April 28, 2009 the Treasury Department announced expansion of the Making Home Affordable Program to help reduce payments on second mortgages. The Obama Administration took this action because as many as 50% of all at-risk borrowers have second mortgages and without modifying them the borrowers remain at a higher risk of default. Under the Second Lien Program, if the servicer initiates a Home Affordable Modification on the first mortgage, participating servicers will automatically reduce payment on the second lien in accordance with complex, but uniform, program criteria. As an alternative, servicers may extinguish the second lien in exchange for receiving a lump sum payment.

[Treasury Department Press Release on Modifying Second Mortgages under the Making Home Affordable Program](http://www.treasury.gov/press/releases/tg108.htm)

<http://www.treasury.gov/press/releases/tg108.htm>

[Second Lien Program Fact Sheet](http://www.treasury.gov/press/releases/reports/042809secondlienfactsheet.pdf)

<http://www.treasury.gov/press/releases/reports/042809secondlienfactsheet.pdf>

[Second Lien Program Case Examples](http://www.treasury.gov/press/releases/reports/042809housingexamples.pdf)

<http://www.treasury.gov/press/releases/reports/042809housingexamples.pdf>