

What's New in Government Affairs

The Ides of April Edition!

April 15, 2010

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LOCAL

SBAOR CONGRATULATES LOCAL ELECTION WINNERS: City Council elections were held this week in El Segundo and Lawndale. These candidates, supported by SBAOR, won at the polls:

- **Suzanne Fuentes** – El Segundo City Council
- **Pat Kearney** – Lawndale City Council
- **Larry Rudolph** – Lawndale City Council

THIS JUST IN: Manhattan Beach is levying an additional business license tax on REALTORS®. This is an unprecedented expansion of the City's tax authority and may be inconsistent with California law. Stay tuned for an action alert coming up shortly.

STATE

C.A.R. OPPOSES 1031 CONFORMITY CHANGE: AB 2640 (Arambula) eliminates state tax law conformity with federal "1031" exchanges. If this bill were to pass, tax-deferred exchanges – while still possible for federal tax purposes – would not enjoy tax-deferred treatment for state tax purposes. C.A.R. opposes AB 2640, which is scheduled for a hearing before the Assembly Revenue and Taxation Committee on May 3.

FEDERAL

FACTS ABOUT THE "HOMEOWNERS—LISTEN UP" EMAIL: An email (subject: "Homeowners—Listen Up") is being re-circulated claiming that H.R. 2454: the American Clean Energy & Security Act would require an energy license/retrofits for home sale. The email is NOT accurate. NAR continues to monitor the Senate efforts and will work to ensure residential and commercial real estate is not adversely impacted.

NAR was instrumental in eliminating time-of-sale energy efficiency requirements from the bill. The House approved H.R.2454 with the following two provisions. We will work to ensure that these provisions are retained in the Senate version of the legislation:

- Section 202 (Building Retrofit Program) would offer matching grants for home improvements. State governments would administer the program which is voluntary and available to all property owners.
- Section 204 (Building Energy Performance Labeling Program) would apply to new construction only and prohibit time-of-sale labeling. The original energy audit and MLS listing provisions were deleted.

NAR succeeded in excluding existing real estate from the bill requirements. Last summer after the House approved its version of the legislation and this email originally surfaced, NAR developed For more information, check out NAR's full packet of information complete with legislative analysis, Myths vs. Facts, FAQs, and more at www.Realtor.org.

Why Government Affairs?

Every city makes decisions on taxes, point-of-sale, signs, rent control, property rights, and more. This impacts your client's ability to buy, sell, or develop their properties and your ability to do business. The South Bay Association of REALTORS® Government Affairs Program protects and advocates for you. For more information, call SBAOR Government Affairs at (310)326-3010 ext. 715