

What's New in Government Affairs

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LOCAL

DO YOU FILE A SCHEDULE C WITH YOUR TAXES? Cities are using Franchise Tax Board data to determine whether taxpayers (including REALTORS®) who file Schedule C and report 1099 income (e.g. as independent contractors) are liable for business license taxes – *even if you do no business in your city of residence*. The good news is that cities may not have legal authority to use FTB data after the 2008 tax year. Call SBAOR Government Affairs or your tax advisor for more information.*

POINT-OF-SALE CANNOT CONSERVE WATER! After Lomita passed a point-of-sale water conservation law last January, SBAOR reached out to other cities to provide input on their own laws. While water conservation is important, point-of-sale cannot help cities conserve water (or do anything else!). Whether in smaller cities such as Lomita and larger cities like Los Angeles, less than 2% of the housing stock turns over each year – which will not help cities reach their goals. **Contact councilmembers in your city and help SBAOR remind them that there are better tools than point-of-sale to save water.** Call SBAOR Government Affairs for more information.

STATE

BILL TO ABOLISH DRE ADVANCES: AB 33 (Nava), approved April 13 in the Assembly Banking Committee, would abolish the Department of Real Estate, the Department of Corporations, the Department of Financial Institutions, and the Office of Real Estate Appraisers. AB 33 proposes to transfer their powers, jurisdiction and responsibilities to the Department of Financial Services, which would be a newly created overarching department. C.A.R. opposes AB 33 because the function of a real estate licensee is not to provide financial services. Real estate licensees regulated by the DRE should not be blended in with the banks, credit unions, consumer finance lenders, residential mortgage lenders and pawnbrokers because, unlike these other licensees, real estate licensees are individually licensed agents that have a fiduciary agency relationship with their clients. **Watch for an upcoming action alert to oppose this REALTOR®-hostile measure!**

FEDERAL

NAR URGES USE OF REALTORS® FOR THE PUBLIC-PRIVATE INVESTMENT PROGRAM: On April 9, NAR President Charles McMillan wrote to Treasury Secretary Geithner, Federal Reserve Board Chairman Bernanke, and FDIC Chairman Bair asking that they require participants in the Public-Private Investment Program (PPIP) to take advantage of the extensive experience of local commercial and residential real estate professionals in the management and disposition of real property acquired as an inevitable consequence of participating in the program. The PPIP provides for investors to purchase troubled loans and securities from financial institutions to improve their balance sheets. These investors will, over time, acquire title for some of the real property secured by mortgage loans or included in securities purchased under the program. The letter urges the use of residential and commercial REALTORS® in implementing the PPIP.

* SBAOR and its staff are not qualified to give tax or legal advice. Data herein should not substitute for consultation with your tax or legal representative.

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