

Transaction & Regulatory Committee

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This was the first meeting ever of this new policy committee since CAR consolidated last year. Policy work that was previously done by 12 committees is now done in four new committees. The other three are Housing, Taxation & Government, and Land Use & Environmental.

Mission: (my summary) Develop CAR's overall policy agenda as it relates to the practice of Real Estate through legislation and regulation affecting the areas of 1) Licensure, 1) Liability/Risk Management, and 3) Transaction Process.

Most of the meeting was spent discussing the five topics of 2010 Proposed CAR legislation (use the link <http://www.car.org/meetings/carmeetings/committee-materials-archive/2010winter/transactioncvr/402897/> to see these on the summary agenda). Nearly all discussion centered around the first topic, Local Property Maintenance Ordinances. While this legislation is already moving forward, CAR staff felt the need to modify it in order to garner support of local gov't lobbying.

The issue for CAR in proposing the original legislation was to eliminate to the extent possible Realtor exposure to fines, fees, and assessments from maintenance ordinances seeking to control neighborhood blight. In order to gain a measure of support from cities, CAR wants to amend the proposed legislation so that some pre-foreclosure expenses for property maintenance will survive the foreclosure process. It was approved in this committee and subsequently by the BOD to add the following:

That CAR modify its sponsored legislation regarding local government vacant property maintenance ordinances to:

- a) **Allow actual and reasonable local government nuisance abatement assessments to survive foreclosure.**
- b) **Require local government to publish a schedule of fees that may be recovered for services rendered to the property.**

The other areas for action came in discussion of the 2009 Legislative Analyst's Report on DRE effectiveness under the topic of "**DRE: Opportunities to Improve Consumer Protection**". Two items were referred to staff for presentation back to the Committee at the fall meeting.

- 1) **DRE increased fines and penalties*** - DRE fine schedules have not been adjusted since 1982. While DRE has not yet taken any action, the committee felt it best to be proactive in this area.
- 2) **DRE changing 4-year license to 2-year license*** - The LA Report cited the DRE four year renewal term as too long, exceeding most other states. It also noted that lawyers must renew yearly in CA as well as provide CE credits every three years. The DRE and public would therefore be better served if the term and the CE period were changed to every four years. Fees for bi-annual renewal were not mentioned by the DRE.

Transaction issues centered around POS requirements such as energy audits, toilet retrofits, and carbon monoxide detectors. All are being contested and when possible changed to 'date certain deadline' compliance horizons that will apply universally and not just at POS.