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Minutes

Government Affairs Committee

June 8, 2016 9:30 a.m.

Baymont Inn & Suites - Mandan

Present: Tricia Schlosser, chair; Phil Vanyo, vice-chair; Ben Schroeder, director liaison; Janel Buchholtz; Greg Larson; Vicki Roller; Mary Splichal; Arlene Volk; Ron Volk; Josh Boschee; Kevin Fisher; Bob Lee; Dewey Uhlir; Sharon Lunski; Mike Swartz; Delynn Weishaar; Vanessa Williams; Tate Cymbaluk.

Absent with prior notice: Dave Lanpher; Jack Kavaney; Theresa Halvorson; Paul Krabbenhoft; Ben Hanson.

Ex-officio: Tom Beadle; Thomas Kading; Scott Louser;

Absent: Ray Heck; Jamie McLean; Nate Anderson; Jerry Youngberg; Todd Fettig.

Guests: Lorrie Nantt; Nicole Schoeder; Barb Grande; Sue Heth; Dave Blumkin; Mary Shelkey-Miller; Lyn Dwyer; Mitzi Bestall; John Colter; Nancy Deichert; Deborah Nichols; Shane Cullen; Barb Lupo; Scott Breidenbach.

Presiding:	Tricia Schlosser, chair
Director Liaison:	Ben Schroeder
Staff liaison:	Nancy R. Willis, GAD

1. Tricia Schlosser, chair called the meeting to order and committee members and guests introduced themselves.
2. January 27, 2016 meeting minutes were approved. **M/S/C**
3. Schlosser introduced Debbie Kroshus, Burleigh County Recorder, who shared what the ND County Recorders Association is doing to comply with a legislative request to investigate setting a flat fee for recording documents and to include affected parties such as REALTORS, title companies, financial institutions, attorneys, etc. in the in this effort. Nancy Willis, NDAR GAD, had shared a proposal from the NDCRA in January, for a \$75 per document fee up to 30 pages and an additional \$30/pg. for documents with 31 or more pages. Kroshus said that after meeting several times with affected parties, recorders had concluded that the \$75 and additional \$30 proposed fees were too much of an increase from the current fee of \$10 for the first page and \$3 thereafter. Kroshus distributed a document outlining rationale for the increase, namely that salaries have increased but fees have not changed since 2001. In western ND documents have grown, so more is being done with less, and in areas where documents have lessened, there are fewer dollars to pay those increased salaries. Kroshus and the committee discussed the use of preservation funds, which raised the \$7 fee in 1993 to the \$10 fee that exists today by adding \$3 dollars per document for recorders to digitize documents. Some counties, like Burleigh, have a surplus of funds which they are reserving to update software and equipment.

Other counties, like Cass, have a deficit of preservation funds. Kroshus asked for NDAR's support for the legislative bill to increase fees, once everyone has agreed to an amount. She said more meetings, to which NDAR staff will be invited, will be held throughout the summer, until an amount agreeable to all is reached. The committee discussed the issue following Kroshus presentation. Concern was raised about the use of the preservation funds and committee members questioned at what point would all older documents be digitized and this fee could be used to cover additional expenses, rather than raising fees? No action was taken at this time as the final fee amount is yet to be determined.

4. Schlosser asked members to review a document clarifying the interaction between the state GAD and local boards/associations. Willis informed the committee that her job description is broad enough to allow her to provide services to local boards/associations within her current state role. Schlosser encouraged local boards/associations to avail themselves of Willis as a resource.
5. Schlosser reviewed the estimated costs to produce the "policy statement" postcard discussed at the January meeting. Willis recommended printing 3500 cards at a cost of \$653.70 for use at Legislative Impact Day, as well as to distribute to local boards/associations to use when participating in events such as home shows, etc. to promote REALTORS® and educate the public about NDAR. Ben Schroeder suggested making the postcard available electronically to allow distribution via e-mail. Committee members agreed to do both and approved the recommendation to print 3500 cards at a cost of \$653.70 **M/S/C**
6. Schlosser reviewed the language contained in Referred Measure 1 which will be on the June primary ballot. Willis said NDAR had chosen not to take a position on this issue during session because both sides of the issue have property rights' concerns. Willis informed the committee that the language in the ballot measure is the language now contained in statute, as this legislation passed last session, so voting yes means keeping the statute and voting no means removing the statute. Willis also told the committee that the ND Farm Bureau has filed a suit against the state of ND in court arguing that having any prohibition on corporate farming is a restraint of trade. Similar lawsuits have been brought in other states and have been successful. Joshua Boschee, committee member and state legislator, who served on the Agriculture Committee, clarified for committee members what is allowed or not regarding the ability for family members to form a limited liability corporation. Currently there is an exception for family members, but the definition of family members is limited.
7. Schlosser asked Willis to review the ND Interim Legislative Committees' Update in the packet. In the interest of time, Willis said she would just point out three areas of main interest for committee members.
 - 1) Rural water boards request to be allowed to use "quick take" in order to install pipelines and other equipment needed for providing water to rural water users. Currently they can use eminent domain. The difference is that with eminent domain compensation must be agreed to in advance. With "quick take" the take can take place and then compensation negotiated, which often results in the landowner going to court, which means additional expenses. Willis said she is following this closely and believes that based on our policy statement, we should be opposed.
 - 2) All committees with tax-related responsibilities are discussing the current property tax reduction. They all have committed to try to keep it in place and touch it as a last resort, but we will need to be cognizant of user fees and other avenues for increases in revenue to fund state budgets;
 - 3) Finally, the concern about the Fargo-Moorhead diversion project which continues to be delayed. Lawmakers are worried about continuing to hold on to appropriations, including some that have been brought forward from past years, given the current fiscal environment. They also are concerned about the Corps of Engineers' federal appropriation and whether this is safe if the project does not get going.
8. The committee heard from NAR committee members and reviewed minutes from NAR committee meetings in Washington D.C. in May. Highlights included: **Insurance Committee** – In the Senate, NAR is working to pass HR 2901 the Flood Insurance Market Parity and Modernization Act which encourages development of private market options in addition to the NFIP (it already passed in the House) and Scott Louser has been named to chair the Flood Insurance Work Group, which is working to address mitigation projects which could help keep flood insurance rates affordable. **Housing Opportunity Committee** – The committee passed a recommendation asking the NAR Board to pass a resolution supporting "housing first" efforts to end homelessness. Be aware that Housing Opportunity and Placemaking grants are available to address community projects that improve housing opportunity. **Real Property Valuation Committee** - NAR has sent a letter to HUD outlining concerns with the FHA Handbook and a letter to the Appraisal Qualifications Board asking for alternatives to be qualified besides a four-year degree. A new online Appraisal-specific Code of Ethics training is due to launch this summer. **State and Local Issues Policy Committee** – A representative from the National Apartment Association gave a presentation on emotional support animals and shared a toolkit available online. The committee recommended that NAR support encouraging states to support homebuyer savings account programs via legislation. A representative from the Oregon Association of REALTORS® said they are planning to bring a request to the

committee in November asking that a recommendation be made to the NAR Board to oppose “religious freedom” legislation that allows businesses to opt out of service to certain groups due to religious beliefs.

9. Willis informed the committee about the NAR Consumer Advocacy database that is available to states for Issues Mobilization and advocacy purposes. Requests have to go through the state and criteria have to be met to make the request from NAR. Willis said she had contacted NAR about using the database for a Call to Action in Cass County for the diversion project, but did not get a response from NAR and believes the turnaround time was too short for them to have made a decision. But staff will continue to be alert for opportunities to take advantage of this resource.
10. Karl Eckhart from NAR provided a federal update. A Call for Action will start on Monday, June 13 and run through July directed at the Senate and urging passage of HR 3700, which has passed in the House. The bill removes a burdensome and expensive FHA Condo approval process, reduces FHA restrictions on the number of condos available to homebuyers and permanently streamlines Rural Housing Service loan processing. Work continues on the National Flood Insurance Program reauthorization and related issues. Anything that is not taken up and acted upon by Congress by July will not be addressed until the new administration is in place, which has both advantages and disadvantages for NAR related issues.

There being no further business, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,

Nancy R. Willis, NDAR GAD