



North Dakota Association of REALTORS®

To advocate for the success of our members in partnership with our local Associations and the National Association of REALTORS®

## Minutes

### Government Affairs Committee

June 13, 2018

Hilton Garden Inn – Grand Forks

Present: Phil Vanyo, Chair; Dave Lanpher, Chair Elect; Tricia Schlosser, Past Chair; Jill Kjorstad, Director Liaison; Ninetta Wandler; Jamie McLean; Desiree Neether; Kristin Oban; Mary Shelkey Miller; Mary Splichal; Kevin Fisher; Deborah Nichols; Dewey Uhler; Dawid Boroski; Sharon Lunski; ND Sen. Scott Meyer; Mike Swartz; Shari Anhorn; Delynn Weishaar; Zach Rubin-McCarry, NAR, (by phone)

Absent with prior notice: Rochelle Eick; Greg Larson; Vicki Roller; Ron Volk; Nick Leavy; Tate Cymbaluk; Tom Beadle\*; Josh Boschee\*; Tom Kading\*; Scott Louser\*; Jim Roers\*; Steve Vetter\* (\*legislators/ex-officio)

Absent: Neal Messer; Trevor Schmitt; Todd Fettig; Donovan Gault; Gary Kramlich; Kallie Swanson

Guests: John Colter; Nancy Deichert; Mitzi Bestall; Amy Hullet; Jerry Youngberg; Dave Blumkin; Angie Mueller; Ben Schroeder; Vicky Matson; Ruth Ann Halvorson; Lisa Olson; Courtney Barstad Logan; Sandy Meyer; Kimberly Efta; Judy Maslowski; Emily Johnson; Chris Feickert; Barb Lupo; Tanya Keck; Scot Nething; Lore Schneider

Staff: Jill Beck, Nancy R. Willis

Presiding: Phil Vanyo, Chair  
Director Liaison: Jill Kjorstad, Vice President  
Staff Liaison: Nancy R. Willis, GAD

1. Phil Vanyo called the meeting to order at 2:05 pm, welcome and introductions were made.
2. Vanyo said the committee has reached 68% of the 100% RPAC investment goal and he hoped that this committee would be one of the first to reach 100%.
3. The minutes of the March 15, 2018 meeting were reviewed and approved. **M/S/C**
4. Vanyo called on Zack Rubin-McCarry, NAR Political Rep for Region 8, who had joined by phone, for the federal update. Rubin-McCarry said NAR's current priority is reauthorization of the National Flood Insurance Program (NFIP) and that a Call for Action would be coming out the next week. He said at this point with elections it looks like the most we can hope for is an extension, but NAR is hoping the extension will be longer than extensions have been in the past and we will continue to advocate for reauthorization. He said a water resources bill had passed by a large majority in the House. This bill provides funding for Corps of Engineers and other projects that are important to states. He also mentioned that NAR had participated in a DOJ and FTC workshop recently related to competition in the real estate industry. Rubin McCarry was asked about the status of health plans' regulations and said the comment period is closed but it will take another six months to see the final regulations. He also was asked

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about another NAR priority RESPA/TILA Harmonization. He said NAR continues to monitor issues related to the new rules and is advocating for a single reformed set of rules and initial disclosures that will improve the settlement process.

In response to a question about Rubin-McCarry's mention of a DOJ/FTC workshop, Willis explained that in 2008, the DOJ had reached a settlement agreement with NAR in an anti-trust lawsuit in which NAR had been refusing to provide listing data to competitors' websites. That agreement is why NAR has to provide the information to Zillow and other competitors today. The settlement is due to expire in November 2018 and the DOJ and FTC are seeking information to determine if the agreement needs to continue or if there is enough competition today in the marketplace that it is not needed. Willis said that it appeared that the panelists all felt that competition today is robust but other topics that arose that we will need to monitor were suggestions that MLS data be distributed publicly and freely and that more information about commissions be made public and that perhaps there should be a cap on commissions. Willis told members that if they go to NAR's website they can see highlights of the workshop and can go to the link which allows them to make comments to the FTC. NAR is hoping that the agreement will not be renewed.

5. Vanyo requested updates on possible 2019 Legislative issues:

- First Time Home Buyer Savings Accounts – Willis directed members to the draft bill in the committee packet and discussed the pros and cons of taking this request to the legislature in 2019. The current climate is to remove any current tax incentives other than economic development incentives that can be shown to have been successful. Sen. Scott Meyer also talked about the review of municipalities' budget constructions and a move to do away with or cap special assessments. Also included in the packet were a couple of scenarios describing how the tax exemption would work and a spreadsheet received from the ND Housing Finance Agency listing first-time homebuyers from 2015, 2016 and 2017 that had used NDHFA's first FirstHome program to fund the purchase of a home. After much discussion, the committee agreed that even if the benefit is minimal, with some changes to bill language, NDAR should pursue asking that this legislation be introduced. Sen. Meyer agreed. **M/S/C** Willis will work with our member legislators to revise the bill to change the first-time home buyer definition to match the NDHFA's and banks definitions (not having purchased in 3 years) and will explore with member legislators and Tax Department how more benefit could be accrued by others wanting to contribute to a first time home buyers' savings account.
- Pre- and Post-Licensing Requirements – this item was not on the agenda as both the committee and the board have approved for it to move forward, but Vanyo asked Kristin Oban, Task Force Chair, if there were any updates. She said that since our last meeting the NDREC also had approved these changes going forward. Willis said she will need to talk to Jeanne Prom, NDREC executive director, to determine how both the legislative changes and rules changes will move forward. In the past, when changes to century code or rules in the real estate arena have been requested, the NDREC has taken the lead and their attorney, Connie Hofland, has drafted the appropriate wording to be presented.
- Teams - Dave Lanpher, who is on the Teams Task Force, said the task force has met three times and in the committee packet is the language being suggested at this point in time. He said the task force plans to meet one last time to finalize recommendations. Lanpher then reviewed the language with committee members on team definition and team name and there was consensus. When the language for tracking teams was reviewed there was much discussion about addressing "team leaders" or not and what their role should be. Team members agreed to have further discussion on this issue.

Consensus also existed after reviewing the language for broker/team relationship and advertising/promotion and marketing. The task force was suggesting a clarification and definition of the current requirement that brokerage name be “prominently displayed”, but Sandy Meyer, NDREC Commissioner, said the commission already had agreed to a definition going forward. Finally, much discussion ensued when Lanpher said that at the last meeting the task force planned to discuss appointed agency and dual agency as it relates to teams. Someone suggested a separate licensure for teams to address this, while others felt that this would establish a brokerage within a brokerage, which is what regulation of teams is working to prevent. So more to come after the teams task force has met again.

- Property Condition Disclosure – Vanyo asked Ben Schroeder, NDAR President, for an update on this issue. Schroeder said he is in the process of establishing a Presidential Advisory Group (PAG) to work with Rep. Louser, REALTOR® member and proponent of the legislation to bring back a recommendation to the committee and the Board.
6. Vanyo asked Willis to report on NAR’s Policy on Association Territorial Jurisdiction for Advocacy. Willis directed members to the information in their packet. NAR has developed a policy to ensure that boards cannot fundraise for RPAC or ISSUES in another board’s jurisdictional area without permission from the other board. This has not been an issue in ND but apparently had become a contentious issue in some areas of the country. NAR will assess penalties if, despite the prohibition in the policy, a board does this. They will not be able to apply for grants or assistance from NAR for a period of time, depending on how serious the infraction has been.
  7. On Legislative Impact Day, Vanyo said that staff simply wanted to know how effective having booths had been at the 2017 Legislative Impact Day and whether or not boards wanted to do again. Consensus seemed to be that having one booth manned by all would be preferable to having individual board booths but more discussion will be had in the future. Willis reminded everyone that the 2019 date is February 5, 2019.
  8. Committee members reviewed the Public Policy Statement for any updates and no updates were proposed so the Public Policy Statement was approved for another two years as presented. **M/S/C**
  9. Vanyo asked Willis to give an update on legislative interim committee activities. Willis said the comments about removing tax exemptions and caps or removal of special assessments that were made earlier were the main updates from the interim taxation committee. She directed members to the letter in the packet from Bob Harms about a possible coalition related to a draft mitigation plan from ND Game and Fish related to siting of wind turbines in a wind farm. Willis referred to a concern that NDGF had pressured a wind farm developer to pay an environmental organization, which turned out to be Ducks Unlimited, a half a million dollars for mitigation prior to completing the draft plan and receiving approval of the draft plan from the legislature with comment and input from interested parties. Willis said we have not been formally asked to join the coalition, but are being informed that when it is created we will be asked whether or not we want to participate.

There being no further business, the meeting was adjourned at 4:15 p.m.

Respectfully submitted,

Nancy R. Willis, GAD