



Commercial Legislative UPDATE

A **REALTOR**[®] Commercial Alliance Publication

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In New Jersey, fee-splitting remains an open question. In Minnesota, Management Companies receive exception in debt collection case.

Victory: Civil Asset Forfeiture bill signed into law!

In April, the “Civil Asset Forfeiture Reform Act” (H.R. 1658) was signed into law by President Clinton. The major components of the bill

1. create an innocent owner defense;
2. place the burden of proof on the government by a preponderance of the evidence;
3. eliminate the cost-bond requirement;
4. allow for appointment of counsel for indigents;
5. allow for recovery of attorney’s fees;
6. extend the time allowed to file a claim to 30 days;
7. allow the property to be returned to the owner pending final disposition, if hardship would otherwise result;
8. allow property owners to sue for damage or negligence to the property.

In an official statement, NAR President Dennis R. Cronk (www.denniscronk.com), called the new law “a true victory for real estate owners nationwide,” saying it provides “key protections to innocent owners who have no knowledge of the use of their property for illegal drug activities, or those who have made reasonable efforts to stop the use of their property for such activities”



Progress on risk-based capital standards

Last year, the Basel Committee on Banking Supervision—an international group representing the world's 10 largest industrialized countries in their effort to provide international banking standards that are based on risk and applied consistently across the globe—released a Consultative Paper suggesting that international risk-based capital standards are in conflict with existing standards. The “Basel Accord” included a provision assigning a 20% risk-weight for all AAA securities. These recommendations represented a tremendous boon for commercial real estate practitioners because, if adopted, pension funds could offer a greater variety of Commercial Mortgage-Backed Securities (CMBS), which are the lifeblood of the commercial mortgage industry.

Recently, FDIC and other controlling agency boards approved a rule that would result in a reduction of the risk-weight for AAA real estate securities from the current 100% to 20%. The move would make real estate securities a much more profitable investment for domestic banks. NAR continues to work in concert with the Capital Consortium* to convince domestic bank regulatory groups to adopt a similar rule.

**The Capital Consortium—the NATIONAL ASSOCIATION OF REALTORS®, the Mortgage Bankers Association of America, the National Realty Committee, the Bond Market Association, and the Commercial Real Estate Secondary Market and Securitization Association—was formed in 1992 to champion development of a liquid secondary market for CMBS.*

IRS proposal would discourage FASIT structure

NAR is working with Capital Consortium members and others to oppose a proposed rule recently published by the Internal Revenue Service affecting Financial Asset Securitization Investment Trusts (FASIT). The IRS proposal could cause commercial real estate loans to be combined with other debt instruments to create securities that are safer and more marketable to investors than traditional CMBS.

On August 20, 1996, the first legislation related to FASIT was signed into law as part of the Small Business Job Protection Act. The new law created a method for securitizing a broad range of debt instruments with substantial tax advantages over earlier vehicles. The FASIT structure enabled underwriters to issue CMBS and similar securities far more efficiently and effectively by allowing them to add and change assets within a trust after that trust is established. Real estate and non-real estate debt instruments could be combined in the same trust. The lack of official IRS regulatory comment on FASITs from the Treasury Department, however, has generally discouraged widespread use of the structure.

The proposed IRS rule does not benefit NAR commercial members because it is very restrictive and, if enacted, will further discourage the FASITs as a practical device. The FASIT structure improves commercial loan market liquidity and reduces financial institution exposure to real estate risks.

NAR Positions on Current FINANCE & Investment Issues

Working to improve ADA complaint process

As currently written, the Americans with Disabilities Act (ADA) lacks complaint processing procedures, often leaving business owners without real understanding of compliance measures. NAR staff is working with representatives of other business organizations and Rep. Mark Foley (R-FL) on draft legislation to remedy the situation. What is proposed is that, before a court has jurisdiction over any legal action, a complainant must inform a business of an alleged violation, and the business must be given 90 days to correct the problem or face litigation.

Expressing concern over proposed standards for premises security

Reacting to a “notice of intent to proceed” from the National Fire Protection Association for the development of standards relating to premise security both commercial and residential properties, NAR has sent a formal response to the NFPA outlining its concerns, and requesting that it not go forward with this effort. Believing universal security standards leave property owners who do not strictly comply open to liability, NAR states:

- That the NFPA has no standing in this area because security is outside its expressed mission to “promote fire protection and prevention, electrical safety, and other related safety goals.”
- That there is no standard that would appropriately fit all types of properties.
- That security guidelines must be flexible to meet differing property needs, and that owners in the competitive real estate marketplace are best suited to develop these standards for their own individual properties.

Questioning new consumer privacy provisions

Last year, Congress adopted the Gramm-Leach-Bliley Act, freeing banks, securities firms, and insurance companies to affiliate and enter each other's businesses, with certain limitations. NAR has submitted comments to the Federal Trade Commission about a proposed regulation implementing the consumer financial information privacy provisions of the Act, arguing:

- That the new financial services law was not intended to regulate real estate companies and practitioners, but rather to regulate the consumer privacy activities of financial services holding conglomerates,
- That real estate professionals who are not affiliated with financial services providers should be exempted from the proposed regulation, and
- That a broadly applicable privacy regulation would force real estate practitioners to establish new consumer information privacy policy, disclose it and follow up on an annual basis with their clients, a duplication of privacy protections mandated by existing state law and regulations, and the professional standards and Code of Ethics provided for REALTOR® by NAR and its affiliated organizations.

House approves estate tax phase-out bill

The House has approved a phaseout of estate taxes, an NAR priority, but the legislation faces an uncertain future because of a threatened presidential veto. The bill, H.R. 8, calls for a reduction in tax rates over a 10-year period. The tax (also known as the death tax) would be fully repealed after 2009. The method for phasing out the tax is to gradually reduce the rates and eliminate the highest tax brackets. During the phase-out period, the amount of the non-taxable portion of an estate would gradually increase to over \$1 million. After the repeal is complete, estates over \$2 million would be subject to what is called "carry over basis." Individuals who inherit assets from these large estates would be required to value the assets at the same basis as the decedent, rather than to take a new, stepped-up basis. Under current law, all assets in an estate are transferred to the heirs at their fair market value at the time of the decedent's death. Under the bill, introduced by the House Ways and Means Committee, this stepped-up treatment would be available only to smaller estates. President Clinton has said he would accept an alternative plan that would reduce estate tax rates and exempt the first \$4 million of an estate for farms and closely held businesses up from \$1.3 million. No companion bill has been introduced in the Senate.



New tax provisions in bipartisan initiative

In a joint statement issued on May 23, 2000, President Clinton and Speaker of the House Dennis Hastert (R-IL) announced agreement on a "New Markets and Renewal Communities Initiative" which contains a number of tax provisions. The goal of this legislation is to promote job creation by private sector firms. Here is a summary of provisions that would affect REALTORS®:

1. **Renewal Communities:** Creates 40 Renewal Communities, at least 20% of which must be located in rural areas. Qualifying Renewal Communities must have high poverty rates and local commitment to reduce local regulations, zoning restrictions, and tax rates.
2. **Zero Capital Gains Rate:** Individuals would pay no capital gains taxes on the sale of Renewal Community business or business assets held for more than five years.
3. **Increased Expensing for Small Business:** Small businesses located in a Renewal Community would be eligible to expense (i.e., deduct immediately rather than depreciate over time) up to \$35,000 more in equipment than they are able to expense under current law.
4. **Employment Wage Credit:** A business located in a Renewal Community would be eligible for a 15% wage credit (up to \$3,000) for each community resident it employs.
5. **Brownfields:** Like business located in an empowerment zone, a business located in a Renewal Community would be eligible to expense certain environmental remediation costs.
6. **Commercial Revitalization Deductions:** A special deduction would be available to taxpayers that rehabilitate or revitalize buildings located in a Renewal Community.
7. **America's Private Investment Companies:** APICs would be privately managed, for-profit investment companies, licensed by HUD for the purpose of making equity and debt investments for large-scale projects, such as shopping centers and manufacturing facilities, that locate in distressed urban and rural areas.
8. **New Market Tax Credit:** Taxpayers who invest in certain community development entities that make investments and loans in low income areas would receive a tax credit designed to offset the costs of their investment.
9. **New Markets Venture Capital:** The Small Business Administration (SBA) would be able to license up to 20 new NMVC firms and allow current SBICs and SSBICs to issue government guaranteed debentures of up to \$10 million for small business equity investment in distressed areas.



NAR monitors IRS depreciation study

In anticipation of a Treasury Department study on the depreciation system, NAR and other major real estate organizations have engaged Deloitte and Touche to do a study of real estate depreciation, and to determine what a correct economic depreciation rate would be. NAR, the Deloitte economists, and representatives from other real estate industry groups have met with Treasury Department economists to explore what issues should be covered in the study. At the same time, Deloitte presented its preliminary findings. Treasury officials did not comment, but there seemed to be consensus that the current 39-year life did not reflect economic reality. Preliminary findings from Deloitte are consistent with a study released in 1999 by the Congressional Research Service that concluded current depreciation rules are the harshest on real estate since the 1950s, and urged a substantial reduction of

the 39-year life. The Treasury Department is still working on the report and has not predicted when it would be completed.

Senate Bankruptcy Bill delayed by debate

Minimum wage and small-business-tax-relief legislation remain tangled up with the Senate bankruptcy bill. Although Senate leaders have reached agreement on how to separate the issues and proceed to a vote, they have not been successful in getting agreement from their members. There are objections to certain features of the bankruptcy bill, not with the tax issues. While debate continues, tax legislation, including repeal of seller financing limitations, mortgage cancellation relief, expansion of the health insurance deduction, reduction of the estate tax, and increase in the low-income housing credit, cannot come to a vote.

NAR view of “Fair Tax” proposal

NAR Public Policy Coordinating Committee Chairman Scott Rooth, a member of the Tax Reform Working Group, testified before the House Ways and Means Committee regarding a plan advanced by Americans for Fair Taxation. The proposal would replace the federal income tax system with a national sales tax that would include a 30% sales tax on the purchase of a new home. Saying that NAR had not developed a formal policy on this proposal, Mr. Rooth expressed grave reservations about any tax plan that would impose a tax on the purchase of a home. He said that informal economic analysis by NAR had shown the imposition of a sales tax causes the value of homes to decline. He pointed out the added burden of such a tax—particularly for first-time homebuyers—on closing costs. He also expressed NAR concerns about other proposals, such as the imposition of a “Fair Tax” on rent and on commissions paid to REALTORS®. The unusually long hour and a half question and answer session following Mr. Rooth’s testimony was a demonstration of the concern of committee members over the impact of these proposed taxes on real estate. Tax reform legislation is not expected to move forward this year.

Working Group to recommend policy on Internet taxes

The NAR Internet Taxation Working Group is studying the effects of Internet-related tax issues on REALTORS® and real estate. Although the main and immediate concerns relate to state and local tax issues—such as whether state and local governments can impose sales taxes on Internet / e-commerce transactions—there is an overlap with some key Federal tax issues. The Working Group has reached consensus that NAR should support a “level playing field” for the imposition of state and local sales taxes on both traditional and remote (including Internet) purchases.

House Subcommittee examines accounting procedures

The Oversight Subcommittee of the House Ways and Means Committee held hearings on legislation that would repeal the limitations to the installment method and seller financing that was enacted late last year. While Treasury did not support the legislation, recent statements could provide significant simplification for some small businesses, including small real estate businesses. Any business entity (S corporation, C corporation, partnership, or proprietorship) with less than \$1 million in average gross receipts would be permitted to use the cash method of accounting and income reporting. The \$1 million figure would be computed using the average of the previous three years’ receipts. Although a business could still choose to use the accrual method, these smaller entities could automatically qualify for the cash method. Use of the cash method of accounting would permit them to utilize the installment method for reporting seller-financing arrangements. Committee members urged Treasury to raise the proposed \$1 million cap to a higher amount.

Electronic Signature Becomes Law

President Clinton has signed into law the “Electronic Signatures in Global and National Commerce Act” (S. 761). The new law simplifies the real estate transaction by allowing two parties to treat electronic signatures with the same legal standing as “pen and ink” versions. It also establishes the legal validity of electronic records, and includes protections that ensure consumers who wish to conduct business using the traditional pen and paper method may continue to do so. The Electronic Signatures law provides the legal certainty and national uniformity necessary for consumers and businesses to:

- Contract electronically for the purchase of goods and services, as well as the sale and lease of real property;
- Process mortgage loan transactions electronically;
- Receive related state and federal disclosures online;
- Transfer promissory notes electronically
- Notarize transactions electronically; and
- Obtain and maintain electronic records of transactions.



Cronk Participates in Technology Roundtable

In a Congressional Technology Roundtable at the Comdex / Spring 2000 Technology Conference (over 80,000 attendees) NAR President Dennis Cronk joined representatives of technology companies and several members of Congress to discuss issues related to technology. Topics ranged from Internet taxation and database protection, to the "digital divide," and privacy of personal information on the Internet. The event was simulcast on the TechIssues.net Internet Web site, and was taped for later coverage on C-SPAN. NAR sponsored a private VIP reception after the event to continue the dialog with congressional attendees and other industry representatives.



NAR Supports Antipiracy Legislation

In a meeting at the White House, NAR and its fellow members in the E-Commerce Coalition—EBay, the Software Information Association, the Newspaper Association, and the Coalition Against Database Piracy—encouraged the release of a letter supporting the House "Collections of Information Antipiracy Act." The White House assured the group it would revisit this issue. The Coalition also met with House Commerce Committee staff to discuss how database piracy affects Internet companies like EBay. NAR urged staff to take another look at amendatory language it had provided for the E-Commerce bill, and to meet with the Judiciary Committee to negotiate a compromise.

Congressional Internet Caucus looks at Internet regulatory needs

Prevention of theft of MLS information from REALTOR® databases was one of the areas cited by the Congressional Internet Caucus as needing attention. The Caucus is a bipartisan group of House and Senate members who are working to educate their colleagues about the Internet and its uses. Caucus members, aware that as the Internet becomes more pervasive, any legislative or regulatory action should be carefully considered so as not to inhibit its growth. NAR is a sponsor of the Internet Education Foundation, which supports the Caucus.

House Votes to extend Internet tax moratorium

The "Internet Nondiscrimination Act," passed by a large margin in the House, will extend the existing moratorium on Internet access taxes for five years. It will also eliminate a grandfather provision under which 10 states had continued to charge sales taxes on access charges. Consistent with the policy recommendation to be made by the NAR Internet Tax Working Group, the House approved a non-binding resolution encouraging states to work together to simplify sales and use tax systems to ease collections by remote sellers. Simplification of the state sales tax systems is a prerequisite to establishing a level playing field for both Internet and traditional bricks-and-mortar purchases. The NAR view is that the sales tax issue should be recognized as a state funding issue.

Database protection compromise

The staffs of the House Commerce and Judiciary Committees have begun deliberations on a compromise version of database protection legislation. During congressional visits last week, REALTORS® emphasized that database protection legislation is NAR's highest legislative priority. NAR has provided language to staff and Members involved in the negotiations that would protect real estate listings against database pirates. In addition, NAR has used print advertisements in Washington, DC, to urge completion and passage of this important legislation.

NAR and IREM monitor unrestricted access proposals

NAR and IREM, as part of the Real Access Alliance, a coalition of real estate industry groups, are monitoring federal and state proposals that would permit unrestricted access to private buildings for installation and maintenance of equipment by telecommunications providers. The Federal Communications Commission has not yet acted on a July 7, 1999 proposed rule. Congressional action appears to have stalled. NAR and IREM are continuing to meet with key Members of Congress and the FCC about the negative effects such measures would have on private property owners and competition in the marketplace.

House passes CARA

The "Conservation and Reinvestment Act" (CARA) was overwhelmingly approved by the House of Representatives in a bipartisan vote. The Act will:

1. distribute a portion of the revenues to states with the most off-shore drilling activities,
2. ensure permanent funding for the Land and Water Conservation Fund (LWCF) that would include both the federal land acquisition program and the state matching grant program, and
3. provide funding for a variety of open-space acquisition and recreation programs.

CARA will now be sent to the Senate for consideration, where NAR will continue to emphasize the importance of property rights and to work to ensure that the final bill includes sufficient property rights protection.





Board of Directors approves Land Use and Flood Insurance policies

During NAR's Midyear Meetings, the Board of Directors approved, as amended, two policy statements adopted by the Land Use, Property Rights and Environment Committee. The Land Use policy statement expresses NAR's support for the primacy of local governments in growth management as well as for local/regional cooperative planning. These two concepts were important themes in the Principles and Objectives of NAR's Smart Growth PAG Report. The Flood Insurance policy statement expresses support for the imposition of full-risk flood insurance premiums on repetitive loss structures which have declined a reasonable offer of mitigation funding from FEMA, except in states which have been granted a federal exemption. The policy also directs NAR staff to work with FEMA to develop a funding plan for updating and modernizing the FEMA flood hazard mapping system.

NAR launches Brownfields Issue Advocacy Campaign

NAR launched an Issue Advocacy Campaign on Brownfields in April. The initiative supports the Association's legislative strategic plan, which was developed to assist its grassroots network and federal lobbying activities on priority legislative and regulatory issues. NAR's immediate focus is to ensure the passage of favorable Brownfields legislation in the 106th Congress. The Brownfields initiative follows the Database Protection Issue Advocacy Campaign that began earlier in the year.

Corps of Engineers proposes new Wetlands regulations

The Army Corps of Engineers has proposed new regulations that would further restrict development in Wetlands. The proposed rules would be especially detrimental to the regulated community, specifically to homebuilders, developers, and mining operators. Some changes will have far-reaching economic and environmental implications for the regulated community. The maximum acreage limit under the new and modified Nationwide Permits (NWP) system would be one-half acre, down from the previous maximum of three acres. Most NWPs would require that the Corps be notified of activities impacting more than one-tenth of an acre, down from the previous requirement of more than one-third of an acre. In addition, the proposed regulations would prohibit the use of NWPs in three areas: **1)** the 100-year floodplain, as determined by FEMA floodplain maps; **2)** in Wetlands adjacent to critical resource waters; and **3)** in Wetlands adjacent to impaired waters, as determined by the EPA. Passage of the regulations as proposed would mean that hundreds of activities previously authorized under the streamlined NWP system would require individual permits, making the process more difficult, expensive and time-consuming. NAR had commented on the proposed regulations, has worked closely with two coalitions to delay and lessen the impact of the regulations on the real estate industry, and is working to educate Congress regarding its concerns about these regulations.

As a follow-up to the Senate Subcommittee on Clean Air, Wetlands, Private Property and Nuclear Safety hearing regarding the new regulations, NAR and other real estate group members of the Coalition on Permitting Efficiency (COPE), met with the Subcommittee staff director. The director indicated the subcommittee will **1)** conduct a second Corps oversight hearing sometime this summer to further discuss the new regulations, as well as proposed upcoming rulemakings the Corps has proposed; **2)** try to attach an amendment to the FY 2001 Army Corps appropriations bill to require the Corps to track certain types of data that is helpful to the regulated community; and **3)** circulate a Dear Colleague letter from Senator Jim Inhofe (R-OK) detailing concerns about the new wetlands regulations and upcoming proposed rulemakings.

NAR supports House Natural Disaster Insurance bill

A recent report by the U.S. General Accounting Office concluded that a natural disaster greater than a 1-in-100-year event could result in a large number of insurer insolvencies. The report noted the importance not only of the claims-paying capacity of insurance companies, but also the maintenance of functioning insurance markets in the aftermath of a major catastrophe. This could create a scarcity of homeowner's insurance coverage for real estate consumers. At a hearing held by the Senate Commerce, Science and Transportation Committee on the "Natural Disaster Protection and Insurance Act," NAR submitted a statement for the record in support of the bill, and distributed a letter of support to Committee members. It is anticipated that the Senate Commerce Committee will consider the bill after the House completes action.

NAR and IREM concerned over lead-based paint renovation materials

NAR and IREM staff met with Environmental Protection Agency staff to discuss concerns with the federal regulation requiring the dissemination of lead-based paint renovation materials prior to commencement of renovation activities in pre-1978 housing. They expressed the Association's concern that the regulation presents serious compliance difficulties for multi-family property owners, particularly in situations where the staff of property owners / managers perform repair work. NAR and IREM will continue to communicate and meet with the EPA, and with members of Congress to address these concerns.

Senate reviews Land and Water Conservation Fund

The Senate Environment and Public Works Committee held a hearing in May to examine the Senate Land and Water Conservation Fund (LWCF) bills: the "Conservation and Reinvestment Act of 1999," the "Conservation and Stewardship Act," and the "Conservation and Reinvestment Act of 2000." Some Senators on the panel had questions about the "trust fund" approach of the legislation, as well as concerns about property rights. Action on the bills is scheduled for mid-June along with an amendment that would limit the amount of private land the federal government could acquire in states where 25 percent or more of the land is federally owned. Additionally, when the government purchases 100 acres or more, it would be required to sell back into private ownership land of equal value in the same state. NAR is continuing to work to ensure that adequate private property rights protections will be part of any final LWCF legislation.



NAR Smart Growth Initiative goes public

At the Midyear Meetings in Washington, DC, the NAR Board of Directors approved an implementation plan and financial resources for several programs designed to strengthen the REALTOR® Association's involvement in Smart Growth issues. The new action plan will lay the groundwork for NAR support of state and local REALTOR® Associations as they participate in growth management debates. The plan includes \$2.73 million for development of

- A growth management issues training program
- A national, state and local public opinion survey program
- A REALTOR® advocacy publication on land-use issues
- A "quality of life" federal lobbying and communications strategy
- A growth management research capacity and land-use information clearinghouse
- A partnership with private and public official groups on land-use issues
- A long-term plan for an NAR land-use initiative program
- A program to provide customized state smart growth legislation, and
- A clearinghouse of information to assist REALTOR® Associations in identifying their government affairs representation needs.

At a national news conference, NAR President Dennis Cronk, Chairman Ron Myles of the NAR Smart Growth Work Group, and Gene Ulm for Public Opinion Strategies unveiled the new NAR initiative on growth management. All media were given a new booklet, "Meeting the Challenge of Change: A Blueprint for REALTOR® Action," a news release, a Frequently Asked Questions sheet, and results from a public opinion survey on growth issues. To see a streaming video of the news conference, get the handouts, add your comments in a discussion group, and have your questions answered on-line, go to www.OneRealtorPlace.com/RPACWeb.nsf/pages/smartgrowth.



Make your contribution online at new RPAC Web site

When you make an online contribution at the new RPAC Web site (www.onerealtorplace.com/rpacweb.nsf), 70% of your contribution is rebated to your state. At the site, you will find a map of the U.S. Click on any state to see a list of RPAC Life Members and Golden Rs. The new site, still evolving, will eventually list all contributors to RPAC. Other information available at the RPAC site includes monthly State Performance Reports, RPAC disbursements, and Sweepstakes materials. By the end of April, RPAC had raised nearly a million dollars, 53% more than the same time last year. Personal contributions were up 14%, and corporate contributions were up 247%.

WANTED

Commercial Subject Matter Experts

The NAR Government Affairs division is forming a pool of subject matter experts on Brownfields, Depreciation, Wetlands, Telecommunications Access, and Accessibility (building codes). If you have subject matter expertise in these areas and would be willing to give testimony or provide knowledgeable input from the commercial perspective, e-mail us at comercialrealstate@realtors.org, or call us at 312/329-8611.



Commercial Investment Real Estate Institute (CCIM)

Grassroots efforts to defeat telecommunications forced access legislation is bearing fruit. CIREI Chapters were instrumental in getting legislation defeated in Kansas and Tennessee. Similar legislation has been slowed in Oklahoma, although the threat of amended legislation remains in that state despite the efforts of the CIREI Chapter working with a strong real estate coalition there. A similar effort has been mounted in New York, where the forced access legislation threat is high. If your state has introduced telecommunications forced access legislation, contact Chere' LaRose-Senne, at clarose@irem.org or at (312) 329-6033

Counselors of Real Estate (CRE)

CRE, CCIM, and NAR have jointly submitted commentary on proposed changes to the Uniform Standards of Professional Appraisal Practice (USPAP). Based on member review of the proposed changes, the commentary expressed opposition to language or definitions in the Appraisal Standards Board (ASB) Exposure Draft that would negatively affect typical business activities of real estate professionals or that might require them to have another license. NAR testified before the Appraisal Standards Board (ASB) hearing in April. The ASB released a second Exposure Draft in early May. We will remain closely involved in the evolution of proposed changes to USPAP. For a review copy of the new draft and to submit comments, contact Chere' LaRose-Senne at clarose@irem.org or at (312) 329-6033.

The REALTORS® Land Institute (ALC)

The RLI Legislative Committee has established as ALC legislative priorities support of the NAR effort to shorten depreciable lives of assets and to lower rates of recapture of cost recovery, and in its Smart Growth Initiative; passage of the "Water Pollution Program Improvement Act of 2000" in the U.S. House, and its companion bill in the Senate; abolition of the federal Uniform Gift and Death Tax; and modified water conservation measures.

Institute of Real Estate Management (CPM)

Attendees at the annual IREM Asset Management Symposium heard that some of the best investments of 2000 area undervalued REITs, Class B office and warehouses in major markets, and in-fill neighborhood centers. Although current stock market conditions may make it difficult for REITs to grow by issuing equity, it was predicted REITs and other public entities will continue to expand their share of real estate ownership, and that many REITs are entering into joint ventures with public and private corporations. At the same time, the sustainable growth rates for REITs was said to be unlikely to reach the heady levels of the mid-1990s.

Society of Industrial and Office REALTORS® (S.I.O.R.)

REALCOMM, the recent technology conference co-sponsored by S.I.O.R. and the Jameson Group in Dallas, TX, was very successful, drawing more than 2500 attendees.

Pamela Hinton was recently named as the new executive vice president of S.I.O.R., after serving in many capacities in her 18 years with the Society, most recently as vice president.

Go to www.onerealtorplace.com for a complete listing of NAR legislative and regulatory initiatives. To find an online version of this UPDATE, go to www.commercialsources.com.

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