

Outer Banks Association of REALTORS®

2007 Legislative Policy Statement

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OUTER BANKS ASSOCIATION OF REALTORS®, Inc. STATEMENT OF POLICY

The Outer Banks Association of Realtors is a professional organization representing over 1,100 dedicated real estate practitioners in the Outer Banks region and is affiliated with the North Carolina Association of Realtors and the National Association of Realtors. The Outer Banks Association of Realtors is dedicated to fostering a proactive relationship with local and state legislative leaders and to be the leading advocate of the real estate industry, private property rights and the issues that most affect the members' ability to serve the public with competency, integrity and professionalism.

In support of this mission, members of the OBAR Legislative Committee developed a guiding philosophy on five key issues that affect the communities where Outer Banks REALTORS® live and work:

- REALTORS® are dedicated to preserving the integrity of our natural resources while protecting property rights and placing home ownership within reach of all who desire it. The widespread ownership of real property positively impacts neighborhoods, communities and the Outer Banks economic stability.
- REALTORS® support growth policies which encourage new and diverse housing opportunities, economic development and the necessary education, transportation, and communications infrastructure while protecting the quality of life that has made the Outer Banks a desirable place to visit and live.
- REALTORS® support Fair Housing Law and believe that equal opportunity in housing can best be achieved not only through observance of the law but through education and mutual cooperation of the real estate industry and the public in a free and open housing market. The “dream of home ownership” should be an achievable goal that is affordable for us all.
- REALTORS® support sound fiscal government policy and the generation of broad-based general tax revenues to meet the cost of necessary government services to provide for individual and community needs which cannot be provided by individuals or private organizations.
- REALTORS® oppose the imposition of narrow-focused fees and taxes such as impact fees, voluntary mitigation fees and other “hidden taxes” that increase the cost of housing and reduce opportunities for home ownership.

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ENVIRONMENT

The Outer Banks Association of REALTORS®, Inc. is a strong advocate of a clean environment. Clean soil and safe water are elements that will assure continued growth and prosperity throughout the State.

The Outer Banks Association of REALTORS®, Inc. supports efforts to guarantee a clean and stable environment for all to use and enjoy. However, we believe that these efforts must be reasonable and fair to property owners and the community at large. The real estate industry and the environmental community must work hand in hand on resolving these issues.

ENVIRONMENTAL ISSUE

STORMWATER MANAGEMENT REGULATIONS

ISSUE: EPA and state regulations require certain localities to control the water quality impact of their stormwater discharges. As a result of this burden being passed on to local governments with no funding, all property owners may be unfairly burdened and forced to pay their “fair share” of the cost in the form of a new fee. Local governments have some flexibility in meeting this mandate.

Various approaches have developed. In some locations, the program has been closely integrated with existing water and wastewater services. But in others, there is a danger of entirely new bureaucracies being created. Sometimes billing on this new fee is combined with existing fees, and sometimes it is separate.

POSITION: REALTORS® support responsible stormwater control programs. However, each locality should:

- 1) Strive to keep the fees reasonable, fair and broad based
- 2) Avoid the creation of new bureaucracies and expensive separate billing systems
- 3) Strictly dedicate the revenue to the storm water control program and review the fee structure regularly
- 4) Seek a regional approach when practical
- 5) Establish a credit policy for commercial/industrial property owners who are in compliance with existing code, employ acceptable BMPs (Best Management Practices), and perform routine maintenance on their stormwater control systems.

The Outer Banks Association of REALTORS®, Inc. will continue to monitor stormwater management legislation and regulations and seek to apply the principles listed above.

ENVIRONMENTAL ISSUE
WATER QUALITY

ISSUE: The Atlantic Ocean and North Carolina's streams, rivers, sounds and lakes are being damaged by polluters and in some instances water quality is exacerbated by decreased water flow.

POSITION: The Outer Banks Association of REALTORS®, Inc. supports programs to encourage property owners to protect North Carolina waterways and supports efforts to improve water flow within our state's waterways. The Outer Banks Association of REALTORS®, Inc. is committed to preserving the environmental integrity of our natural resources while protecting and maintaining the private property rights of our citizens.

ENVIRONMENTAL ISSUE
PRIVATE PROPERTY RIGHTS

ISSUE: As public pressure mounts to reduce the regulatory burdens on private citizens, the Outer Banks should seize this opportunity to protect its citizens from state and federal encroachments on the use of private property.

The Fifth Amendment of the U. S. Constitution states that private property shall not be taken for public use "without just compensation". The taking issue is the linchpin of a grassroots private property rights movement that has emerged and spread throughout the country in the past few years. In both the courts and legislatures, REALTORS® and other concerned citizens are challenging wetlands preservation, coastal protection, historic preservation, endangered species protection, growth management plans, and land use planning and zoning laws as overzealous governmental intrusions upon individual private property rights.

POSITION: The Outer Banks Association of REALTORS®, Inc. strongly supports positive and reasonable Federal, State and local private property rights legislation.

ENVIRONMENTAL ISSUE
BEACH NOURISHMENT

ISSUE: The quality of our beaches impacts our economic prosperity. Our beaches are threatened by erosion affecting wildlife nesting habitats, public infrastructure and private property. Our beaches are also threatened by funding cuts and policy changes by the Federal governments.

Many Outer Banks citizens call the oceanfront home while thousands more residents and non-residents own beach cottages and businesses. The Outer Banks beaches are public and provide a range of affordable recreation opportunities. Each year, millions of people visit the Outer Banks beaches which generate an annual economic impact in the hundreds of millions.

POSITION: The Outer Banks Association of REALTORS®, encourages government action to fund, educate and advocate for effective Federal, State and Local policy, and facilitate environmentally sound scientific and engineering solutions for the preservation and protection of the Outer Banks beaches.

ENVIRONMENTAL ISSUE **TREE ORDINANCES**

ISSUE: Municipalities are imposing strict tree ordinances.

These intrusive ordinances come in varying forms. Some cover strictly commercial development while others pertain to both commercial and residential development. Many homeowners must get government permission before cutting trees on their own property. Tree ordinances increase the cost of housing, add more government, and increase restrictions on private property rights.

POSITION: The Outer Banks Association of REALTORS®, Inc. opposes efforts to create strict tree ordinances in municipalities of the Outer Banks, and also discourages those local governments from “borrowing” regulations from neighboring jurisdictions without considering the unique ecological, climatic and topographic conditions of their jurisdiction.

FISCAL RESPONSIBILITY

The Outer Banks Association of REALTORS®, Inc. believes in sound fiscal management in the form of expenditure controls coupled with selective tax reform.

The Outer Banks Association of REALTORS®, Inc. recognizes that no one segment of industry, business, or property owners, should be saddled with additional tax burdens. The Association pledges to work diligently with state and local officials on alternatives to property tax increases or real estate related taxes.

FISCAL RESPONSIBILITY ISSUE **REGIONAL COOPERATION BY LOCAL GOVERNMENTS**

ISSUE Cooperation throughout the Outer Banks communities can provide essential services to citizens at a reduced cost by eliminating duplication of effort and bureaucracy.

It is often wasteful and inefficient for each local government to maintain separate facilities and duplicate services. Individual services, and in some cases entire localities, can be consolidated and reduce the pressure on the taxpayer’s pocketbooks.

POSITION: The Outer Bank Association of REALTORS®, Inc. encourages all local governments to explore the cost-saving potential of regional cooperation.

FISCAL RESPONSIBILITY ISSUE
REAL PROPERTY TAXES

ISSUE: Local governments are constantly evaluating their budgets and considering various increases in the real property tax.

Increasing property taxes reduces the affordability of home ownership, causes a strain on the increasing number of older citizens on fixed incomes, and lessens the attractiveness of our area to new businesses. Revenue requirements must be based on a thorough analysis of the operating efficiency of government and a severe examination of the necessity of services provided.

POSITION: The Outer Banks Association of REALTORS®, Inc. supports a balanced approach to taxation. Local governments should strive to cut their costs through efficiency, consolidation of programs, and privatization.

FISCAL RESPONSIBILITY ISSUE
LAND TRANSFER TAXES/DEED STAMP TAX

ISSUE: Each year, the North Carolina General Assembly considers several local and statewide land transfer tax and deed stamp tax bills that would tax homeowners.

Real estate transfer taxes and the deed stamp tax are discriminatory since they are directed at only one segment of the population. Both are assessed on the sales price of property and not on the equity, which affects the cost of housing and could possibly create a financial hardship for the seller. In addition, real estate transfer taxes are an unstable and unpredictable source of revenue. Because home sales are cyclical, when a downturn in the housing market occurs, transfer tax and deed stamp tax revenues fall, thus creating pressures for a tax increase.

POSITION: The Outer Banks Association of REALTORS®, Inc. opposes any new land transfer taxes, deed stamp tax or any other taxes which directly affect the affordability of housing.

FISCAL RESPONSIBILITY ISSUE
IMPACT FEES

ISSUE: Impact fees are a tax on new development. The General Assembly has traditionally defeated attempts to expand impact fee authority in North Carolina.

Local governments turn to impact fees to deal with the costs of providing services to a growing population, especially a growing school population. Builders merely pass the cost of impact fees

on to the new home buyers. It is unfair to tax one class of citizens: the homebuyer. The tax is especially burdensome to senior citizens and young families. Perhaps most importantly, impact fees raise the cost of home ownership and reduce the number of people who can qualify for their first home.

POSITION: The Outer Banks Association of REALTORS®, Inc. opposes impact fees as well as other fees and taxes which directly affect the affordability of housing.

Real Estate Industry

The real estate industry is vulnerable to cyclical changes in interest rates and economic conditions. Most economists agree that the housing industry has proven to be a crucial factor for leading the economy out of a recession. When homes are sold, the local communities benefit and a robust housing recovery helps to solve the area's financial dilemma.

The Outer Banks Association of REALTORS®, Inc. strongly supports securing a stable and upward growth for our area. Without continued growth, local communities' economy will be shaken. Therefore, the Outer Banks Association of REALTORS®, Inc. will oppose all legislation that will jeopardize a strong local economy. The real estate industry should not be viewed as a source of funds capable of solving various community ills; but rather should be viewed as a variable that generates a healthy economy.

REAL ESTATE INDUSTRY ISSUE **APPOINTMENTS TO REGULATORY BODIES**

ISSUE: Many regulatory bodies do not include REALTOR® representation.

Many regulatory bodies, such as Planning Boards and other appointed bodies, pass rules and regulations that have a huge impact on the real estate industry. It is important that these regulatory groups have representation from organizations that they greatly affect.

POSITION: The Outer Banks Association of REALTORS®, Inc. recommends ordinances to require REALTOR® representation on regulatory boards that affect the real estate industry. The Outer Banks Association of REALTORS® encourages government leaders to appoint REALTORS® to Boards and Commissions whenever possible.

REAL ESTATE INDUSTRY ISSUE **PROPERTY CASUALTY INSURANCE**

ISSUE: Property casualty insurance has become increasingly more expensive and more difficult to obtain. Since homeowners' insurance is a necessary component of securing a mortgage and buying and selling a home, the inability to obtain affordable insurance is detrimental to the real estate industry.

Mold, recent hurricanes, market share competition, terrorism and the fluctuating stock market are a few of the reasons for the insurance problem. In many markets, insurers are increasing premiums, declining to write new policies, and refusing to renew existing ones. OBAR has been working with the North Carolina Association of REALTORS® and the insurance industry to find a long-term viable solution to this problem.

POSITION: Improving homeowner's insurance availability and affordability on the Outer Banks has been a legislative priority for the Outer Banks Association of REALTORS®, Inc. OBAR supports incentives to encourage insurance companies to provide property insurance to all property owners.

HOUSING ISSUE **Housing Opportunities**

ISSUE: The Outer Banks Association of REALTORS®, Inc. is committed to maintaining a leadership role in support of initiatives that will keep safe and decent housing choices available and affordable.

REALTORS® believe that equal opportunity in housing can be achieved through continued leadership, observance of the law, education, and mutual cooperation. REALTORS® are visible advocates for the right of all people to freely choose where they will live without regard to race, color, religion, sex, handicap, familial status, national origin, or any other factor prohibited by federal or state law. OBAR supports legislative and regulatory public policy initiatives that will address everything from homelessness to homeownership. Every position taken by OBAR will reflect its commitment to housing opportunities for all.

POSITION: OBAR supports a variety of initiatives at the local, state and federal level including the following:

- OBAR supports expedited approval and inspection processes, simplified regulations and reduced fees to save time and cost in development and construction.
- OBAR supports development incentives including reasonable increased residential density bonuses, reduced fees and tax credits.
- OBAR supports legislation to allow for simplified rehabilitation of existing buildings.
- OBAR supports commercial and residential development incentives for adaptive reuse.
- OBAR supports local public, private and joint rehabilitation/repair programs for low-income homeowners, including senior citizens on fixed-incomes.

HOUSING ISSUE **REGISTRATION OF RENTAL PROPERTY**

ISSUE: Many municipalities have considered residential rental property to be registered.

Several municipalities have considered passing ordinances requiring all residential rental property to be registered with the town. Some of these ordinances include fees for registration. This type of discriminatory practice increases the cost of affordable housing in municipalities and discourages property owners from providing housing for families or visitors.

POSITION: The Outer Banks Association of REALTORS®, Inc. opposes efforts to register residential rental property and charge a fee. This government intervention increases the cost of housing and discourages property owners from providing housing to families or visitors

HOUSING ISSUE

POOL AND SPA MAINTENANCE PROTOCOLS

ISSUE: The recent growth in the number of vacation homes with swimming pools and spas brings a growing concern about potential health risks associated with their use. The 2005 death of a visitor was attributed to legionella bacteria transmitted from a hot tub at an Outer Banks vacation rental home

While, the Department of Public Health enforces state regulations for *public* pools and spas, there are currently no regulations for residential/vacation rental home pools and spas and the local health department does not have the resources to regulate residential/vacation rental home pools and spas. There also is little oversight of the pool operator industry and as a result, there are large variations in the manner in which pools and spas are cleaned.

POSITION: The Outer Banks Association of REALTORS®, Inc. supports legislation to require standardized maintenance protocols, professional licensing and continuing education for pool and spa operators for pools and spas used at private residential/vacation rental homes.

CONCLUSION

Our nation was founded on the unique idea that every individual has the inalienable right to life, liberty, and the pursuit of happiness. One of the most valued rights is the right to own property. The ownership of property is a time-honored right dating back for centuries.

The Outer Banks Association of REALTORS®, Inc. has voiced its concerns on environmental issues, fiscal responsibility, real estate issues, and housing. We have been working to encourage, maintain, and guarantee decent, affordable housing for all the residents of the Outer Banks. We pledge that the voice of our REALTORS® and the voice of property owners will be heard at the seat of government on issues affecting property right.

The Outer Banks Association of REALTORS®, Inc. has assumed a responsible leadership position with regard to the real estate industry. We plan to increase and maintain high professional standards and protect the home buying public. The Association fosters adherence to moral and ethical principles of society.

The real estate industry is a vital part of our economy. It provides tax revenues, increases retail sales, and creates jobs. The Association is committed to protecting the vitality of the industry and enhancing a viable investment climate.

The Outer Banks Association of REALTORS®, Inc. is the voice for real estate on the Outer Banks of North Carolina. The Association is committed to supporting private property rights and protecting the opportunity of homeownership for all.