



**Capitol
Conference**
★ **APRIL 10** ★

Legislative Issues



#ILRealtorLobbyDay

RENT CONTROL *(Discuss in the House and Senate)*

✓ **OPPOSE** HB 2430 (Guzzardi), SB 2310 (Biss) and SB 3542 (Sandoval), which seek to REPEAL the Rent Control Preemption Act. The intent of these bills is to allow local governments, especially Chicago, to enact a rent control ordinance.

✓ **OPPOSE** SB 3512 (Hunter), which would not only repeal the Rent Control Preemption Act, but would also MANDATE RENT CONTROL BOARDS IN ALL 102 ILLINOIS COUNTIES, which would be charged with establishing rent caps on rental units.

- **THIS IS A SERIOUS ISSUE:** Some Chicago aldermen, state lawmakers and statewide candidates may see rent control as an easy solution to the very complex issue of housing affordability. ***These opinion leaders may not fully understand how devastating rent control would be to renters and landlords, and REALTORS® need to educate them on the disastrous flaws of this policy.***
- Rent control freezes a property owner's income, while maintenance costs, property taxes, and other fees and costs continue to rise – thereby making the upkeep of the property impossible.
- Rent control would result in LESS rental housing and a decline in housing quality. ***Fewer rental options, and lower quality housing – HOW IS THAT BENEFICIAL FOR TENANTS?***
- ***The last thing we need is another disincentive to invest in Chicago and Illinois!***
- Chicago-area property investors are smothered by an avalanche of fees, regulations, and exorbitant property taxes. Addressing these burdens is what we should be discussing. ***We urge state and local officials to work WITH REALTORS® and other groups to address rental housing supply and affordability issues.***

EXPANSION OF HOME RULE *(Discuss in both the House and Senate)*

✓ **OPPOSE** HB 5543 (Skillicorn), which would grant Home Rule powers (except taxation, fees, and debt) to local governments with a population of more than 2,000 (now 25,000 or by referendum).

✓ **OPPOSE** HJRCA 34 (Skillicorn) and SJRCA 9 (Hutchinson), which would seek to amend the Illinois Constitution (through a statewide referendum) to grant Home Rule powers to all local government units in excess of 5,000 population (now 25,000).

- The Illinois REALTORS® generally **OPPOSE** the expansion of Home Rule (HR) powers, mainly because of the broad regulatory laws that HR units possess, which can impose costly burdens and delays on real estate practitioners and property owners. Furthermore, we strongly believe HR powers cannot be expanded through legislation, as in **HB 5543**, as HR powers are **dictated solely by the Illinois Constitution**.



SEALING OF EVICTION COURT RECORDS *(Discuss primarily in the House)*

✓ **OPPOSE** **HB 4760 (Mah)** and **HB 4968 (Wallace)**, which would provide for the sealing of court records regarding eviction actions, thereby preventing landlords from learning if prospective tenants have had eviction actions filed against them.

- It can often take landlords eight months or more to evict a non-paying tenant in some areas, so it is critical for landlords to be able to properly but fairly screen tenants in order to avoid devastating financial consequences, especially for small investors.
- An essential element of our democracy is an open and transparent judicial system. Except for a few rare exceptions, we don't have "secret" courts. These bills would hide from public view eviction actions filed against tenants, making it very difficult for landlords to determine whether prospective tenants are likely to be good tenants of their property.
- The proponents argue that if a tenant prevails in an eviction action, having their court file discoverable unfairly jeopardizes their chances to rent in the future. Our view is just like any other public record, the outcome of that case would be taken into account along with their credit scores, references and other factors.

WARRANT REQUIRED TO INSPECT PRIVATE PROPERTY

(Discuss primarily in the House)

✓ **SUPPORT** **HB 4634 (Yingling)**, which enacts the Local Government Residential Inspection Limitation Act. The bill would simply provide that a local government may not conduct a physical inspection of residential property without the voluntary consent of the owner or occupant of the property, or a lawful warrant or court order.

- There are about 100 local government units that have "point of sale" inspection ordinances for residential properties, and about 150 local governments that inspect rental housing units upon a change of occupancy or on a periodic schedule.
- **HB 4634** simply reinforces the protections guaranteed under the Fourth Amendment to the U.S. Constitution to ensure that the property of owners and occupants of housing cannot be inspected without consent or a warrant based upon probable cause to enter the premises.
- Unfortunately, this is a real issue. Property owners and occupants are often made to feel they simply must submit to such inspections without question.

LOCAL CONSOLIDATION TO REDUCE TAX BURDEN

✓ **SUPPORT** **HBs 3133, 4067, 4244, 4637, 5777** and **SBs 2452, 2459, 2543, 2544**, which all provide for methods to consolidate or eliminate unnecessary or duplicative units of local government. Illinois has more units of local government than any other state, and this situation imposes unnecessary costs and regulations on Illinois property owners. These bills provide for a reasonable process to assess local needs and eliminate or consolidate units when it makes sense.



ADDITIONAL ISSUES

- ✓ **WORK WITH** the Department of Financial and Professional Regulation on minor and technical amendments to the Real Estate License Act this spring. Our general position, however, is any significant changes should be done in conjunction with the statutorily mandated rewrite of the current Act, which must be accomplished by Dec. 31, 2019.
- ✓ **OPPOSE HB 5326 (Costello)**, which would allow Non-Home Rule municipalities to enact so-called “Crime-Free Rental Housing” ordinances to be administered by local police departments. The programs could include: landlord licensing, a property inspection program, require landlords to pay for and attend a landlord training program and establish mandated lease terms. ***In our experience with enacted home rule ordinances, these provisions can be quite a burden on landlords, and essentially make landlords responsible for crime that occurs on their property. This is one of the top issues we fight on the local level!***
- ✓ **OPPOSE SB 3052 (Mulroe)**, which amends the Contractor Prompt Payment Act to limit “retainage” in commercial construction contracts to 5 percent. We believe that the parties to such contracts should negotiate retainage and other terms without the government weighing in on behalf of one party or the other. This perennial issue has been rejected in past legislative sessions.
- ✓ **OPPOSE HB 4298 (Sosnowski)**, which would allow local governments to post public notices on their website rather than by publication in a newspaper, as under current law. While so much in our lives occurs in cyberspace, we still believe that publication in print of critical information like property tax assessments, tax sale information and meeting notices serves a purpose in shedding sunlight and transparency on local government activities.
- ✓ **SUPPORT HB 4822 (Halbrook)**, which allows a local government to set up a process whereby citizens can **CHOOSE** to receive most local government notices by email.
- ✓ **OPPOSE SB 2555 (Althoff)**, which would amend the Agricultural Areas Conservation and Protection Act to impose restrictions and penalties on private property owners enrolled in this voluntary incentive program in certain Illinois counties.
- ✓ **OPPOSE SB 2920 (Althoff)**, which would further erode our traditional property recordation system by allowing liens under the Senior Citizens Real Estate Tax Deferral program to be filed under the Department of Revenue’s “State Tax Lien Registry” rather than with the County Recorder’s office.
- ✓ **OPPOSE HB 813 (Hoffman)**, which amends the Prevailing Wage Act to require the “prevailing wage” to be paid on projects supported by Tax Increment Financing (TIFs). Currently, prevailing wage applies to “public works” projects. There is no doubt that a prevailing wage requirement can greatly increase project costs, and we don’t think the state should be stifling much-needed economic development with this requirement.
- ✓ **SUPPORT SB 3291 (Clayborne)**, which provides that the regulation of drones (in a manner consistent with federal law) is an exclusive power of the State, so we don’t wind up with a patchwork of differing local ordinances on this issue.

