

ILLINOIS REALTORS® E COSSA A TOPO SCOR E CARDO 2023 SESSION

Tenant Radon Protection Act Electric Vehicle Charging Act Residential Real Property Disclosure Act Rental Housing Regulation Housing Outlook and Solutions The first year of the 103rd General Assembly brought changes: newly elected legislators, new House and Senate caucus leaders, new committee chairs and assignments, even a massive Capitol construction project. But other things remained constant with more than 6,500 bills introduced and more than 360 of them directly affecting real estate and private property interests. The 2023 spring session was challenging at times, but due to our effective member advocacy and engagement, it was a success.

1. Tenant Radon Protection Act

As introduced, the Tenant Radon Protection Act would have allowed tenants to test for radon and break the lease if radon was found in their rental unit. The bill would have put unnecessary burdens on landlords regarding disclosures, testing and mitigation, but the main concern was the ability to break a lease any time a radon hazard level was discovered. The original bill language went above and beyond what is required in current law, but also interfered with a private contract.

Illinois REALTORS® OPPOSED the initial bill and offered an amendment that was ultimately accepted due to our member engagement. The new bill, signed into law (Public Act 103-0298), did not create a "new act," and instead amended an existing radon disclosure statute allowing prospective tenants a specific 90-day period upon entering a lease to request testing and mitigation if a radon hazard level is discovered. The amendment allows tenants to break a lease if they were never disclosed the required material of the dangers of radon or the documented existence of radon on the property and their unit was discovered to be above the "Radon Hazard Level" and the property owner refuses to mitigate. The amendment is fairer to both parties in the contract, is better public policy and strengthens the ability of housing providers and tenants to discover and eventually mitigate any dangers from radon.

Our success in changing this bill and creating a better law is a testament to the power of our members and your REALTOR® advocacy. A huge THANK YOU goes to all members who immediately responded to the Call for Action on this bill. YOU made a difference! When **Illinois REALTORS®** speak, everyone listens!

2. Electric Vehicle Charging Act

The Electric Vehicle Charging Station Act would have mandated that new or renovated residential buildings, including single-family homes, have the electrical infrastructure and components necessary to install electric vehicle chargers. The original bill language mandated new development have "electric vehicle (EV) ready" electrical infrastructure for a charger to be installed immediately.

Illinois REALTORS® OPPOSED the original bill and urged legislators to let developers and housing providers be innovative in how they accommodate vehicle charging needs on their premises, and how they adapt to this ever-evolving technology. We also cautioned lawmakers not to forge ahead with a sweeping and expensive mandate on developers to install charging stations, and the required electrical infrastructure upgrades for <u>all</u> new single and multifamily housing construction.

Illinois REALTORS® offered an amendment, changing the mandate from "EV Ready" to "EV Capable", with capable defined as having the necessary electrical components for the **possibility of future installation** of a charging station. Negotiations were long and difficult, but the proponents ultimately accepted our amendment, which included:

- Developers not required to install the electrical components for immediate charging stations
- Exclusion and removal of all home renovation provisions
- Developers converting property to multi-family units will not be required to "retrofit"

With Illinois REALTORS[®]' amendment, the bill passed both chambers, was signed into law and is effective on Jan. 1, 2024 (Public Act 103-0053).

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3. Residential Real Property Disclosure Act Revised

Illinois REALTORS® SUPPORTED revisions to the Residential Real Property Disclosure Act to redefine the definition of seller. The definition of seller does not include a beneficiary who BOTH (i) never occupied the residential real property AND (ii) never had management responsibility for it.

If a seller is a beneficiary and does occupy the property OR has management responsibility for it (i.e., is an absentee owner), this beneficiary IS a seller under the Act and must complete the report to the best of their actual knowledge.

Amended language is contained in Article 2 of the Act, a copy of which must accompany the Disclosure Report. As a result, **Illinois REALTORS**[®] changed the publication date on both versions of Form 108 to August, 2023, to reflect the new statutory language. Changes became effective immediately upon Gov. Pritzker's signature on Aug. 4, 2023. (Public Act 103-0427)

4. Rental Housing Regulation

Illinois REALTORS® OPPOSED a number of legislative proposals that would be harmful to the rental housing sector:

RENT CONTROL

Illinois REALTORS® continues to successfully battle rent control bills. Even though 2023 brought an increase in rent control bills (including a new approach aimed at mobile homes), our advocacy efforts were successful in holding off rent control in any form. While the main rent control bills didn't gain traction, a less sweeping bill introduced for mobile home parks only (HB 2727) was approved only at the committee level.

The legislation would have required mobile home park owners who increased lot rents by over 3 percent to provide written justification for the increase, document the need for the increase and explain how the increase would be spent. Limiting rent control to only mobile home parks is seen as method to initiate at least some kind of rent control in Illinois. In the end, no rent control legislation passed in 2023.

STATEWIDE JUST HOUSING

SB 664 was introduced to create a written review process landlords would have to follow statewide in assessing whether to rent to a formerly incarcerated person. After the formal written review between the landlord and prospective tenant, the landlord could either enter a lease or deny the applicant in writing, along with a notice that the applicant may file a complaint with the Illinois Department of Human Rights. Illinois REALTORS® was concerned that by making this statewide, it puts all brokers/housing providers/landlords in the position of rendering a decision in writing about a person's past criminal history and suitability for tenancy without any guidance or knowledge of criminal justice offenses and issues. The bill was posted for a hearing in the Senate Judiciary Committee but was ultimately never called.

Illinois REALTORS® participates with the Illinois Reentry Council, which has been reviewing this issue in the context of a statewide multi-disciplinary and multiagency approach for supportive services to offer the best chance of success for returning individuals. We believe the successful completion of these supportive processes can provide brokers, landlords and housing providers guidance on applicant readiness. Illinois REALTORS® has pledged to continue to work with the sponsor and Senate leadership as we continue the dialogue on this bill that remains in the Senate.

SEALING EVICTION RECORDS

Thorough debate on HB 1569 aiming to seal eviction records took place in two separate House Judiciary Committee hearings this year. **Illinois REALTORS® OPPOSED** the legislation because it would hurt landlords, especially small, community landlords who could be devasted by just one or two tenants not paying rent. Sealing eviction records will not allow landlords to properly assess if a tenant represents a good risk. Concern about "hiding" public court records prevented the bill from advancing, but it could return as early as the 2023 Veto Session.



Top REALTOR® **Issues Snapshot**

OPPOSED LEGISLATION

- STOPPED: Statewide Version of Cook County's "Just Housing" (SB 664, HB 2818)
- STOPPED: Rent Control Bills (HB 1118, HB 2727, HB 3874)
- STOPPED: Prohibit Brokers from Considering Various Factors for CMAs (HB 1020)
- STOPPED: Non-home Rule Municipalities to Have Limited Home Rule Power (HB 1269)
- STOPPED: Commercial Property Tax Assessment Revisions (HB 1287, HB 1288)
- STOPPED: Local Governments to Publish Governmental Notices on Web Sites Only (HB 1505)
- STOPPED: Sealed Eviction Records (HB 1569)
- STOPPED: Human Rights Violation to Use Immigration Status in Real Estate Transactions (HB 2261)
- STOPPED: Downstate Land Banks (HB 2416)
- STOPPED: Vacancy Fraud Act (SB 202, SB 2027)
- STOPPED: Automatically Impound Eviction File in Dismissals (SB 242)
- STOPPED: Big Box Store Owners to Provide Real Estate Transaction Notice to Local Government (SB 1267)
- STOPPED: County Boards May Designate Flood Zones (SB 1284)
- STOPPED: Titleholders Liable for Unpaid Property Taxes on Leases (SB 1320)
- STOPPED: Income-producing Property Owners to File Descriptions with Assessor (SB 1321)
- **STOPPED:** Building Owners to Install Fuel Gas Detectors (SB 1370)
- STOPPED: Prohibits Real Estate in Illinois to be Owned by Noncitizens (HB 2125)
- STOPPED: Establish Land Banks Through IHDA (HB 2416)
- STOPPED: IDFPR and Real Estate Lawyers Association to Develop Standardized Residential Real Estate Contract (HB 3897)

SUPPORTED LEGISLATION

- AMENDED/PASSED: Tenant Radon Protection (Public Act 103-0298)
- AMENDED/PASSED: Lead Pipe Replacement Notice (Public Act 103-0167)
- AMENDED/PASSED: Electric Vehicle Charging Stations Mandate (Public Act 103-0053)
- AMENDED/PASSED: Prescribes Disclosures on Postcards (Public Act 103-0087)
- AMENDED/PASSED: Security Deposit Changes (Public Act 103-0224)
- SUPPORTED/PASSED: Illinois Interagency Task Force on Homelessness (Public Act 103-0269)
- SUPPORTED/HELD: Illinois REALTORS® Workforce Housing Initiative (HB 3152)

5. Housing Outlook and Solutions

HOUSING SHORTAGE SOLUTIONS

Like the rest of the nation, Illinois faces a housing supply shortage in every price bracket. Years of overheated market demand have combined with a slowdown in home building. Despite the severity of this crisis, positive solutions to reverse the tide are being considered. It took years for the housing supply crisis to reach this point and it will take a steadfast, extended period to bring back balance.

Illinois REALTORS® remains laser focused on working with Gov. Pritzker and the legislature to contribute to the state's overall housing supply. We continue to offer solutions focusing on housing for the middle-income population and reducing barriers to new home construction. Illinois REALTORS® has offered HB 3152, which includes four components: a homebuyer's savings plan, eliminating barriers to new home construction, a "missing middle" housing pilot program and transformation of the impact fee. We anticipate more discussions on this bill.

► FAIR HOUSING

Initially, a bill was introduced to amend the Real Estate License Act to make it illegal for real estate brokers to discriminate when preparing a broker price opinion or comparative market analysis for residential real estate based upon perceptions. After numerous negotiating sessions and several amendment drafts, the sponsor agreed to remove real estate brokers from the bill (HB 1020), which passed in the House only. The bill now primarily focuses on appraisers only.

► HOMELESSNESS

Illinois REALTORS® SUPPORTED the new law (Public Act 103-0269) creating the Illinois Interagency and Community Advisor Council Task Force on Homelessness to bring unprecedented collaboration. Numerous departments and programs are expected to move Illinois to "functional zero" homelessness by bolstering the safety net, targeting high-risk populations, expanding affordable housing, securing financial stability for unhoused individuals and closing the mortality gap.

Illinois REALTORS[®] also SUPPORTED Gov. Pritzker's initiative, the Home Illinois Plan, that expands affordable housing options, targeting individuals in high-risk situations, and providing comprehensive support for individuals experiencing homelessness. Gov. Pritzker's FY24 budget commits almost \$360 million for the initiative, an \$85.3 million increase from FY23.



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