



Legislative Status Report

This Issues Briefing Paper is informational and requires no action by the Board of Directors.

The PAR Legislative Committee has reviewed and taken action on numerous bills so far during the 2017-2018 legislative session. For a full list, visit <https://www.parealtor.org/for-members/legislative/legislative-priorities/>

Taxes

Senate Bill 201 (Folmer, R-Lebanon) and House Bill 331 (Bloom, R-Cumberland) – The bill would allow like-kind exchanges in Pennsylvania, mirroring the federal law. Senate Bill 201 passed the Senate and House Bill 331 has received second consideration in the House. PAR supports this legislation.

House Bill 1213 (Kampf, R-Montgomery) and Senate Bill 586 (Argall, R-Schuylkill) – Both bills would establish that a taxing district may not appeal the assessment of property based on purchase or sale of the property. In an appeal brought before a board of assessment or court of the commonwealth, the taxing district seeking to increase the assessment shall have the burden to prove that the proposed assessment is not inconsistent with the requirements of section 1 of Article VIII of the Constitution of Pennsylvania. House Bill 1213 has passed the House Commerce Committee. Senate Bill 586 is expected to receive a vote in the near future. PAR supports this legislation.

Practice & Professionalism

House Bill 863 (Rothman, R-Cumberland) – The bill amends the Real Estate Licensing and Registration Act (RELRA) increasing pre-licensure to 75 hours, requiring a high school diploma and allowing for Broker Price Opinions. PAR testified in support of HB 863 in May 2017 before the House Professional Licensure Committee.

Proposed Changes to RELRA:

Increase pre-licensure from 60 hours to 75 hours. PAR believes increasing the pre-licensure education requirement will help raise the level of competency of new licensees, helping them to better serve their clients and giving them a greater understanding of real estate transactions. Throughout the United States, the average pre-licensure requirement is 79.

Require a high school diploma or equivalent for licensure as a real estate salesperson. Pennsylvania has relatively easy standards to become real estate licensees. Requiring a high school diploma will help elevate the professionalism of all licensees, as well as provide additional protection to the consumers they serve.

All courses for salesperson licenses be completed within five years prior to the date of taking and passing the exam. PAR believes it would be more advantageous for both the new real estate licensee and the consumer if courses were required to be completed in a shorter period of time. Currently, the license course completion is within 10 years.

Allow Broker Price Opinions. “Broker price opinion” would be defined in RELRA and would require that a BPO fee can only be paid to a broker. An agent would have to take a valuation certification course, be licensed for at least three years and take valuation continuing education each cycle. BPOs could only be used for: in conjunction with an REO, loan modifications, short sales, portfolio evaluation/monitoring and relocation. BPOs could not be used for: bankruptcy, tax appeals, eminent domain, divorce, equitable distribution, actions before any court and loan origination. These restrictions would make Pennsylvania the most restrictive for BPOs.

House Bill 1001 (Helm, R-Cumberland) – The bill would regulate home inspectors in Pennsylvania. PAR supports the legislation. Currently, home inspectors are not held to any specific professional standard. This means that although the home inspection report is relied upon heavily, if a home inspector failed to report an issue to a homeowner, there is little or no recourse available. This legislation will set statewide standards for the profession of home inspecting and standards for the home inspection report. License applicants must: have a high school diploma or equivalent; complete a bureau-approved training program of no less than 120 hours (including 40 in-field training hours); pass a bureau-approved examination; obtain liability insurance; pay a fee and not be addicted to drugs or alcohol. Existing practitioners will be grandfathered. Biennial renewal requires 16 hours of continuing education. HB 1001 is in the House Professional Licensure Committee.

Housing

House Bill 1019 (Gillen, R-Berks) – The bill requires the disclosure of private cemeteries in residential and commercial transactions. A PAR taskforce analyzed the bill and is suggesting amendments: remove the requirement for commercial disclosure; and rather than amending the seller disclosure law, PAR suggests that the purpose of the bill be changed to create a recorded easement on the land when burial plots are sold. This would accomplish the intended purpose of the bill, which is to let potential buyers know that burial plots are on the property and to permit individuals who purchased burial plots or have loved ones buried on the property to have reasonable access to the property for visitation. A hearing is scheduled in the House Local Government Committee on June 6, 2017 in which PAR will testify and present the suggested amendments.

Legislative Committee

Chair Mark Mohn, Vice Chair David Brant, Stephanie Biello, Patricia Brooks, Joe Carofino, Will Clauss, Stephen D’Antonio, Bill Festa, Larry Hatter, Jim Helsel, Greg Herb, Jim Keffalas, Lynn Knapko, Douglas Koffel, Lisa Long Myers, Jack Malloy, Matthew Marks, Guy Matteo, Bill McFalls, Melanie McLane, Marc McMaster, Reed Pirain, George Raad, Ellen Renish, Don Roth, Rose Sawyer, Jan Schoeneberger, Pete Sebock, Melissa Sieg, Wes Stefanick, Sandra Stevens, Shanna Terroso, Scott Troxel and Bob Wood. Staff Liaison: Elizabeth Hensil.