

NC REALTORS®

2017 LEGISLATIVE PRIORITIES



Mortgage Interest and Property Tax Deductions

A core issue of the NC REALTORS® agenda is protecting the state's Mortgage Interest and Property Tax Deductions. Both are extremely valuable tools in not only supporting existing homeowners, but also in encouraging future home buyers to move forward with their purchases.

NC REALTORS® POSITION: Remove the cap on the allowed amount of both deductions on state taxes.

Private Road Maintenance Agreements

For many properties across our state, the quality of their roads have degraded to a point of significant concern, and the responsibility for maintenance falls onto the homeowner. No database currently exists to provide necessary information about the responsibility for road maintenance.

NC REALTORS® POSITION: Improve the requirements on developers to ensure that roads can be brought up to NCDOT standards for acceptance into the state system. Develop a statewide roads database which clearly lists the road's designation and the corresponding maintenance authority.

Development Policy

To ensure strong communities, equitable policies must be in place for all development actions. Policies impacting municipal development actions like inclusionary zoning, extraterritorial jurisdiction, and eminent domain have significant impact on the viability of an area's housing market and future growth opportunities.

NC REALTORS® POSITION: Strengthen existing statutory prohibitions against using inclusionary zoning. Examine the elimination of extraterritorial jurisdictions. Continue the discussion from previous sessions of a constitutional amendment prohibiting eminent domain actions for private purposes.

Insurance Reform

Protecting property and property values is an important part of a strong real estate industry, and that includes insurance. Ensuring that homeowners insurance is structured in a fair manner which allows for an appropriate rate-making process, along with limitations on insurance companies engagement in negative actions like consent-to-rate letters, is a necessary part of that process.

NC REALTORS® POSITION: Continue work on ratemaking reform. Additionally, it is necessary to examine opportunities to amend the communication processes with policy holders to ensure clarity in rate levels to lessen the need for detrimental actions like consent to rate letters.

Private Process Servers

The use of private process servers is allowed in all types of service, with the exception of summary ejection. Requiring that this service only be completed by law enforcement officers, primarily local sheriffs, places an unnecessary burden both on the landlord/property owner, as well as the law enforcement agency. In many counties, law enforcement agencies are significantly backlogged, leading to delayed service which can limit a property owner's ability to recoup full restitution. Additionally, if service is not completed in person property owners are prohibited from seeking additional damages from the delinquent lessee (including damage repair costs, etc.).

NC REALTORS® POSITION: Amend the law to allow for private process servers to be an allowable form of service for summary ejection proceedings.

School Calendar

NC REALTORS® recognizes the value of normality in the state's school calendar requirements both for the tourism industry, as well as the property rental sector.

NC REALTORS® POSITION: Protect the current law setting the school start and end dates. Prevent additional and unnecessary volatility from local school boards setting district calendars.

NC REALTORS® is a non-profit trade association, representing more than 38,000 members and 49 local associations throughout the state of North Carolina. NC REALTORS® serves to promote the success of its members and enhance the quality of life in North Carolina by promoting housing affordability and the protection of private property rights. Founded in 1921, the association is headquartered in Greensboro, with an additional office in Raleigh. For more information on the association, visit ncrealtors.org.



Sales Tax on Real Estate Services

Ensuring that real estate services (including property listing, appraisals, and inspections) can be completed in as cost-effective a manner as practicable for consumers is of paramount importance. Adding additional costs in the form of taxes will lead to unnecessary increases which will ultimately have a detrimental impact on the state's housing industry.

NC REALTORS® POSITION: Eliminate taxes on maintenance and repair services on rental property. Prohibit sales tax on professional services.

Economic Development Funding

North Carolina is fortunate to be experiencing strong economic growth, thanks to the policy decisions and funding provided to programs like the One NC Fund, the Jobs Development and Infrastructure Grant (JDIG) program, and the film grant program. Many of these programs has seen significant growth in their funding and we have certainly seen the value of each through the continued announcements of new companies and new jobs to our state.

NC REALTORS® POSITION: Continue the relationship with EDPNC and increase funding options for economic development projects across North Carolina.

Workforce Housing Loan Program

The Workforce Housing Loan Program is an extremely valuable tool in supporting homeownership for individuals who might not be able to otherwise. Over the past years, the General Assembly has continually increased financial support for this program, thereby giving many more individuals the opportunity to become homeowners.

NC REALTORS® POSITION: Increase funding for the WHLP and the Housing Finance Agency housing programs.

Historic Preservation Tax Credits

Preserving the Historic Preservation Tax Credit program is essential to ensuring that our state's historic properties are preserved and restored to, their former glory for valuable use. The program is scheduled to sunset in 2020 and needs to be reauthorized to ensure future access.

NC REALTORS® POSITION: Preserve and increase historic preservation by continuing the current tax credits and allowing for residential credits.

Beach Nourishment

North Carolina's beaches are some of the most pristine in the country and are a significant driver of the state's tourism industry. Recent projections show more than \$188.4 million in annual state tax revenue from all activities along the coast. With continued storms and other factors, many areas are experiencing significant erosion. Federal monies for these projects continue to be under attack so it is important to examine the creation of a dedicated state fund to support these efforts.

NC REALTORS® POSITION: Provide a dedicated source of revenue for beach nourishment.

Section 1031 Like-Kind Exchange

Current tax law permits an investor in real estate to defer capital gains taxes on exchanging an investment property for another property of like kind that is also held for investment. This is an extremely valuable tax tool, especially related to commercial properties.

NC REALTORS® POSITION: Ensure that this valuable tax structure remains an option for brokers and investors.

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