



Arcadia Association of Realtors®



CALIFORNIA ASSOCIATION OF REALTORS®



NATIONAL ASSOCIATION OF REALTORS®

The Voice for Real Estate®

Director Committee Report

Instructions: As decided at the latest Strategic Planning session, Directors are responsible for submitting meaningful reports on all Committee meetings attended for publication within the AAR and for reporting back to our membership at a MLS Caravan meeting. Please use one report sheet per Committee meeting attended. Reports are due within 7 days after completion of the meetings. Remember, your report will be published on the AAR website and in the monthly magazine. Please send your report(s) to the EVP: Andrew@theaar.com

Director name: RYAN ASAO

Committee name and position on Committee : PRESIDENT'S BREAKFAST

Committee meeting date and time: 5/3 0AM

Please list the top 3 items discussed at your meeting and the eventual outcome, if applicable:

- Item discussed: NON DUES REVENUE
Outcome achieved: IDEAS EMAILED
- Item discussed: LEADERSHIP
Outcome achieved: GREAT LEADERS CREATE THE FEELING OF TRUST
- Item discussed: ATTITUDE VS. ALTITUDE
Outcome achieved: HOW HIGH DO WE WANT TO FLY

Please summarize your meeting in one paragraph:

NOTES EMAILED



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Director name: Richard H. Stone

Committee name and position on Committee: MLS / COMPUTER & BUSINESS TECH

Committee meeting date and time: 1:00 PM - 3:00 PM - THURSDAY - 5/3/12 Committee

Please list the top 3 items discussed at your meeting and the eventual outcome, if applicable:

- Item discussed: COMMITTEE NAME CHANGE - COMMITTEE APPROVED
Outcome achieved: STRAT PLANNING / EXE COMMITTEE / CAN DIRECTOR: "ALL APPROVED"
- Item discussed: AUCTIONS
Outcome achieved: SEE ATTACHED
- Item discussed: PRICE CHANGE AND DAYS ON MARKET
Outcome achieved: SEE ATTACHED
- Additional Item - SHORT SALE - SEE ATTACHED

Please summarize your meeting in one paragraph:

BUSY! FOR 4 DAYS MLS COMMITTEE WORK.

In addition, I attended NAR Directors Mtg
CAK Directors Mtg - Wed - Fri - Sat. Presented
MLS Committee motions to Committee, Strat
Planning, EXE Committee and CAN BOD - All
Approved the MLS COMPUTER motions -

AND attended wed Regional lunch + CAPITAL
Visit wed PM

MLS/COMPUTER AND BUSINESS TECHNOLOGY
COMMITTEE
MAY 3, 2012

THE CAR MAY 2012 SACRAMENTO MLS/COMPUTER AND BUSINESS TECHNOLOGY COMMITTEE MET ON MAY 3, 2012. THE AGENDA DID NOT INCLUDE THE "COMMITTEE NAME CHANGE". THE MOTION FOR THE COMMITTEE NAME CHANGE WAS DRAFTED AND APPROVED BY THE COMMITTEE LEADERSHIP ON MAY 3RD. THE FOLLOWING MOTION WAS PRESENTED TO THE MLS/COMPUTER AND BUSINESS TECH COMMITTEE AT THE MAY 3RD COMMITTEE MEETING.

THE MOTION WAS: THAT THE CURRENT COMMITTEE NAME ++BE CHANGED AS FOLLOWS:

- 1 - "THE MLS POLICY COMMITTEE" - A FULL COMMITTEE DEALING WITH MLS POLICY ONLY.
- 2 - "THE "BUSINESS TECHNOLOGY FORUM" - NOT A COMMITTEE, ADVISORY, OR A TASK FORCE, BUT A VENUE WHERE ALL BUSINESS TECHNOLOGY COULD BE SHARED WITH THE MEMBERS. ONLY RECOMMENDATIONS COULD BE MADE - NO MOTIONS.

BACKGROUND: THE MLS/COMPUTER BUS. TECH COMMITTEE OVER THE PAST SEVERAL YEARS HAS ONLY BEEN DEALING WITH MLS POLICY. THERE HAS NOT BEEN TIME AT THE COMMITTEE MEETINGS TO INCLUDE TECH. HOWEVER, WHEN WE HAVE HAD TECH AT THE MEETING, MORE THAN 50% OF THE ROOM IS VACATED.

The Committee, Strat Planning, Exe Committee and the CAR BOD All approved the name change over May 3rd, 4th and 5th.

Potential motion: That the MLS/Computer and Business Technology Committee supports the concept of going forward as the "MLS Policy Committee" and thus removing CBT from its charge and transferring business technology issues into a separate Business Technology Panel at the CAR meetings.

CAR MLS - name change motion

Forum
Changed > Approved
Strat planning

From: Elizabeth Miller-Bougdanos
Sent: Wednesday, May 02, 2012 5:05 PM
To: Richard@rdresourcesinc.com; wes@wesburk.com; mmm@cts.com
Cc: kmehring@coldwellbanker.com; tomc@carahanrealty.com; lizbougdanos@earthlink.net

Motion approved by CAR BOD



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IBP-Auction Listings

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C.A.R. MLS/Computer and Business Technology Committee Auction Listings

This Issues Briefing Paper is for Study only and has not been approved by the MLS/Computer and Business Technology Committee, Executive Committee, or the Board of Directors.

AUCTION LISTINGS WORK GROUP MEMBERS:

- Richard Stone, MLS Committee Chair
- Pam Winterbauer
- Janet Dorsey
- Matt Ogden
- Tia Hunnicutt
- Kaye Best
- Randall Traw

Handwritten note: Auction approved by BOB

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C.A.R. STAFF:

Elizabeth Miller-Bougdanos

BACKGROUND AND RECOMMENDATIONS:

Following the last MLS Committee meeting, C.A.R. sought input from a small group of MLS Committee members about whether any changes were advised for C.A.R.'s Model MLS Rule on Auction Listings. This group participated in a conference call to discuss the real estate auction landscape. It recommended (1) that a clarifying sentence be added to the MLS Auction Listing Rule, and (2) that C.A.R. staff provide REALTORS® with an education piece about auctions. Accordingly, both recommendations are set forth below.

DISCUSSION:

(1) Work Group Recommendation re MLS Rules

C.A.R.'s Model MLS Rule on Auction Listings reads as follows:

7.24 Auction Listings. Auction listings entered into the MLS system shall have listing contracts as required under these rules and be clearly labeled as auction listings. Auction listings shall further specify the following:

- (a) The seller's minimum acceptable bid price;
- (b) Whether the auction is being conducted with or without the seller's right of reservation;
- (c) The date, time and place of the auction;
- (d) All required procedures for Participants/Subscribers to register their representation of a potential bidder;
- (e) The compensation to be paid to the Participant representing the successful bidder;
- (f) The time or manner in which potential bidders may inspect the listed property;
- (g) Whether or not the seller will accept a purchase offer prior to the scheduled auction and if so, the compensation to be paid to the cooperating Participant in the event of such a pre-auction sale as well as any other necessary pre-auction details; and
- (h) Any other material rules or procedures for the auction.

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While not explicitly included in the language of the auction rule itself, the MLS Rules will otherwise

require from auction listings what is required in all listings submitted to the MLS. These basic requirements for MLS submission are that a valid written listing agreement exists; a list price is entered (starting bid price or bid range that the seller will accept is okay, but using an opening bid price below what the seller will accept is misleading); unconditional compensation is offered; and some degree of agency is in place for the duration of time the listing will be on the MLS.

Some who have experienced difficulty with aspects of auctions listings have indicated that when conflicts with MLS Rules arise, they usually entail conditions being placed on auction commissions or that the offer of compensation may not be unilateral or that the listing broker's commitment to compensate upon closing has come into question. On these dynamics, Model MLS Rule Sections 7.12 and 7.13 are instructive.

Section 7.12 and 7.13 provide as follows:

7.12 Unilateral Contractual Offer; Subagency Optional. *In filing a property with the MLS, the Broker Participant makes a blanket unilateral contractual offer of compensation to the other MLS Broker Participants for their services in selling the property. Except as set forth in Rule 7.15 below or pursuant to California Civil Code Section 1087, a Broker Participant must specify some compensation to be paid to either a buyer's agent or a subagent and the offer of compensation must be stated in one, or a combination of, the following forms (1) a percentage of the gross selling price; or (2) a definite dollar amount. The amount of compensation offered through the MLS may not contain any provision that varies the amount of compensation offered based on conditions precedent or subsequent or on any performance, activity or event. Furthermore, the MLS reserves the right to remove a listing from the MLS database that does not conform to the requirements of this section. At the Broker Participant's option, a Broker Participant may limit his or her offer of compensation to buyer's agents only, to subagents only, or make the offer of compensation to both. Any such limitations must be specified on the property data form and in the MLS. The amount of compensation offered to buyers' agents or subagents may be the same or different but must be clearly specified on the property data profile sheet. Broker Participants wishing to offer subagency to the other MLS Broker Participants must so specify on the property data profile sheet and on the MLS, otherwise, the offer of compensation does not constitute an offer of subagency.*

7.13 Acceptance of Contractual Offer. *The Broker Participant's contractual offer (with or without subagency) is accepted by the Participant/selling broker by procuring a buyer which ultimately results in the creation of a sales or lease contract. Payment of compensation by the Participant/listing broker to the Participant/cooperating broker under this section is contingent upon either (1) the final closing or (2) the Participant/listing broker's receipt of monies resulting from the seller's or buyer's default of the underlying sales or lease contract. Notwithstanding this section, the listing broker and/or cooperating broker shall still retain any remedies they may have against either the buyer or seller due to a default under the terms of the purchase agreement, listing agreement or other specific contract. Any dispute between Participants arising out of this section shall be arbitrated under Section 16 of these rules and shall not be considered a MLS rules violation.*

In light of the rules set forth above, as well as other requirements addressed elsewhere in the MLS rules, the Work Group believes it would be helpful to clarify that auction listings do not receive any exceptional treatment from existing MLS rules, and in particular, that 7.12 and 7.13 govern auction listings as well. As such, the Work Group recommends adding the following as a first sentence to Model MLS Rule 7.24:

"Only Auction Listings which comply with these MLS rules and regulations, including but not limited to sections 7.12 and 7.13, may be submitted to the Service."

PROPOSED MOTION FOR RECOMMENDED MLS RULE REVISION:

That, upon final approval by NAR, the C.A.R. Model MLS Auction Listing Rule be revised to better highlight applicable MLS requirements governing auction listings by adding the underlined clarifying sentence set forth below:







7.24 Auction Listings. *Only Auction Listings which comply with these MLS rules and regulations, including but not limited to sections 7.12 and 7.13, may be submitted to the Service.* Auction listings entered into the MLS system shall have listing contracts as required under these rules and be clearly labeled as auction listings. Auction listings shall further specify the following:

(a) *The seller's minimum acceptable bid price;*

- (b) *Whether the auction is being conducted with or without the seller's right of reservation;*
- (c) *The date, time and place of the auction;*
- (d) *All required procedures for Participants/Subscribers to register their representation of a potential bidder;*
- (e) *The compensation to be paid to the Participant representing the successful bidder;*
- (f) *The time or manner in which potential bidders may inspect the listed property;*
- (g) *Whether or not the seller will accept a purchase offer prior to the scheduled auction and if so, the compensation to be paid to the cooperating Participant in the event of such a pre-auction sale as well as any other necessary pre-auction details; and*
- (h) *Any other material rules or procedures for the auction.*

(2) Work Group Recommendation re Providing Information about Auctions

A separate Legal Brief has been prepared on Auction Listings and is posted along with these MLS Committee materials.

Related Content	
 IBP - Price Change and Days on Market Info...	 Agenda
 Lockbox Type Requirements - Follow Up Re M...	 Mandatory Reporting of REO Status
 Mandatory Reporting of Sales Price	 MLS Computer and Business Technology





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IBP - Short Sale Compensation

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C.A.R. MLS/Computer and Business Technology Committee Short Sale Compensation

This Issues Briefing Paper is for Study only and has not been approved by the MLS/Computer and Business Technology Committee, Executive Committee, or the Board of Directors.

BACKGROUND:

C.A.R. has been receiving complaints about agents with short sale listings resorting to a variety of ways to make their offers of compensation to cooperating agents appear more generous on the MLS than they actually intend to honor. In these instances, agents are using the MLS short sale commission rule to provide cover for practices that were not intended when the rule was adopted.

C.A.R.'s short sale commission rule (section 7.15.2) is one of the only existing exceptions to the MLS rule requiring the making of a unilateral contractual offer of compensation (Rule 7.12 Unilateral Contractual Offer). Rule 7.15.2 allows the listing broker in a short sale to reduce the commission offered in the MLS to the cooperating broker if the lender reduces the overall gross commission it pays to the listing broker. The distinct nature of short sale listings enable a third-party lender to intervene in the terms of sale and potentially ask a listing broker to reduce the gross commission offered on the property. The short sale commission rule thus enables the listing broker to "hedge" his commission offer so that he does not unexpectedly end up owing more to the cooperating broker than he intended in the event of a lender reduction. In order to receive the protection of this rule, a listing broker is required to publish (a) the fact that the sale and gross commission of the listing is subject to lender approval and (b) the amount or method by which the compensation offered through the MLS will be reduced if the lender reduces the gross commission.

C.A.R.'s short sale commission rule pre-dates the current economic downturn. It was adopted to protect listing agents during the previous real estate short sale cycle in the 1990's when commission arrangements approved by lenders in the short sale environment were unpredictable and left listing agents over-exposed on their commission offers in the MLS. It was thus already in place to govern short sale commissions when the current short sale cycle hit.

It is important to note that under NAR policy, an MLS short sale commission rule allowing a listing agent to reduce commission offered through the MLS if a lender reduces the gross commission in the listing contract is an allowable - but not mandatory - provision an MLS can adopt.

In light of what some believe are increasing instances of abuses of the short sale commission rule (to be more fully explained in the below section of this paper), the MLS Committee will want to consider several factors and may even wish to re-evaluate whether it wants to continue to support this discretionary rule with continued inclusion in the C.A.R. Model MLS Rules.

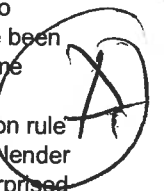
DISCUSSION:

As set forth above, the MLS short sale compensation rule was initially put in place in the last market down turn at a time when lenders were being rather unpredictable. Now, REALTORS® seem to report that commission ranges lenders will approve are fairly predictable. However, many have been troubled by manipulation of the short sale commission rule in ways that were not intended. Some listing agents have used it to spike up their commission in the listing agreement to a rate that is beyond the range market forces would typically bear so as to trigger the short sale compensation rule when they know (1) the seller will not be paying the commission as it is a short sale and (2) the lender will reduce it to a market rate. In these instances, a cooperating agent may be unpleasantly surprised

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to get a lesser commission than reasonably anticipated from the MLS listing.

To illustrate this scenario, using purely hypothetical numbers in a real estate fantasy land, here's how it plays out: let's say that market forces bear a gross commission of around 10% in the listing agreement, and short sale listing agent has offered a 5% commission to cooperating agents on the MLS with a 50/50 split of any lender reduction of the gross commission. However, short sale listing agent has written up his short sale listing for an unlikely 14%. Unsurprisingly, lender then reduces commission to 10%. Now listing broker splits the 4% reduction and reduces cooperating broker's commission to 3%.

Rather than candidly offering a lesser commission amount up front (which listing brokers are perfectly free to do; they can choose an even split or some other apportionment), these listing brokers employ the short sale commission rule to create the appearance of a higher commission offer than they are realistically planning to provide. A cooperating agent may see what looks to be a satisfactory commission offer in the MLS with the representation that the listing broker will offer a 50/50 split of any lender reduction of the gross commission, yet at the end of the transaction, discover that the gross commission, and therefore the lender reduction of it, was unexpectedly high, providing cooperating agent with much lower compensation than the impression listing agent initially created in the MLS.

What can (and cannot) be done to address this dynamic?

1. NAR Policy and Antitrust Law

First of all, it is of utmost importance to understand that NAR policy and the antitrust law on which it is based clearly prohibits the MLS from fixing or regulating commissions in any way. See CAR Model MLS Rule 7.21:

7.21 No Control of Commission Rates or Fees Charged by Participants. The MLS shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the MLS shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and non-Participants.

Moreover, the MLS shall not disclose in any way the total commission negotiated between seller and the listing broker. Pertinent NAR policy on Commissions is set forth below:

Division of Commissions

Section 5 Compensation Specified on Each Listing:

The listing broker retains the right to determine the amount of compensation offered to other participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law) which may be the same or different. (Amended 11/96)

Note 1: The association multiple listing service shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract, and the association multiple listing service shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a participant. The association multiple listing service shall not disclose in any way the total commission negotiated between the seller and the listing broker.

Sharing prices between horizontal competitors by a trade association poses serious, even criminal, antitrust risk. No potential solution to the problem at hand can involve, in any way, MLS disclosure of the total commission negotiated in the listing agreement. This would include a requirement that the split percentage of the total commission be disclosed.

2. Buyer Broker Agreements

Cooperating agents can better protect their end of the commissions by greater use of Buyer Broker Agreements.

3. Violation of MLS Rules/COE

Cooperating agents who believe they can make a case that listing agent made misleading representations and failed to present true picture can instigate a rules violation hearing. It may be hard to prove; they will need to develop evidence, perhaps show a pattern of reduced inflated rates such that listing agent "should have known" this tactic would be misleading to cooperating agents, or have a seller testify that the contracted rate was disingenuously inflated, or locate a smoking gun email or admission of listing agent that he knew his amount was inflated so he could recover more on

the backend. This is not an easy burden, but an avenue of possible relief for a determined cooperating agent.

4. Removal of the Short Sale Compensation Provision

As already stated, an MLS is not required to adopt the portion of the short sale rule which allows a listing agent to reduce commission offered to other participants in the event a lender reduces the gross commission established in the listing contract in the course of approving the sale. Several MLSs have expressed an interest in having the Committee consider eliminating this ability. To this end, the Committee will need to determine whether maintaining the short sale compensation rule is still more helpful – or more hurtful – to members.

Should the short sale compensation rule be removed, listing brokers will have to stand behind what they offer on the MLS, and if the bank reduces the gross commission, they have to absorb it or renegotiate with the cooperating broker (as in any traditional seller-request of a reduction, there are some ways to do it but the cooperating broker can always say no). Removal of the rule would require listing brokers to better project the likely commission that will be received and go ahead and make a judgment on the amount to offer the cooperating side.

On the other hand, while removal of the rule would help curtail manipulation of the system, it could also leave listing agents holding the bag in some settings. If a lender ends up reducing the gross commission more than listing broker expected, she could be on the hook to compensate cooperating broker for a greater share than she intended. The result could be one that listing broker considers unfair.

Should the Committee be inclined to remove the short sale compensation portion of the C.A.R. Model MLS short sale rule, it will need to replace it with either a discretionary or mandatory short sale disclosure obligation. Thus, the Committee should proceed as follows:

- 1) Does the Committee want to eliminate the ability in short sales to reduce commission when a lender reduces the gross commission in the course of approving the sale?
- 2) If the answer to that question is no, then the discussion is over.
- 3) If the answer to that question is yes, then the Committee next needs to decide whether the replacement short sale rule should allow for a voluntary disclosure of short sale status or require mandatory short sale disclosure.

PROPOSED MLS RULE REVISION:

Should the Committee decide to remove the short sale compensation portion of the C.A.R. Model MLS short sale rule, it should select one of two replacement options. The first option gives listing agents the discretion to disclose short sale status. The second option compels the listing agent to disclose short sale status. See the replacement options below:

Option #1: For a rule that leaves disclosure of potential short sales to the discretion of participants:

7.15.2 Lender Approval 7.28 Short Sale Listings. ~~Compensation offered through the MLS to cooperating brokers on listings which require lender approval (commonly referred to as "short sale" listings) is for the amount published therein unless the listing broker indicates on the MLS the following: (a) the fact that the sale and gross commission are subject to lender approval; and (b) the amount or method by which the compensation offered through the MLS will be reduced if the lender reduces the gross commission. Participants may, but are not required to, disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) to other participants and subscribers.~~ This section does not allow an additional reduction from the commission offered for items such as a short sale negotiator fee or other administrative costs of the transaction. Any reductions from the commission offered for such items should be factored in as a reduced amount the listing broker initially offers to a cooperating broker and may not be made a condition of the offer.

Option #2: For a rule that mandates that participants disclose potential short sales:

7.15.2 Lender Approval 7.28 Short Sale Listings. ~~Compensation offered through the MLS to cooperating brokers on listings which require lender approval (commonly referred to as "short sale" listings) is for the amount published therein unless the listing broker indicates on the MLS the following: (a) the fact that the sale and gross commission are subject to lender approval; and (b) the amount or method by which the compensation offered through the MLS~~

will be reduced if the lender reduces the gross commission. Participants must disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) when reasonably known to the listing participants. This section does not allow an additional reduction from the commission offered for items such as a short sale negotiator fee or other administrative costs of the transaction. Any reductions from the commission offered for such items should be factored in as a reduced amount the listing broker initially offers to a cooperating broker and may not be made a condition of the offer.







[Should the Committee select the mandatory disclosure obligation in Option #2, placement into Tier One (the least severe level of violations) of the Model Citation Policy is recommended for this rule as that is where other failure to complete or update listing information offenses are located].

PROPOSED MOTION:

1) That, upon final approval by NAR, C.A.R. Model MLS Rules be revised to (a) remove the short sale compensation exemption to the unilateral compensation rule and (b) allow disclosure of short sale status to be at the discretion of participants (Option #1 set forth above).

OR

2) That, upon final approval by NAR, C.A.R. Model MLS Rules be revised to (a) remove the short sale compensation exemption to the unilateral compensation rule, (b) mandate that short sale status be disclosed by participants and (c) and placed into Tier One of the C.A.R. Model Citation Policy (Option #2 set forth above).

Related Content	
 Agenda	 Lockbox Type Requirements - Follow Up Re M...
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IBP - Price Change and Days on Market Information

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C.A.R. MLS/Computer and Business Technology Committee Price Change and Days on Market Information

This Issues Briefing Paper is for Study only and has not been approved by the MLS/Computer and Business Technology Committee, Executive Committee, or the Board of Directors.

INTRODUCTION:

This item addresses NAR's recent directive regarding MLS tracking of price change and days on market information.

DISCUSSION:

In response to concerns expressed by the Department of Justice in its ongoing monitoring of VOW policy, NAR has issued policy statements clarifying that MLS fields tracking days on market and price change information should not be treated as confidential or be prohibited from display when they are otherwise made available to participants and subscribers. NAR policy provides that an MLS is not required to track these items, but if it does, it is required to classify them, as well as any information from which they may be determined (such as the current list date or prior list and expiration dates) as "non-confidential." Along this line, an MLS may not prohibit participants from making such information available to clients or customers whether on in-office "client copy" print-outs or through VOWs.

Advertising displays of these fields, however, do not necessarily have to be treated as non-confidential. An MLS has discretion whether to treat advertising uses of these fields as confidential. Advertising uses would be through IDX display or by hard copy flyers or other similar means. The rationale for treating advertising uses differently is that the DOJ's instruction is incumbent on the VOW world (i.e. brokerage activity) but not the IDX world (i.e. advertising). Some MLSs may wish to prohibit display of the fields in IDX or other advertising, while others believe allowing participants and subscribers to display such fields on their IDX sites better enable them to compete with the big 3rd party syndication sites like REALTOR.com, Trulia, etc that don't have such restrictions imposed on their conduct.

NAR's policy is set forth below:

Price Change Information (Policy Statement 7.95)

MLSs are not required to track or report price change information other than the most recent increase or decrease in the price of current listings. If such information (either with respect to a current listing or to prior listings of that property) is tracked by an MLS and made available to participants and subscribers, neither it nor any information from which it may be determined shall be classified as confidential nor may participants be prohibited from making such information available to clients and customers pursuant to the same rules governing dissemination of other non-confidential data fields. Classification as non-confidential permits inclusion of such information in advertisements, including IDX display, of other participants' listings as a matter of local option. (Adopted 5/10, Amended 5/11) M

Days/Time on Market Information (Policy Statement 7.96)

MLSs are not required to track or report days/time on market information (i.e., the length of time a property has been listed for sale pursuant to a current listing agreement or prior listing

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agreements, whether with the same or different listing brokers or firms). If such information is tracked by an MLS and made available to participants and subscribers, neither it nor any information from which it may be determined (such as the current list date, or prior list and expiration dates) shall be classified as confidential, nor may participants be prohibited from making such information available to clients or customers pursuant to the same rules governing dissemination of other non-confidential data fields. Classification as non-confidential permits inclusion of such information in advertisements, including IDX display, of other participants' listings as a matter of local option. (Adopted 5/10, Amended 5/11) M

As stated at the outset, these issues have arisen as a result of DOJ monitoring. Thus, the most important take-away from this paper is that MLSs must make sure their conduct and policies comport with NAR requirements that price change and days on market information fields not be treated as confidential for brokerage operational purposes and that participants be allowed to provide price change and time on market information to client and customers. Compliance may be best implemented at the systemic level in how MLS fields are "tagged" on the system. As such, there is no mandatory MLS rule that NAR is requiring, however, compliance with the policy is not optional.

That being said, should the Committee wish to incorporate the policy directives into the C.A.R. MLS Rules, revisions are proposed below. (Note, since inclusion of the price change and time on market information in advertising is at the discretion of the MLS, the proposal below leaves the option open for the Model, but a local MLS may want to decide the matter for itself and adjust the language accordingly.) The proposed additional language is set forth in red and underlined below:

PROPOSED MLS RULE REVISION:

7.8 Change of Listing Information. Listing brokers shall input any change in listing information, including the listed price or other change in the original listing agreement, to the MLS within 2 days after the authorized change is received by the listing broker. By inputting such changes to the MLS, the listing broker represents that the listing agreement has been modified in writing to reflect such change or that the listing broker has obtained other legally sufficient written authorization to make such change. MLS tracking of price change information, if any, shall be classified as "non-confidential" for the purpose of allowing Participants and Subscribers to make such information available to clients or customers pursuant to Sections 12.15.1 (Client Copies) and 12.19 (VOWs). [Whether display of this field is permitted for advertising purposes, including IDX display set forth in Section 12.16, is at the discretion of the MLS.]

7.26 Days on Market/Cumulative Days on Market Calculation. The calculation of Days on Market (DOM) is based on the listing number assigned to the property by the MLS and is tied to the brokerage firm holding the listing. The calculation of Cumulative Days on Market (CDOM) is based on the Assessor's Parcel Number ("APN") until the earlier of a change of ownership or the property is not available for sale and no listing agreement is in effect for a period of 90 days or more. MLS tracking of this field, if any, shall be classified as "non-confidential" for the purpose of allowing Participants and Subscribers to make such information available to clients or customers pursuant to Sections 12.15.1 (Client Copies) and 12.19 (VOWs). [Whether display of this field is permitted for advertising purposes, including IDX display set forth in Section 12.16, is at the discretion of the MLS.]

PROPOSED MOTION:

That, upon final approval by NAR, C.A.R. Model MLS Rules be revised to add the new underlined language set forth above.

Related Content	
IBP-Auction Listings	Agenda
Lockbox Type Requirements - Follow Up Re M...	Mandatory Reporting of REO Status
Mandatory Reporting of Sales Price	MLS Computer and Business Technology



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Director Committee Report

Instructions: As decided at the latest Strategic Planning session, Directors are responsible for submitting meaningful reports on all Committee meetings attended for publication within the AAR and for reporting back to our membership at a MLS Caravan meeting. Please use one report sheet per Committee meeting attended. Reports are due within 7 days after completion of the meetings. Remember, your report will be published on the AAR website and in the monthly magazine. Please send your report(s) to the EVP: Andrew@theaar.com

Director name: George R. Monte
 Committee name and position on Committee: Taxation + Government Finance
 Committee meeting date and time: May 3 - 1:10 - 2:50

Please list the top 3 items discussed at your meeting and the eventual outcome, if applicable:

- Item discussed: See Attached Agenda + Notes
 Outcome achieved: _____
- Item discussed: _____
 Outcome achieved: _____
- Item discussed: _____
 Outcome achieved: _____

Please summarize your meeting in one paragraph:

Very good meeting. Addition commercial items discussed and subsequent committee leadership meeting held to discuss these items.



[Home Page](#) > [Meetings & Events](#) > [C.A.R. Business Meetings](#) > [Current Meeting Materials](#) > [Taxation and Government Finance Committee](#)

Taxation and Government Finance Committee

find the article at: "<http://www.car.org/meetings/carmeetings/currentmeetingmaterials/647082/>"

The Taxation and Government Finance Committee meeting will be on Thursday, May 3, 2012, from 1:10 p.m. to 2:50 p.m. Please consult the C.A.R. Board of Directors May program to confirm the committee room location.

The C.A.R. State Legislative Issues Report (SLIR) is prepared by the Associations' Governmental Affairs staff for use by C.A.R. policy committees as a foundation for policy development. All policy committee members are encouraged to use this document as a resource throughout the year. The current SLIR can be found by clicking here:

<http://www.car.org/governmentaffairs/stategovernmentaffairs/slir/>

PLEASE NOTE: The SLIR is in excess of 80 pages. If you are considering printing a "hard copy," you may want to select only the portions of this document that pertain to the issue areas of your committee(s).

Please print and review the following materials before our meeting. Members seeking to use the "Quick Print" function should return to "C.A.R. Business Meeting materials" web page located here: <http://www.car.org/meetings/carmeetings/currentmeetingmaterials/>

Once in the "Quick Print" menu, please check all of the boxes associated with the committee(s) material(s) you wish to print. Please click "Continue" to assemble your document for printing.

Agenda

Agenda Summary

Public Policy Forum Flyer

Use of Retirement Funds for Home Purchase - IBP

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Agenda Summary - Taxation and Government Finance Committee

Agenda Summary - Taxation and Government Finance Committee

find the article at: "<http://www.car.org/meetings/carmeetings/currentmeetingmaterials/647082/648279/>"

Thursday, May 3, 2012

1:10 p.m. - 2:50 p.m.

Sacramento

Mission Statement: This Committee is a Policy committee. Its mission is to develop C.A.R.'s government finance and taxation policy. It has original jurisdiction to evaluate legislation and regulation in the following issue areas as they relate to real estate:

Commercial Investment

Government Finance

Property Tax

Transaction Tax

Presiding:

Ted Loring, Chair

Hal Alpert, Vice-Chair

Issue Chairs:

Judy Ellis, Transaction Tax

J. Michael Roberts, Government Finance

Scott Swendiman, Commercial Investment

Heide Wolf-Reid, Property Tax

Liaisons:

Patricia Bouie Hinds, C.A.R. Executive Committee Liaison

Mike Vachani, NAR Committee Representative, Commercial

Leigh Rutledge, NAR Committee Representative, Federal Taxation

C.A.R. Staff:

Christopher Carlisle, Legislative Advocate

Matt Roberts, Federal Government Affairs Manager

I. Welcome and Opening Comments - Ted Loring, Chair

II. State Taxation Issues

A. Discussion/Reporting Items:

1. Transaction Tax - Judy Ellis, Issue Chair

a. AB 2225 (Perea) Debt Forgiveness - The federal government enacted the Mortgage Debt Relief Act of 2007 that permitted 3 years of mortgage debt relief by not requiring borrowers to pay income tax on debt forgiven in a "short" sale. In late 2008 the federal government extended this relief through

December 31, 2012. Also in 2008, California enacted and C.A.R. supported SB 1055 (Machado) which provided conformity with the federal statute for the 2007 and 2008 tax years and, in 2010, C.A.R. supported and California enacted SB 401 (Wolk) which extended the income tax debt forgiveness until December 31, 2012, conforming California to existing federal law. C.A.R. is sponsoring AB 2225 as a state legislation placeholder with which to extend California's existing mortgage income debt forgiveness sunset date to conform to federal law if the federal government extends their mortgage debt forgiveness sunset date this year.

Status: Assembly Revenue and Taxation Committee

Position: Sponsor

b. Recording Fees

1. AB 1950 (Davis) - Existing law allows a local government to adopt a real estate document recording fee of up to \$3 to fund the Real Estate Fraud Prosecution Trust Fund. AB 1950 would impose a \$25 fee on the recording of any notice of default to fund the Attorney General's real estate fraud prosecution efforts. C.A.R. sought and reached agreement on amendments to clarify that this fee cannot be applied to documents recorded in connection with the sale or transfer of property. With these amendments C.A.R. will move to a Watch position.

Status: Assembly Public Safety Committee

Position: Oppose Unless Amended pending amendments then Watch

2. SB 1220 (DeSaulnier) - As introduced, SB 1220 proposed to provide funding for affordable housing by requiring payment of a \$75 per document recording fee on every real estate-related document recorded. Typically, it is necessary to record at least three documents in a real estate sales transaction, so SB 1220 would have increased the cost of every real estate transfer by \$225. CAR was opposed to this measure as it added an additional financial burden to all home sales transactions and placed the entire responsibility for funding California's affordable housing and shelters needs on those who sell, purchase or transfer real property rather than on society as a whole. C.A.R. would not object to alternative funding sources that would spread California's affordable housing and shelters needs responsibility over a broad base (e.g., sales or income tax). C.A.R. was able to get amendments to SB 1220 that exempt all property sales/transfers from the \$75 fee. With these amendments C.A.R. will move to a Support position.

Status: Senate Transportation and Housing Committee

Position: Oppose Unless Amended pending amendments then Support

3. SB 1342 (Emmerson) - Currently, a county board of supervisors can adopt a recording fee on a real estate document of up to \$3 to fund the Real Estate Fraud Prosecution Trust Fund. These funds will be utilized to enhance the capacity of local police and prosecutors to deter, investigate and prosecute real estate fraud crimes. SB 1342 would increase the recording fee cap to \$10 and expand the definition of what constitutes a "real estate instrument" to include real estate-related documents not already subject to a transfer tax. C.A.R. sought and received amendments to SB 1342 clarifying that the fee cannot be applied to documents recorded in connection with a sale or transfer. With these amendments C.A.R. will move to a Support position.

Status: Senate Governance and Finance Committee

Position: Oppose Unless Amended pending amendments then Support

c. AB 1963 (Huber) Service Tax - Under current law a minimum state sales tax of 6.25% is charged on the sale of tangible personal property. AB 1963 proposes to, among other things, lower the existing sales tax to 4% and to extend the 4% tax to all services except: necessary medical services; education; automotive repair; tax preparation and filing; licensed legal services; and services related to agriculture or livestock. These taxes would go into effect on or after January 1, 2013. C.A.R. is opposed to service taxes on real estate related services as they disproportionately burden real estate

transactions and homeownership. C.A.R had been seeking amendments to AB 1963 to exempt services related to real estate from the measure; however, the author recently announced that she is going to amend this measure to, instead, direct the Legislative Analyst's Office to study whether extending the sales tax to services will stabilize tax revenues.

Status: Assembly Revenue and Taxation Committee

Position: Oppose Unless Amended pending amendments then Watch

d. Other.

2. Government Finance - J. Michael Roberts, Issue Chair

a. Fire Prevention Fee

1. AB 1506 (Jeffries) - The passage of AB 29 (Blumenfeld) of the First Extraordinary Session as a budget trailer bill in 2011, required the State Board of Forestry and Fire Prevention, before September 1, 2011, to establish regulations instituting a fire prevention fee not to exceed \$150 on structures located in State Responsibility Areas to supplement the State Responsibility Area Fire Prevention Fund. The State Board of Forestry and Fire Prevention's initially enacted regulations imposing a base yearly fee of \$70 with an additional \$20 for structures in a high or very high Fire Hazard Severity Zone, and \$25 for each additional dwelling. Due to a number of exemptions provided within the regulations the average resident would have paid about \$25 with some paying as low as \$5. This fee schedule was revisited a few months later by the Board and the base fee was raised to \$150 with exemptions bringing the average resident's payment to \$115. AB 1506 would repeal the fire prevention fee. C.A.R. is supporting this measure as many homeowners will be forced to pay twice for fire prevention as they already reside in fire prevention districts and pay fire prevention fees associated with those districts.

Status: Assembly Appropriations Committee

Position: Support

2. AB 2474 (Chesbro) - This measure would specify that an individual who resides in a State Responsibility Area and who pays \$150 or more to a local agency that provides fire protection services in the State Responsibility Area is not required to pay the fire prevention fee. Individuals paying less than \$150 would receive a credit toward payment of the fire prevention fee equal to the amount paid to the local agency.

Status: Assembly Natural Resources Committee

Position: Watch

b. SB 1168 (Calderon) Homebuyer Tax Credit - SB 1168 creates a homebuyer tax credit for qualified taxpayers who purchase a home between January 1, 2012 and December 31, 2012. The credit will be equal to 5% of the sale price of a home, not to exceed \$10,000 and payable in equal amounts over 3 successive tax years (maximum of \$3,333 per year) beginning with the tax year in which the home is purchased. This measure will allocate \$100 million for qualified first time homebuyers of new or existing homes and \$100 million for purchasers of new or previously unoccupied homes. Should the purchaser fail to live in the home for two years, the remainder of the credit payments will be canceled and the purchaser will be required to repay the credit already received. C.A.R. supports this measure which would provide an incentive for first time home buyers to purchase a home as well as encourage purchases of new homes.

Status: Senate Governance and Finance Committee

Position: Support

c. Infrastructure Financing/Community Benefit Districts

1. AB 2551 (Hueso) - Under current law cities and counties are authorized to form infrastructure financing districts if the district is approved by two-thirds of the registered voters in the proposed district. AB 2551 would authorize the legislative body of a city or county to create an infrastructure financing district in a renewable energy zone area to promote renewable energy projects without voter approval. C.A.R. is opposed to AB 2551 because it removes the voters' ability to determine whether an infrastructure district should be formed leaving the taxpayers who would fund the district with no say in whether the district should be created.

Status: Assembly Local Government Committee
Position: Oppose Unless Amended

2. SB 949 (Vargas) - Existing law allows local governments to create community benefit districts to finance improvements to property and businesses if that district is approved by two-thirds of the voters living in the proposed district. SB 949 would allow the creation of a community benefit district by a local agency unless the majority of the voters in the proposed district sign a petition stating that they do not want the district created. C.A.R. is opposing this measure because it does not require an affirmative vote to establish the district. If the author incorporated C.A.R.'s suggested amendments that change this requirement to require a two-thirds affirmative vote to create the district, C.A.R. would remove its opposition.

Status: Senate Governance and Finance Committee
Position: Oppose Unless Amended

d. Vote Threshold Reductions

1. ACA 21 (Feuer) - Current law requires a two-thirds vote to approve special taxes. ACA 21 proposed to reduce the vote requirement for the imposition of property taxes by a school district, community college district or county office of education to 55%. C.A.R. opposes ACA 21 because property taxes should only be approved by a two-thirds vote, with limited case-by-case exceptions.

Status: Assembly Rules Committee
Position: Oppose

2. ACA 23 (Perea) - This bill proposes to reduce the vote required to approve special taxes for local transportation projects, from a two-thirds vote to 55 percent. C.A.R. opposes ACA 23 because special taxes should only be approved by a two-thirds vote, with limited case-by-case exceptions

Status: Assembly Rules Committee
Position: Oppose

e. Other.

3. Property Tax - Heide Wolf-Reid, Issue Chair

a. AB 1590 (Campos) Assessment Appeals Boards - The Brown Act requires that local government meetings be properly noticed and prohibits meetings that have not been properly noticed. A 1996 attorney general's opinion found that local assessment appeals boards are not required to comply with the Brown Act. C.A.R. is sponsoring AB 1590 to clarify that property tax assessment appeals boards are subject to the Brown Act. This legislation also includes provisions specifying that deliberations may be held in closed session.

Status: Assembly Local Government Committee
Position: Sponsor

b. Property Tax Deductions

1. Franchise Board Property Tax Deduction Compliance Program - The Franchise Tax Board (FTB) announced late last year that beginning with the 2012 income tax returns, the reporting requirements for property tax deductions would change. At that point, it was generally thought that only ad valorem (in other words, based on the value of the property) taxes could be deducted. Due to the difficulty homeowners would have in knowing which assessments are deductible and which are not deductible, C.A.R. joined a coalition effort to delay implementation of the FTB compliance program. In April, the IRS released Information Letter 2012-0018, stating that there is no statutory requirement that a real property tax be an ad valorem tax to be deductible. The letter, however, goes on to say that assessments on real property based on anything other than the assessed value of the property are deductible if the assessment is (1) levied for the general public welfare by a proper taxing authority at a like rate on owners of all properties in the taxing authority's jurisdiction, and (2) not for local benefits (unless for maintenance or interest charges). In the wake of the IRS release of the information letter, the FTB announced it will remove material from its website that limits the deductibility of real property taxes to taxes imposed on an ad valorem basis. Once the IRS forms and instructions are revised, the FTB will provide revised California forms and instructions that are consistent with the revisions made by the IRS. Because homeowners will continue to have difficulty determining what is and what is not deductible, C.A.R. will continue its coalition efforts to delay implementation of the compliance program. Ideally, homeowners' property tax bills will indicate which assessments are deductible and those that are not.

2. AB 1552 (Silva) - This measure provides that the entire amount paid on the property tax bill is deductible for personal income tax purposes including real property taxes, personal property taxes, special taxes and special assessments.

Status: Assembly Revenue and Taxation Committee

Position: Watch

c. AB 1700 (Butler) Change in Ownership of a Co-tenancy Interest - Under existing law, when real property changes ownership, it prompts a reassessment of the property taxes. AB 1700 would provide that a "change in ownership" reassessment is not triggered when one co-owner of a principal residence dies and his or her interest in the property is transferred to the other owner. C.A.R. is supporting this measure as it will protect the surviving co-owner from reassessment when a co-owner dies.

Status: Assembly Revenue and Taxation Committee

Position: Support

d. Other.

4. Commercial Investment - Scott Swendiman, Issue Chair

a. Nonresidential Building Energy Use Disclosure Program: Implementation of AB 1103 (Saldana, 2007) - The proposed regulations require utilities serving the building to release 12 months of energy use data for the entire building to an owner's U.S. Environmental Protection Agency (EPA) Portfolio Manager Account. Owners of nonresidential buildings are required, in advance of the sale, lease, or financing of the entire building, to benchmark the building's energy use using the U.S. EPA's Portfolio Manager System and to disclose the building's energy usage to potential buyers, lessees, and lenders.

The regulation contains an implementation schedule based on building size and requires non-residential building owners to open an account at the EPA's ENERGY STAR® program Portfolio Manager website at least 30 days before a building's energy use disclosure is required.

The schedule for implementation is as follows:

1. January 1, 2013: Buildings with a total floor area measuring more than 50,000 square feet.

2. July 1, 2013: Buildings with a total floor area measuring more than 10,000 square feet.
3. January 1, 2014: Buildings with a total floor area measuring at least 5,000 square feet.

C.A.R. has participated as a stakeholder in the development of these regulations and sought to ensure that the regulations requirements are workable and do not increase owner liability.

Status: Pending adoption by Commission - 45 Day language to be considered and possibly adopted by the Commission on May 9, 2012

b. Other.

III. Federal Taxation Issues

IV. Other Business

V. Adjournment



Taxation and Government Finance Committee Federal Issues

www.car.org

May 3, 2012

Executive Office:
525 South Virgil Ave.
Los Angeles, CA 90020
213.739.8200

Legislative Office:
980 Ninth St., Ste. 1430
Sacramento, CA 95814
916.444.2045

*Jennifer
Lynette Connel - Fed Tax Program*

Thursday, May 3, 2012
1:10 p.m. - 2:50 p.m.
Sacramento

Mission Statement: This Committee is a Policy committee. Its mission is to develop C.A.R.'s government finance and taxation policy. It has original jurisdiction to evaluate legislation and regulation in the following issue areas as they relate to real estate:

Commercial Investment
Government Finance
Property Tax
Transaction Tax

Commercial Asset Rating - Energy efficiency

Lease Accounting

Env. Prot. Agency

Presiding:

Ted Loring, Chair
Hal Alpert, Vice-Chair

Issue Chairs:

Judy Ellis, Transaction Tax
J. Michael Roberts, Government Finance
Scott Swendiman, Commercial Investment
Heide Wolf-Reid, Property Tax

Liaisons:

Patricia Bouie Hinds, C.A.R. Executive Committee Liaison
Mike Vachani, NAR Committee Representative, Commercial
Leigh Rutledge, NAR Committee Representative, Federal Taxation

C.A.R. Staff:

Christopher Carlisle, Legislative Advocate
Matt Roberts, Federal Government Affairs Manager

III. Federal Taxation Issues

A. Action Items

1. Use of Retirement Funds for Home Purchase (see issues briefing paper)
Current tax law allows for the early withdrawal of retirement funds penalty free for the purchase of a home in certain circumstances.

B. Report & Discussions Items

1. Commercial Investment

a. Commercial Asset Rating Program (see issues briefing paper)

The federal government continues to look at possible ways to implement an asset rating program.

b. FASB Lease Accounting Standards

On July 21, 2011, the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) announced that they would re-expose proposed new lease accounting rules for public comment. NAR was among the many organizations that called for re-exposure of the rules due to changes in the most recent draft that would force businesses to bring leased assets onto their books as liabilities.

FASB is expected to release their new proposal sometime in the first half of 2012 that takes into account the more than 800 comments to their first proposal. The new proposal is expected to be better than the first, but may not address all the concerns REALTORS® had. NAR is continuing to meet on a regular basis with FASB and the IASB to express REALTORS®' concerns.

On March 28, 2012, the U.S. House Financial Services Subcommittee on Capital Markets and Government Sponsored Enterprises held a hearing on "Accounting and Auditing Oversight: Pending Proposals and Emerging Issues Confronting Regulators, Standard Setters and the Economy." While the hearing was primarily focused on mandatory rotation or "term limits" for audit firms, Rep. Schweikert (R-AZ) raised several questions and concerns regarding the unintended negative economic impact of the Financial Accounting Standards Board's (FASB) lease accounting proposal. Among other things, this proposal may jeopardize income property fundamentals, loan structures, property valuations, financing covenants, and the underlying economics of commercial real estate.

The FASB Chairman, Leslie Seidman, acknowledged some concerns amongst the business community with the current lease proposal. Furthermore, she told the Subcommittee that the FASB is still working through comments letters and plans to "re-expose" or reintroduce their lease proposal, but did not give a specific timeline.

c. Environmental Protection Agency CO2 Ruling

The U.S. Environmental Protection Agency has announced that they will keep greenhouse gas permitting thresholds at current levels. This guarantees that only the largest emitters of CO2, such as coal-fired power plants, will be required to obtain permits. This action is part of EPA's phased-in approach to greenhouse gas permitting under the Clean Air Act. In previous comment letters to the EPA on this issue, NAR recommended that the Agency not move forward with lowering the permitting thresholds, because of the fact that large office and apartment buildings could be included and be required to obtain a permit to emit CO2, which would have a detrimental impact on commercial real estate markets and economic development.

Currently, new and existing facilities that release at least 100,000 tons of CO2 are required to obtain an emissions permit. After evaluating the progress of this permitting program, EPA believes that it would not be feasible from an administrative perspective to lower the thresholds and bring in smaller sources of CO2 emissions because doing so would overwhelm state permitting authorities.

2. Transaction Tax

a. Private Transfer Fee

The Federal Housing Finance Agency (FHFA) released their long awaited final rule on private transfer fees (PTF). The final rule is not substantively different than the proposed rule; however, it does include minor changes advocated for by C.A.R. FHFA removed the 1,000 yard requirement under the direct benefits section of the rule and instead offers a two-tier test. First, fees can be a direct benefit if property is open to the general public and is directly adjacent to the burdened community. Second, transfer fees may apply to more distant properties if said properties are primarily for the benefit of the burdened community. The rule also grandfathers in PTF that were created prior to February 8, 2011.

C.A.R. opposes private transfer fees and has continuously advocated they be prohibited. In a series of letters to FHFA, C.A.R. argued that private transfer fees increase the cost of homeownership and do little more than generate revenue for developers, investors, and environmental groups and typically provide no benefit to homebuyers.

b. Federal Tax Issues Update: Linda Goold, NAR Tax Counsel

IV. Other Business

V. Adjournment

- (A) Fine Prevention Fee - AB 1506
- (B) SB 1168 Homebuyer Tax Credit
- (C) Infrastructure AB 2551

AB 1590 - Assessment Appeal Boards
 Property Tax Deduction
 FTB
 Deduction Compliance
 AB 1552 - Air Dens
 AB 1700 - Co-Tenancy - just reassessment

- State Tax -
- (1) Debt Relief Act - Bill to (2225) to match Federal Guidelines
 - (2) Recording Fees (3) Bills - Increase Fees - Exclude Real Property
 - (3) AB 1963 - Opposed "Service" Taxes

EPA Permits management program 2013/2014



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Director Committee Report

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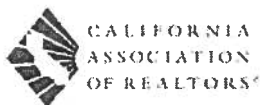
Director name: George L. Monte
 Committee name and position on Committee: Membership
 Committee meeting date and time: May 3 - 3-5 PM.

Please list the top 3 items discussed at your meeting and the eventual outcome, if applicable:

- Item discussed: Approve Honorary Member for Life Candidates
 Outcome achieved: _____
- Item discussed: YPN Report
 Outcome achieved: _____
- Item discussed: Association Report by LeFrancis Arnold
 Outcome achieved: _____

Please summarize your meeting in one paragraph:

These meetings are informative and interesting
but not a dynamic and or challenging as
they could be for the benefit of the membership



[Home Page](#) > [Meetings & Events](#) > [C.A.R. Business Meetings](#) > [Current Meeting Materials](#) > [Membership](#)

Membership

find the article at: "<http://www.car.org/meetings/carmeetings/currentmeetingmaterials/membership/>"

Dear Committee Members:

The Membership Committee meeting will be held Thursday, May 3, from 3:00 PM – 5:00 PM in the Grand Nave Ballroom, Gardenia Room at the Sheraton Hotel in Sacramento. (Please consult your program to confirm the location.)

Be sure to bring an ample supply of business cards to the C.A.R. Business Meetings. This is an excellent opportunity for all to meet and network with other REALTOR® members throughout the state.

You will find a link to the agenda and other meeting materials below. Please print them in the printable format and bring them with you to the meeting.

If you have any questions or concerns, please contact Adriana Guerrero, our Committee Staff Coordinator, at adrianag@car.org or (213) 739-8297.

Best regards,
Heather Ozur
Chair

AGENDA

HOMORARY MEMBER FOR LIFE CANDIDATES

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Director Committee Report

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Director name: George R. Monte
 Committee name and position on Committee: Program Chair - CI Group
 Committee meeting date and time: May 4 9:00 a.m. to 12:00 noon.

Please list the top 3 items discussed at your meeting and the eventual outcome, if applicable:

- Item discussed: ① See Attach Agenda + Speakers Broch. - Redevelopment Agency
 Outcome achieved: Information shared.
- Item discussed: ② California Market Update
 Outcome achieved: Information shared.
- Item discussed: ③ Climate Action Plan. ④ CACPIX - CI
 Outcome achieved: Information shared.

Please summarize your meeting in one paragraph:

We had about 60 people at our meeting. Interest
seems to growing, and our marketing effort has
been improved dramatically. CI relationship with
C.A.R is improving.



The C.A.R. Commercial Investment Group Conference presents

Issues, Trends, & Tools for California Commercial Real Estate

Friday, May 4 — 9:00 a.m. to Noon

Hendricks/Kamilos/Baker Room
Sacramento Sheraton Grand Hotel
in conjunction with the C.A.R. Business Meetings

-
- 9:00—9:30 **C.A.R. Business, Announcements and Self Introductions**
- 9:30—10:00 **Redevelopment Agencies — Now What?**
By now, almost everyone has heard that California's redevelopment agencies no longer exist. It is important that the commercial real estate community understands and appreciates how and why it happened plus how it may affect future development in California. This session will shed additional light on what occurred, why, and where we can find alternatives and opportunities.
Presented by Robert McCormick, Esquire, Downey Brand Law Firm
- 10:00—10:30 **California Market Update**
Attendees will receive a brief overview of each of the major commercial real estate markets in the state of California including trends in retail, office and multi-family properties.
Presented by Tom Hershey, Director of Commercial Real Estate, Coldwell Commercial of Northern California
- 10:30—10:45 **Break/Networking**
- 10:45—11:00 **What Are Climate Action Plans And How Do They Affect You?**
Local jurisdictions throughout California are currently implementing Climate Action Plans to come into compliance with state mandated AB 32 greenhouse gas reduction laws. Hear about Sacramento's Climate Action Plan and how it impacts CRE here and around the state.
Presented by Eric Rasmusson, Independent Lobbyist
- 11:00—Noon **"CACPIX" California Commercial Property Information Exchange**
The Northern California Commercial Association of REALTORS® (NCCAR) is pleased to announce its Commercial Information Exchange (CIE) which is available for use by all commercial practitioners statewide. See a demo of the Catalyst-based system and how it can empower the CRE community by increasing market efficiency plus save time and money. www.cacpix.com
Presented by Shane C. Hayes, VP, Catalyst, Inc. and Steven McMurtrie, NCCAR Director

**All REALTOR® commercial real estate brokers and practitioners are encouraged to attend. Registration or fees are not required. Business attire requested.
E-mail George Monte at montegr@aol.com with questions.**

List enforceable obligations

California
Communities

Tax Exempt Industrial Dev. Bond

May 1 Oversight Bd. - Local
City Level

C.A.R. Commercial Forum Bio's

May 4, 2012

CA Cities
May 10

LES. 0126.
CACITB
May 10

Bob McCormick

Robert McCormick is partner at Downey Brand LLP and a member of the Real Estate Practice Group. He is the current Co-Chairman of the Commercial Leasing Subsection of the Real Property Law Section of the State Bar of California and author of numerous articles on real estate-related California legislation. His practice is focused on commercial real estate transactions, including office and retail leasing, acquisitions, real estate secured financing and the formation of common interest developments.

Tom Hershey

Tom Hershey is the Director of Commercial Real Estate for Coldwell Banker Commercial, Northern California. He has over 20 years of commercial real estate experience ranging from research and training to transactional and managerial. Tom has traveled across the country helping agents build their businesses, providing sales training and conducting presentations on the economy and its impact on commercial real estate. Prior to Coldwell Banker, Tom worked for Marcus & Millichap and was an agent with Sperry Van Ness specializing in the brokerage of mid-sized, Class C multi-family assets.

Eric Rasmusson

Eric Rasmusson is President of Rasmusson Public Affairs. His main focus is real estate issue related with a mix of projects and interests. He has represented the Sacramento Association of REALTORS®, and thereby the local real estate community for over 22 years.

From successfully obtaining all necessary entitlements for the Towers on Capitol Mall twin 54 story condominium towers to representing CBS Outdoor throughout Northern California Rasmusson's project work exhibits a knack for striking a balance between the need for community input and the project principal's desire to obtain needed approvals in a timely fashion. Eric regularly performs due diligence studies and analysis on potential development projects throughout Northern California. He also serves on numerous issue oriented panels and working groups and is called upon from time to time as a guest lecturer at community colleges and universities.

Steve McMurtrie

Steve McMurtrie is the Executive Director of Commercial Real Estate Sales, Leasing and Investments for Keller Williams Commercial in Fremont, CA. He has his CCIM designation, was a NCCAR director in 2011 and currently serves as a C.A.R. Director for region 20. Prior to his employment with Keller Williams, Steve worked for L3 Communications in Ann Arbor, Michigan providing sales, customer service and training for the Commercial Airline Industry. His preferred vacation destination is Tahiti and his favorite free-time activity is hosting a great party!

Shane Hayes

Shane is the Vice President of Sales for Catylist and brings over a decade of sales experience to that organization. Shane specializes in servicing CIE and SiteLink clients.



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Director Committee Report

Instructions: As decided at the latest Strategic Planning session, Directors are responsible for submitting meaningful reports on all Committee meetings attended for publication within the AAR and for reporting back to our membership at a MLS Caravan meeting. Please use one report sheet per Committee meeting attended. Reports are due within 7 days after completion of the meetings. Remember, your report will be published on the AAR website and in the monthly magazine. Please send your report(s) to the EVP: Andrew@theaar.com

Director name: Nick Zigic

Committee name and position on Committee: Reg Rep REALTOR Action Fund, LUEC mem, GREF Vice-Chair, Director

Committee meeting date and time: 5/2, 10AM; 5/3, 1PM; 5/4, 10AM; 5/4, 3PM BoD; 5/5, 8AM BoD

Please list the top 3 items discussed at your meeting and the eventual outcome, if applicable:

- Item discussed: RE Action Fund: How to get more money, below or above the line

Outcome achieved: above

- Item discussed: LUEC: Septic tank issues, Definition of Wetlands

Outcome achieved: No action items

- Item discussed: GREF: Global RE opportunities, EB5 opportunities, Immobel/Real-Buzz

Outcome achieved: No action items

Please summarize your meeting in one paragraph:

The Executive Committee dealt with very few issues/action items, mainly recognitions and awards.

Another successful and dynamic Global RE Forum. The Acronym game did the trick.

All committees I attended did a great job in trying to bring the most value to the members.

Key Conference issue was how to get more money in the coffers for a rainy day. Rubber stamped!



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Director name: Randall TrawNominating

Committee name and position on Committee : Nominating Committee Member,

Committee meeting date and time: See Attached Calendar

Please list the top 3 items discussed at your meeting and the eventual outcome, if applicable:

- Item discussed: President-Elect Interview - Don Faught
Outcome achieved: Motion to Move Don Faught forward
- Item discussed: Treasurer Interview - Kris Kutsky
Outcome achieved: Motion to Move Kris Kutsky forward
- Item discussed: Vice President Interview - Kevin Brown
Outcome achieved: Motion to Move Kevin Brown forward

Please summarize your meeting in one paragraph:

Even though all of the candidates ran unopposed in this election,
the entire process of the nominating committee is vital to track each candidate from year to year
and to ensure there are no issues or violations and have come up during the previous year
that would disqualify them from moving forward.
This system has proven to be effective on many different occasions where all items have been brought
forward for the candidates to address. This is the primary safeguard that the California Association of
Realtors utilize to effectively monitor the candidates both personally and through their business.
Any further explanation as to the proceedings within the nominating committee would be a violation
of the confidentiality agreement as a member of the nominating committee and the California Association of Realtors.



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Director name: Andy Bencosme

Committee name and position on Committee : Global Real Estate Forum - Member & Regional Rep

Committee meeting date and time: 5/4/2012 10am- 12pm

Please list the top 3 items discussed at your meeting and the eventual outcome, if applicable:

- Item discussed: Presidential Liason/Ambassador Program
Outcome achieved: Updates on different programs in other AOR's and how organized RE works in other countries
- Item discussed: Immobel
Outcome achieved: Learned language and global marketing program offered free through CRMLS
- Item discussed: EB-5 Investment Immigration Program
Outcome achieved: How foreign nationals can use investment in US Real Estate & Businesses to live in U.S.

Please summarize your meeting in one paragraph:

Global RE Forum discussed how much of our business involved international clients or properties. Discussed the relatively small percentage of online searches and business actual done in English when compared to the total. Through our membership in CRMLS we have a great, powerful resource in Immobel to help market to other real estate markets operating across the world in many different languages.



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Director name: Andy Bencosme

Committee name and position on Committee : Land Use and Environmental Committee - Member

Committee meeting date and time: 5/3/2012 1:10pm- 2:50pm

Please list the top 3 items discussed at your meeting and the eventual outcome, if applicable:

- Item discussed: Updates on status of different Environmental laws

Outcome achieved: See what potential laws may effect real estate

- Item discussed: Sidewalk Repair issues

Outcome achieved: City of Los Angeles and statewide efforts to change laws pertaining to sidewalks

- Item discussed: National Flood Insurance Program

Outcome achieved: Update on efforts to extend this program for a long period of time

Please summarize your meeting in one paragraph:

There are several environmental bills that may impact our business. State Wetlands bill is trying to limit the definition of what is considered a wetlands area. Federal EPA Carbon Dioxide emissions standards have been kept status Quo. There was a push to include smaller properties. AB1506 looks to repeal fee on State Fire Prevention, but is unlikely to pass. AB2231 relates to sidewalk repair and would call for cities to be responsible for repair of sidewalks but would keep the liability with homeowners. Currently homeowners are responsible for both under state law but City of Los Angeles has had City responsible for both for 35 years but city has failed to adequately maintain. There is a large push once again to extend the National Flood Insurance Program for a longer period of time. It is due to expire on May 31, 2012 and last time it expired, many transactions were delayed until it was resolved.