

Why are Legislative Issues Important?

- The bills become the laws we live by.

Each year in Springfield, IL there are somewhere close to 6000 bills introduced. Legislators from around the state propose changes to the law based on suggestions from their constituents, or their own ideas of how to improve our lives. By the very nature of change, some of these bills would make good changes, and some bad.

- We need to be aware so we can adapt.

If we pay attention to the legislative process we will know when we need to adapt our business practices to operate within the ever changing law. We will also have the opportunity to react as the bill works its way through the process. It is far easier, and far less expensive to fight change before it is turned into a new law. It is also far easier to adapt to new laws that to defend yourself if you step over the line. Remember ignorance of the law is not a defense.

- If we are pro-active we can have input.

As an organization, the Illinois Rental Property Owners Association (IRPOA) tracks the bills at the state level every year. I have been actively involved in the process for quite some time, reading, monitoring, and reacting to bills as they are introduced. This is very pro-active, but also very time consuming. In addition, without connections in Springfield, the influence is often too little too late. Last spring IRPOA hired a lobbyist. This has made my job easier, as we get regular updates from someone who knows the inside scoop.

- How do you know when there are new laws and what you need to do to adapt?

By belonging to CCIA, or any other IRPOA member group, you will be alerted when new laws are passed that should affect your investing and rental operations at the state level. You will need to monitor what is going on at the local level to make sure that you are up to date on local laws. At the National level, CCIA belongs to NaREIA – an organization that is monitoring legislation that will affect the industry.

We need your involvement in the legislative process, and or your contribution.

Jane Garvey

Please help support IRPOA's Lobbyist Fund. Donations are tax deductible, and go straight to paying for this valuable resource. Checks should be sent to:

**Make checks for the Lobbyist Fund payable to:
IRPOA, 811 E Rollins Road, Round Lake Beach, IL 60073**

2007 Legislative Summary

by Jane Garvey 11/7/2007

During the **Spring Legislative Session** in Springfield 5999 Bills were introduced.

Effective Immediately

Human Rights Exemption – Public Act 95-0042

This action of the legislature mends the Illinois Human Rights Act. It provides that the limitation on discrimination under the housing exemptions apply to buildings of 4 or fewer units occupied by the owner (at present, a building with accommodations for not more than 5 families living independently of each other if the lessor or a member of his or her family resides in one dwelling unit). It provides that the listed exemptions for private sales of single family homes and for apartments do not apply to the publication of intent to engage in unlawful discrimination. To be safe – do not discriminate! Fair housing laws have stiff penalties, and they are not good business practice either.

Effective Immediately

Criminal Conduct - Unauthorized Taping - Public Act 95-0178

This action amends the Criminal Code of 1961. Landlords can now videotape in stairwells, corridors, laundry facilities, or additional areas to which the general public has access. This allows us to monitor activities in public areas of our property. We considered this a good change and supported this action.

Effective Immediately

Safe Homes - Domestic Violence - Public Act 95-0378

Last year the Safe Homes Act was passed. This made some clarifications and improvements to it. The revised law requires that a tenant requesting a change of locks because of a threat of violence from another lessee, include with the request a plenary order of protection or a plenary civil no contact order granting the tenant exclusive possession of the premises. As a landlord this protects you from being accused of constructively evicting the wrong party.

Effective 01/01/08

Radon Awareness-Residential Property Sales - Public Act 95-0210

Requires new form at closings concerning Radon levels. This paperwork is expected to be very similar to the lead paint disclosures that are currently used in residential property sales. More paperwork!!!

Effective 01/01/08

Condo Conversion Notice Liability - Public Act 95-0221

This amends the Condominium Property Act. It provides that if a building owner gives a tenant a notice of non-renewal of his or her lease, the tenant permanently vacates the leased premises as a direct result of the notice of non-renewal, and the owner converts the unit to condominium property by filing a declaration submitting the property to the Act without providing the required notice, then the

owner is liable to the tenant for: the tenant's actual moving expenses, not to exceed \$1500; 3 months' rent at the subject property; and reasonable attorney's fees and court costs. Please make a note of this and abide by it if you ever consider converting a property to condos.

Effective 01/01/08

Foreclosure on Rented Property - Public Act 95-0262

This amends the Code of Civil Procedure, and is something that everyone working the foreclosure markets should be aware of. If you buy a foreclosed property and a tenant living in it is current on his or her rent, any order of possession must allow the tenant to retain possession of the property (i) for 120 days or (ii) through the duration of his or her lease, whichever is shorter.

Effective 01/01/08

Condo Manager License - Public Act 95-0318

This amends the Condominium Property Act. A compensated community association manager must (1) be at least 21 and a citizen or legal permanent resident; (2) not have been convicted of forgery, embezzlement, or similar offenses; (3) have knowledge of community association management and applicable laws; and (4) not have failed to cooperate with law enforcement in a complaint investigation.

It also provides that for community associations with 6 or more units, a manager shall not have exclusive access to association funds unless there is a fidelity bond for the association funds under the manager's control. Provides requirements concerning bonds and funds management. It provides that this Section does not apply to a receiver, bankruptcy trustee, administrator, executor, or guardian under a court order, will, or trust. Provides that this Section does not create a cause of action by a unit owner against a manager or impair any action under existing law that a unit owner may bring against an association board.

If you are managing associations, or own condos you should be aware of this Act and make sure that you follow its requirements.

Late Breaking News - From the Fall Veto Session:

During the **Fall Veto Session** there have been some significant activities in Springfield. Here is the current status.

Transfer tax legislation is stopped for now. The Illinois Association of Realtors has been fighting this for months. IRPOA's lobbyist and many of our members have fought this too. The proposed legislation was going to allow new transfer taxes in Cook County to fund the shortfalls in public transportation funding. It is off the table for the moment, but our lobbyists will remain vigilant. Once legislators get ideas about where to find extra money with minimal impact

on their voting constituents – watch out.

Effective July 1, 2008

Predatory Lending Law (the HB4050 Program/Disaster from last year.)

New legislation has passed after extensive negotiations by the Illinois Association of Realtors. The revised law (Public Act 95-691) includes new rules for mortgage brokers as well as the new rules relating to the Predatory Lending Database Program (the HB 4050 program) in Cook County. The program now covers all of Cook County, rather than “the 10 zip codes” it covered in its original form. The new law only requires counseling for first-time buyers and only if the loan they are seeking has certain characteristics (e.g., interest only, negative amortization, points and fees in excess of 5%, prepayment penalty, or ARM).

The 2007 Legislative Process is almost over. Now is the time that we need to adapt to the new laws, and start preparing for the 2008 session. Thanks for your help this year. It has made a significant difference.

Jane Garvey

Chicago Creative Investors Association

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