BOARD REPORT

REGIONAL REPORT

REPORT FOCUS: LEGISLATIVE **March 2015**

REGION I

MARYLAND

Apartment and Office Building Association

STATE

MD Assembly Passes Mid Point

After a slow start, the Maryland General Assembly has accelerated through the mid point of its 90 day session. AOBA's government affairs team has reviewed each of the 2,100 bills introduced and met regularly with our Legislative Committee on bills impacting members. At this stage, most bills are in the process of receiving public hearings. Committee votes on bills during the next two weeks will largely determine the outcome of key legislation.

Legislation AOBA Supports

AOBA is supporting several bills that would assist our members on the following issues:

- **Security Deposit Interest** - SB 408 and HB 782 are bills sponsored at the request of AOBA and allied business groups to clarify the calculation of interest on residential security deposits. Legislation enacted last year altered the rate of interest payable on residential security deposits from 3 percent to a market-based rate, effective January 1, 2015. However, the legislation was ambiguous regarding the term for accrual of interest and when the new interest rate was effective. This legislation clarifies that the new interest rate is effective for interest accruing on or after January 1, 2015 and that interest will accrue on monthly intervals after the initial 6 months. The bills are pending respectively in the Senate Judicial Proceedings Committee and the House Environment and Transportation Committee.

- **Exemption from Collection Agency Licensing** - HB 951 would exempt from the Maryland Collection Agency Licensing Act a landlord, or person acting on behalf of a landlord, in the collection of rent or allied charges for a property. The bill is in response to several class action lawsuits that have been filed against property management companies alleging that the companies should have been licensed by the State in order to collect debts for another person (the property owner). The bill is in the House Environment and Transportation Committee.

- **Limited Lead-Free Exemptions** - HB 1158 would extend from 2 years to 5 years the frequency with which an owner of pre-1978 residential rental property would be required to inspect for chipping, peeling or flaking paint on exterior areas of the property, in order to maintain a limited lead-free exemption. Such exemptions would expire by October 1, 2020 unless the number of units, common areas and exterior surfaces tested was in accordance with specified federal regulations. The bill is in the House Environment and Transportation Committee.

And Everything Else

By necessity, AOBA plays lots of defense with legislation in the Maryland General Assembly. AOBA is opposing the following bills:

- **Employer Mandates**

- Sick Leave - SB 40 and HB 385 would require employers with 10 or more employees to offer paid sick leave to full and part-time employees, accruing at a rate of one hour for every 30 hours worked.
- Retirement Savings - SB 312 and HB 421 would require every employer with 5 or more employees to participate in a State-sponsored retirement savings plan, unless they offered qualified pensions or automatic enrollment payroll deduction IRAs to employees.
- Equal Pay - SB 424 and HB 1051 would impose several vague employment mandates on employers relating to equal pay, such as making it a discriminatory practice to "direct an employee into a less favorable career track."
- Employee Scheduling - SB 688 and HB 969 would require every employer to post work schedules 21 days before the start of each workweek and authorize employees to reject unscheduled work.
- Hiring and Firing - SB 784 and HB 1072 would make it a discriminatory practice for an employer to fail or refuse to hire, discharge or otherwise discriminate against a job applicant or employee based on the individual's engaging in lawful activities.
- Family Leave - HB 985 would impose assessments against employees and employers to fund up to 12 weeks of parental or family medical leave for full and part-time employees.
- Overtime Pay - HB 1027 would expand the conditions under which an employer must pay overtime.

- **Increasing Business Costs**
  - Electric Rates - SB 373 and HB 377 would raise electric rates by increasing the amount of renewable energy that electric companies must purchase.
  - Court Fees - SB 64 and HB 54 would impose a surcharge of $3 on summary ejectment filings to fund court records automation.
  - Claims for Payment - SB 374 and HB 405 would impose treble damages, fines of $10,000 per violation, court costs and attorney's fees on a person found guilty of knowingly submitting a claim for payment that is false to the state or a county.
  - Mechanics' Liens - HB 442 would make it easier for design services professions to place a lien on real property for unpaid bills.
  - LLC Representatives - HB 351 would require every newly created LLC in Maryland to designate an individual to serve as a company representative for purposes of communicating with the public.

- **Landlord/Tenant**
  - Rental Housing Stabilization Study - SB 480 and HB 420 would establish a 13-member Commission on Rental Housing Stabilization to study the establishment of a Rental Housing Authority to oversee landlord-tenant issues, Office of Tenant Advocate, Regional Housing Boards to adjudicate landlord-tenant disputes and rent control.
  - Just Cause Eviction - HB 824 would prohibit a landlord from evicting or failing to renew the lease of a tenant without demonstrating just cause. Landlords would be prohibited from requiring a tenant to name them as an additional insured party on renter's insurance.
  - Criminal Records Shielding - SB 130 , SB 526 and HB 244 would authorize an individual to request that court and police records for certain misdemeanor offences be shielded from public inspection.

Dead Bills

With AOBA's help, several bills have met an early, and well justified, demise.

- **Candidate Access to Multifamily Properties** - The House Environment and Transportation Committee unanimously defeated legislation that would have required owners of multifamily residential properties to open their properties to campaign candidates and their volunteers. AOBA led the opposition to HB 373, which would have prohibited a person from preventing a candidate, or volunteer accompanying a candidate, from accessing a private residential area for purposes of campaigning, registering voters or distributing campaign materials. Private residential areas would have included an apartment building, assisted living facility, common ownership community, mobile home park, nursing home and dormitory.

- **Vacant and Blighted Properties** - SB 197 would have authorized a municipality to establish a registry of vacant and blighted properties, impose fines of up to $2,000 per day and impose additional real property tax rates of up to $10 per $100 of assessment for such properties.

- **Montgomery County Transit Authority** - HB 104 would have authorized the Montgomery County Council to impose additional property taxes above the Charter tax cap, as well as excise taxes, assessments and fees on behalf of a County Transit Authority.
- **Social Security Number Privacy** - HB 416 would have prohibited a person from requiring a consumer to disclose their Social Security number as a condition for the purchase or lease of consumer goods or services.
- **Prince George's County Municipal Zoning** - HB 628 would have authorized the Prince George's County Council, sitting as the District Council, to delegate additional zoning authority to municipalities.

Inspections of Balconies With Wood Railings - State legislation will require local governments to establish programs for the inspection, at least every five years, of balcony railings in multifamily dwellings (other than condominiums and cooperatives) that are primarily constructed of wood, to ensure that they meet the requirements of the local housing code or the minimum livability code. Inspections must begin no later than ten years after the balcony is constructed, with the initial inspection to be completed by October 1, 2015.

A local government may conduct the inspection directly, authorize a third party to conduct the inspection, or require that it be performed by a professional inspector designated by the dwelling owner. A local government may charge a fee for the inspection or, under certain circumstances, allow the inspection to be performed by a qualified person with at least five years of experience in multifamily dwelling operations, upkeep and maintenance.

- **Montgomery County:** The Department of Housing and Community Affairs, Code Enforcement Section conducts rental license inspections on a triennial basis for all multifamily properties within the county, excluding the Cities of Rockville and Gaithersburg. These inspections cover all aspects of the Building and Maintenance Standards enforced by Montgomery County which includes any balconies and railings. The wood balconies will be identified during their rental license inspections. Any balcony deemed to be unsafe will require the property owners to hire a certified engineer to assess the structure and make repairs as needed. The majority of the balconies within Montgomery County are constructed of material other than wood.

- **Prince George's County:** The multifamily unit conducts license renewal inspections every two years. Among other items, this inspection includes balconies and rails. The overwhelming majority of the properties that they license have balcony rails that are primarily constructed of a plastic composite material or metal. According to this legislation, the inspection is required of balcony railings that are "primarily constructed of wood." By October 1, 2015, the County's multi-family unit will conduct a special inspection to identify any complex with wooden railings. If a complex has wooden railings, the multi-family unit will require that the inspection be performed by a professional inspector designated by the owner of the multifamily dwelling.

Regional
MONTGOMERY COUNTY

AOBA Advises County Executive, Council of Intention to Firmly Oppose Rent Control; Commissions study to examine economic impact of rent control law on County
Last November the Maryland Gazette reported that, in an appearance before the Montgomery Renters Alliance, Councilmember Marc Elrich, accompanied by then-Councilmember-elect Tom Hucker, advised of his intent to introduce rent stabilization legislation at the County Council http://www.gazette.net/article/20141121/NEWS/141129793/1034/councilman-plans-rent-stabilization-legislation-for-montgomery-county&template=gazette. This was not exactly surprising, as Elrich, who was a longtime member of the Takoma Park City Council, has made no secret of his belief that Takoma Park-style rent control would be a great housing policy to be imposed County-wide. For his part, Hucker, who introduced statewide rent control legislation while a member of the Maryland General Assembly, called for "strong discussion" of the issue and asserted that "Takoma Park and Washington, D.C., have made rent-control laws work."

At the direction of its Board of Directors, AOBA advised both County Executive Isiah Leggett and Council President George Leventhal of its intent to commission a study by a nationally known authority that will solely focus on the consequences of rent control for Montgomery County. Unlike other studies, which have tended to examine and identify the discouraging effects of such schemes on rental housing providers and developers, AOBA's analysis will extend to; (1) ***the anticipated impact of rent control on the County's*** assessable real property base; (2) corresponding effect on the County's and state's revenue collections; and (3) the collateral consequences for the County's bond ratings and its legal debt limits (overall debt limit defined as percentages of real and personal

property assessments). Extrapolating from two prior studies of rent control performed in the last decade by the University of Maryland, Takoma Park, MD - Rent Stabilization Policy Analysis, January 2005, AOBA provided the County's elected officials with a detailed preview of what we believe a commissioned study of County-wide would also conclude about the damaging consequences.

AOBA's preliminary analysis of the economic impact of rent control on Montgomery County estimates that property values could decrease by approximately $28 billion resulting in the County's debt limit decreasing by approximately $1.6 billion over a 10-year period. The 2005 University of Maryland study of the impact of rent control in Takoma Park, the only Maryland jurisdiction with rent control, concluded that rent control resulted in lower appraised values and lost tax revenue. Notably, the revenue losses identified in the 2005 report would likely be significantly higher since the report was based on 2005 real property tax rates values.

1. Council Puts Temporary Brakes on Sick and Safe Legislation

The Health and Human Services Committee held a Jan. 29 hearing on Bill 60-14, Human Rights and Civil Liberties - Earned Sick and Safe Leave. The legislation was introduced on Nov. 25 by now Council President George Leventhal and Councilmembers Nancy Navarro, March Elrich, and former Councilmember Branson. Bill 60-14 would require an employer operating and doing business in the County to provide earned sick and safe leave to each employee for work performed in the County. Specifically, the legislation seeks to require an employer to provide earned sick and safe leave at a rate of at least 1 hour for every 30 hours an employee works in the County for up to 56 hours in a calendar year.

AOBA raised significant concerns with the proposed legislation, including the possible impact on the ability of employers to continue providing paid time off (PTO) and with the extension of leave to part-time workers. A work session was tentatively scheduled for Feb. 12 at 9:30 am. However, at the Jan. 29 hearing, Committee Chair Leventhal indicated that he is delaying further action while the Committee monitors similar legislation pending before the Maryland General Assembly. He also noted that some proponents and opponents of the bill also recommended awaiting any action in Annapolis.

AOBA Testifies in Support of Energy Efficiency Loan Legislation/Emphasizes Need for Lender Support
On March 3, AOBA testified in support of Bill 6-15, the "Commercial Property Assessed Clean Energy Program," which proposes the creation of a Commercial Property Assessed Clean Energy (PACE) Program to assist qualifying commercial property owners with making energy improvements to their buildings. The loans will be repaid through a surcharge on the tax bill which will be a first lien on the property. Most mortgages prohibit the borrower from doing any act which would impair the security of the lender. Placing a surcharge on a property, which is senior to the mortgage, constitutes such an act and may place a property owner in default. To remedy this problem, the bill includes language requiring the applicant to secure the lender's prior consent.

While this consent provision will allow commercial property owners to avoid any potential default issues, it is unclear whether lenders are in fact granting their consent to building owners applying for PACE loans. AOBA encouraged the Council and County Executive to solicit feedback from other jurisdictions with existing PACE programs. AOBA is working collaboratively with the County Executive to ensure the successful adoption and implementation of a program which allows for significant building owner participation and reduction of energy consumption and demand. To that end, AOBA hosted representatives of the Montgomery County Departments of Finance and Environmental Protection and the administrator of the DC PACE program to discuss lender support of the proposed PACE program. The Montgomery Council's Transportation, Infrastructure, Energy and Environment Committee has tentatively scheduled a 2:00pm March 18 work session on the bill.

Prince George's County

Fire Inspection Fees Evaluated
AOBA members have continued to meet with management staff in the Prince George's County Fire Department to explore alternatives to its current basis for computing fire inspection fees. Progress was made last year in establishing centrally-scheduled inspections, standardizing the frequency of inspections and improving the timeliness of fee invoicing.

The workgroup has developed a consensus that fire inspection fees should be billed on an hourly charge, based on the time actually incurred in the fire inspection, as is done in several jurisdictions in Northern Virginia. Discussions continue on what would constitute an appropriate hourly charge. AOBA anticipates pursuing legislation before the County Council this year to change the basis for computing.

Virginia

Virginia Apartment Management Association

Once again, VAMA's advocacy program has produced meaningful results on behalf of multifamily property owners and managers in Virginia, that will reduce regulatory burdens and produce a net positive effect for your bottom line.

In the course of this year's short 45-day session, the General Assembly considered and took action upon nearly 3,000 individual pieces of proposed legislation, ultimately passing just under half of those measures into law. VAMA's Legislative Committee was charged with reviewing all 2,761 bills introduced for consideration for their potential impact on multifamily property owners and managers. VAMA's advocacy team continued to actively monitory nearly 250 individual pieces of legislation, lobbying for the passage or defeat of a large percentage of those bills, taking positions, educating key members and staff, building coalitions, testifying in committees and submitting official statements for the record. Through these efforts, VAMA was able to stave off numerous bills and initiatives which would have layered administrative and financial burdens on its members. We are also pleased to report that we successfully supported several measures that will benefit our industry going forward, and maintain Virginia's strong position as a great state in which to do business. Ultimately, VAMA notched an extremely successful session on your behalf, with nearly 100% of the measures supported having achieved passage into law, and all bills opposed either defeated or amended in our favor.

Working with a coalition of other real property organizations, VAMA carried an aggressive agenda into the 2015 session with four bills introduced on the industry's behalf. All four were successfully passed by the General Assembly and await action by the Governor to be signed into law. Delegate Manoli Loupassi (R-Richmond) served as patron for H.B. 1767. This bill will ensure that unlawful detainers may be amended at the request of the plaintiff to include all rent due at the date of a hearing, precluding a housing provider from having to endure the judicial process multiple times to recover all money owed. The bill further amends recordation deadlines for satisfaction of judgments to better align with bankruptcy provisions. H.B. 1451, introduced by Delegate Jackson Miller (R-Manassas), represented the annual amendments to Virginia's Rental Housing Act. Among other provisions, this year's bill provides clarifications to the code to allow housing providers to accept prepaid rent from a tenant that may otherwise not meet financial requirements, allow for inclusion of utilities in rent billing, enable a prorated share of self-insurance programs to be passed on to tenants and eliminate liability of housing providers for breach of tenant information stored by cloud-based contractors. S.B. 868, introduced by Senator Ben Chafin (R-Lebanon), repeals a provision in current code which allows municipal water/sewer companies to place a lien on a property for the delinquent payments of a tenant. Finally, H.B. 1849 was carried by Delegate Danny Marshall (R-Danville). This bill levels the playing field for property owners in the process of appealing a decision of a Zoning Administrator or Board of Zoning Appeals and seeking a variance

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Apartment and Office Building Association

Siding with AOBA, Fairfax Staff Recommends Against Retroactive Waste Container Requirements
Specifically citing feedback provided by AOBA members, Fairfax County staff, in a memo to the County Board of Supervisors, has recommended against retroactive requirements that would dictate revised distances between stormwater drains and a property's waste containers and trash bays. In a matter brought before the Board in November, Supervisors Penny Gross (Mason District), Gerry Hyland (Mount Vernon District) and Jeff McKay (Lee District)had instructed County staff to investigate new requirements for enclosure and placement of trash containers, relative to storm drains, at "legacy" properties (i.e., all commercial and multifamily buildings constructed prior to 2008.)

Since 2008, the County has enforced regulations for new zoning applications and site plan submissions that require use of enclosed trash containers, and placement of such containers a stipulated distance from storm drains leading to local waterways. The Board members requested a report to the full Board with recommendations for best practices, along with proposed ordinance language for trash container placement that would establish a minimum distance between the location of a trash container and a storm drain or waterway.

AOBA members provided critical feedback to County staff, citing potential costs and other considerations with regard to reconfiguring parking areas and trash bays to accommodate such a retroactive provision. In its response to the County Board, staff sided with property owners, urging fair and even enforcement of existing regulations to protect local waterways, rather than imposing onerous, retroactive requirements on existing properties.

Electric Vehicle Charging Infrastructure
A study commissioned by the Fairfax County Board of Supervisors and now before the Planning Commission's Environmental Committee for review, recommended that 100% of new multifamily residential parking spaces be equipped with electric vehicle charging equipment. Throughout the Planning Commission's lengthy review of the report's recommendations, AOBA has provided input, data and economic case studies citing substantially less demand for electric vehicle charging than those figures on which the MITRE Corporation based their recommendations. Fairfax County staff has prepared a white paper for the consideration of the Planning Commission, which vastly reduces the proposed requirements on commercial and multifamily residential developers to provide the conduit to make new parking spaces "EV-ready" versus fully equipped in only 20% of new residential parking spaces. Staff has subsequently developed a prototype proffer for EV-ready parking spaces as an alternative to a recommended baseline. The prototype proffer, as drafted, would only require that 5% of spaces be made "EV-ready" in new common residential parking facilities. The issue remains before the Planning Commission's Environmental Committee, after which the Committee's recommendations would be forwarded to the full Planning Commission and subsequently to the Board of Supervisors.

Changes to the Unlawful Detainer Process
H.B. 1767 is a judicial efficiency measure builds on changes to the unlawful detainer process successfully advocated for by AOBA last year. The bill makes mandatory the currently optional provision that an unlawful detainer motion be amended at a plaintiff's request to cover all rent due at the time that a judgment is issued, precluding the need for a housing provider to refile and go through the court process again to recover all debts owed. The bill further amends the required timeline for declaring satisfaction of a judgment to better align with procedures for filing of bankruptcy by a debtor, preventing a scenario where a debtor may have a debt declared as satisfied and later use clawback provisions of bankruptcy law to retrieve funds paid to a housing provider. This bill achieved unanimous passage through both the House and Senate and now awaits communication to the Governor to be signed into law.

Omnibus Amendments to Virginia's Rental Housing Act
H.B 1451 comprised the annual omnibus compilation of amendments to Virginia's Rental Housing Act (also known as the Virginia Residential Landlord/Tenant Act or VRLTA). This year's bill makes several changes to clarify existing code and add protections to housing providers operating in the Commonwealth:

- Clarifies that 120-day notice for a conversion to condominium use is not required for tenants under a 30-day lease.
- Clarifies that a housing provider may include utilities in rent billing.
- Stipulates that prepaid rent may be accepted if other financial requirements are not met by a prospective tenant.
- Clarifies that a housing provider may charge a tenant for a prorated share of self-insurance programs.
- Authorizes sharing of tenant information with succeeding property management.
- Eliminates any liability for release or access of tenant information by a third-party cloud provider.
- Changes 30-day notice to "reasonable" notice for remediation of a non-emergency property condition.
- Makes uniform the notice to vacate requirements between tenants and housing providers in the case of fire or casualty damage.
- Having passed unanimously through both chambers, the bill now awaits communication to the Governor's desk to be signed into law.

Adding "Source of Income" for Veterans
This proposed legislation took a new spin on "source of income" legislation introduced in years past. Previous iterations of this initiative have sought to add "source of income" to the list of protected classes under Virginia fair housing law. This would effectively mandate participation in the currently voluntary federal housing choice (Section 8) voucher program. Acceptance of these vouchers comes with significant red tape and administrative strings attached. Housing providers must sign onto a third party contract with the federal government and subject themselves to additional inspections and lease addenda that would otherwise not be required of non-Section 8 properties. H.B. 1910 took another run at the issue, but narrowing the focus to veterans receiving such subsidies. The bill was politically crafty as it would put legislators in the difficult position of casting a vote "against veterans" in an election year. The bill was ultimately referred to the Virginia Housing Commission for further evaluation during the legislative interim and will not move forward in 2015.

Termination of Rental Agreements by Victims of Stalking
H.B. 1902, which was defeated in Committee, sought to expand the protections currently offered to victims of domestic abuse to allow termination of a lease to escape from a dangerous situation to also include victims of stalking. As drafted, the legislation was extremely broad and opposed by the industry. AOBA worked with Delegate Lopez and the Virginia Poverty Law Center, Housing Opportunities Made Equal and other proponents to amend the

legislation to allow the exercise of such termination rights only under very narrow circumstances. The bill was nevertheless defeated and will not advance to enactment.

Housing Providers Guilty Until Proven Innocent?
Last year, AOBA successfully defeated a bill proposed by Arlington Delegate Alfonso Lopez (D) regarding "retaliatory" evictions. The measure would have reversed the current judicial burden of proof, essentially creating a situation where a housing provider would be considered guilty, until proven innocent, when a tenant claimed that an eviction or rent increase was executed in retaliation for an earlier action by the tenant, such as filing a building code complaint or joining a tenant organization. The bill, nonetheless, brought back before the Housing Commission this summer by the Virginia Poverty Law Center. The Housing Commission amended the bill such that it no longer had the same effect, but simply clarified existing code. The bill passed the House of Delegates on a vote of 95-4 and was subsequently passed the Senate on a unanimous vote.

More Protected Classes, More Opportunities to be Taken to Court
H.B. 1454 and S.B. 917 are companion bills which proposed to establish a new protected class under Virginia fair housing law for sexual orientation and gender identity, going beyond the federal Fair Housing Act. The bills would have broadly defined the term to include a person's actual or perceived homosexuality, gender identity or expression. In addition to going beyond federal housing law, the bill would have opened opportunities for litigation based on suspect causes of action.

Rekeying of Locks at Change in Tenancy
H.B. 2093 sought to allow local governments the authority to adopt local ordinances requiring the rekeying of locks at a change in tenancy for multifamily residential properties of five units or more. Delegate Keam attached amendments to his bill requested by AOBA to allow for the use of alternative locking technologies such as proprietary locks, electronic key cards, combination locks, etc. In spite of the amendments, the bill failed on the House floor.

BUILDING CODES, LAND AND ENVIRONMENTAL REGULATION

Regulation of Wheelchair Access Only Parking
H.B. 1793 would have legislatively mandated that in all commercial and residential parking lots with more than 25 spaces, at least 25% of disabled parking spaces be designated as wheelchair access only. AOBA generally opposes measures which seek to legislate the building code. AOBA worked with the patron to have the bill stricken and instead referred to the Board of Housing and Community Development for consideration under the triennial building codes review process in which AOBA regularly engages as a stakeholder.

Changes to Process for Appealing Local Zoning Decisions
Delegate Danny Marshall's H.B 1849 would amend the process by which both commercial and multifamily residential properties may appeal a ruling of a local zoning administrator. The legislation seeks to reverse the burden of proof for rulings of a Zoning Administrator and reduce the judicial standard to a preponderance of the evidence for appeals before a Board of Zoning appeals while also seeking to protect the interests of adjoining properties. Recent case law has been interpreted and applied in a manner that has rendered the burden of proof for property owners seeking a variance nearly insurmountable.

AOBA and its coalition partners worked with local government representatives to resolve any opposition. As such, the measure was passed unanimously through the State Senate and the House of Delegates.

Delinquent payment of rates and charges in our Water Systems
The function of S.B 868 is to repeal a provision created by the Virginia Water and Waste Authorities Act that limits a landlord's liability for a tenant's separately metered sewer or water charges to three delinquent billing periods of no more than 90 days in total. The provision would prevent lien placed on property for delinquency of a tenant.
The bill was passed unanimously through both Chambers and awaits communication to the Governor to be enacted into law.

Local Government Appointees to Serve at Pleasure of Governing Body
H.B. 1383 would have stipulated local government appointees to boards, commissions and committees would serve at the pleasure of the Board of Supervisors or Council and could be removed at any time. This potentially created a scenario under which a member of a quasi-judicial body such as a Board of Equalization, Board of Zoning Appeals or Planning Commission may be removed by the governing body if they cast decisions that do not comport with the agenda of the local government. The bill was defeated in the House Committee on Counties, Cities & Towns and received no further consideration.

TAXES AND GENERAL BUSINESS REGULATION

Exemptions from Local Government Taxes and Fees
H.B 1294, which was defeated in the House Finance Subcommittee, sought to exempt churches and other religious institutions from local government taxes and fees, including real estate taxes. This bill would have potentially started Virginia down a slippery slope of allowing exemptions to real estate taxes and minimizing the pool of properties paying into and supporting the local revenue base.

Altering the Burden of Proof on Appeals of Real Estate Tax Assessments
H.B. 1416 sought to eliminate the burden of proof currently placed on a property owner for an appeal of a local government real estate tax assessment in an appeal before a Circuit Court. The bill would have established an even playing field for property owners seeking to overturn an erroneously high assessed valuation. The bill failed to report from the House Civil Law Subcommittee and received no further consideration.

ENERGY UTILITY MATTERS

Suspension of SCC Overview of Electric Rates
In an effort to mitigate and smooth out the impact of the federal rules, Virginia Beach Senator Frank Wagner introduced S.B. 1349. This bill, as introduced, sought to freeze base electric rates and suspend biennial reviews by the State Corporation Commission for 10 years. But this bill is not as good a deal for consumers as Dominion Virginia Power would have you believe. Though base rates would be frozen during the extended period of suspended regulation, the company could proceed with rate adjustment clauses or "riders" that could ultimately still result in increased bills for consumers. What's more, the SCC has already found that the company is over-earning based on its current return on equity, which the SCC could not adjust prior to the rate freeze. Compounding matters, the riders going forward would be tied to the inflated rate of return on equity, further driving up costs that will be borne by utility customers beyond a fair and reasonable return. AOBA called for amendments to the legislation to allow a full and unrestricted rate case before the State Corporation Commission prior to any suspension of biennial reviews to establish an appropriate baseline going forward, rather than cementing into place overearnings currently being collected by Dominion Virginia Power. Incremental improvements were made to the bill, most notably reducing the period of suspended oversight to five years. But AOBA's primary objections went unaddressed. The bill was passed by the Senate of Virginia on a vote of 32-6 and was expedited through the House, where it also passed on a vote of 72-24 and was signed into law by Governor McAuliffe.

Expansion of Natural Gas Infrastructure
H.B. 1475 and S.B. 1163, two House and Senate companion bills, would allow natural gas utility companies to expand their infrastructure to extend service to new customers and economic development prospects. AOBA worked with the natural gas companies behind the legislation to secure amendments that make clear that any costs recovered would be borne by the newly served customer, not by the entire rate base. The bills were approved overwhelmingly in both chambers and are anticipated to become law.

Washington, D.C.

Impact of District of Columbia's Marijuana Legalization on AOBA Members
With the blitz of news stories, some of which included quotes from AOBA representatives, you likely have a plethora of questions regarding the impact of *Initiative 71*, the "Legalization of Possession of Minimal Amounts of Marijuana for Personal Use Act of 2014, which became law in the District of Columba on Feb. 26. It will be important in the coming weeks to review the law, your leasing documents and smoking policies, since some provisions may need to be changed as a result of the new law. Knowing the facts about the *Initiative 71*, including the rights housing providers are granted, will help you inform the residents and staff of your housing community who are curious about the new law and how it will affect them. **Seeking information about *Initiative 71*, marijuana legalization and the impact on AOBA members? Click here.**

Legislation Introduced to Create Online Rent Control Housing Database
Councilmember Anita Bonds (D-At Large), backed by the full support of the Council, introduced Bill 21-119, the "Rent Control Housing Clearinghouse Amendment Act of 2015," on March 3, which seeks to create a real-time, searchable online database of all housing units subject to the District's rent control laws. The database will be established by the Rental Accommodations Division (RAD) of the Department of Housing and Community Development and the Office of the Chief Technology Officer, in close collaboration with the Office of the Tenant Advocate. Additionally, the measure will require that this online database is available within a year of the effective date and that RAD provide the Council with a six-month progress report on the development and costs. If adopted, the database will become the portal for the filing of the many forms required of housing providers, and will also

serve as a user-friendly interface that provides information relevant to tenants seeking and living in rent control accommodations. The searchable parameters that the measure seeks to require include:

- building address and ward;
- contact information of the owner/property manager;
- business license;
- RAD registration exemption number;
- accessibility information;
- proactive inspection dates;
- building units/number of bedrooms per unit;
- rent level and vacancy status;
- amount/date of annual rent increase/decrease; and
- related services and/or facilities petition, capital improvement petition, substantial rehab petition, voluntary agreement petition, hardship petition, tenant petition, court/administrative action and
- notice date of housing code violations.

On Feb. 3, Bill 21-54, the "Adequate Notice of Affordability Expiration Amendment Act of 2015," was introduced by Councilmembers Anita Bonds (D-At Large) and Kenyan McDuffie (D-Ward 5) who were joined by co-sponsors Councilmember Elissa Silverman (I-At Large), Mary Cheh (D-Ward 3), David Grosso (I-At Large), Vincent B. Orange, Sr. (D-At Large), Yvette Alexander (D-Ward 7), Jack Evans (D-Ward 2) and Brianne Nadeau (D-Ward 1). The bill proposes to mandate that owners and housing providers seeking to raise rental fees based on the expiration of affordability requirements, such as affordable housing covenants, would be required to provide at least 90 days written notice prior to increasing the rent. This bill was referred to the Committee on Housing and Community Development which has scheduled a March 31 hearing.
Bill 21-121, the "Affordable Housing Act of 2015" introduced on March 3 by Councilmembers Vincent B. Orange, Sr. (D-At Large) and Anita Bonds (D-At Large) and co-sponsored by Yvette Alexander (D-Ward 7), proposes a ten-year $100,000,000 affordable housing plan to finance the construction, reconstruction, renovation and emergency maintenance of affordable housing facilities. Funding would be apportioned equally among four priority areas: (1) senior housing; (2) housing for the homeless; (3) low-income households earning between $30,000 and $60,000; and (4) low income households of 4 persons according to the area median income for a household of 4 persons in the Washington Metropolitan Statistical Area. The legislation seeks to authorize the Mayor, retroactive to Jan. 2, 2015, to issue up to one billion dollars in bonds to assist in the financing of the ten-year housing plan. The bill was referred to the Committees on Finance and Revenue and Housing and Community Development.

Gun Control Law Reminders! What property owners/managers need to know.
AOBA received a few inquiries about the "License to Carry a Pistol Amendment Act of 2014" and the emergency version of the bill, that is in effect now, but will expire on April 6, 2015. Below are a few helpful reminders about the law.

> **Concealed weapons are PERMITTED without signage!** For any private property, not a residence, the law creates a presumption that the owner permits a licensee to carry a concealed pistol on the premises unless the property is posted with conspicuous signage prohibiting concealed pistols, or the owner or authorized agent communicates such prohibition personally to the licensee.
>
> **Signage:** While the law authorizes an owner to post a sign prohibiting concealed weapons on their property, it is silent on the location and specific wording of the sign. Absent a uniform design by the District, here are a few model sign suggestions from our BOMA colleagues across the nation - Chicago Signage; Nebraska Signage and Ohio Signage.

Additional considerations: While many buildings address firearms in their existing rules and regulations, members may need to revisit lease language to address the provisions in the District's concealed weapons law.

Council Takes Steps to Permanently Limit Pre-Employment Marijuana Testing
On March 4, the Committee on Business, Consumer and Regulatory Affairs approved Bill 21-25, the "Prohibition of Pre-Employment Marijuana Testing Act of 2015." The language approved by the committee mirrors emergency legislation currently in effect, the "Prohibition of Pre-Employment Marijuana Testing Emergency Act of 2014." Notably, the legislation retains language allowing employers to test prospective employees for marijuana after issuance of a conditional offer, and to deny employment based on positive test results. The emergency measure expires on March 18, 2015 and a temporary version has an April 15 projected effective date. The measure will now go to the full Council for a vote.

Proposed Amendment to Wage Theft Law
On March 3, Councilmember Elissa Silverman (I-At Large) joined by Councilmembers Brianne Nadeau (D-Ward 1), Charles Allen (D-Ward 6), Anita Bonds (D-At Large), and Council Chairman Phil Mendelson (D-At Large), introduced "Bill 21-120, the "Wage Theft Prevention Clarification and Overtime Fairness Amendment Act of 2015," which will authorize the Mayor to issue regulations, set maximum penalty levels per affected employee, clarify how employers receive and provide notice of the Act, including in languages other than English, expand access to protections under DC law to parking lot attendants, who are currently denied federally-mandated overtime pay, clarify who may bring wage theft actions (such as the Attorney General and employee membership organizations) and what remedies and processes are used. The legislation was referred to the Committee on Business, Consumer and Regulatory Affairs. AOBA will continue to monitor the legislative impacts to the wage enforcement laws. Please contact Kirsten Bowden, via email at kbowden@aoba-metro.org or by phone at (202) 296-3390, if you have any concerns about how this measure may impact your operations.

Wage Enforcement Law Impacts All District Businesses | Office of Wage-Hour to Conduct Public Education Campaign for Employers and Employees
Major changes have taken effect in DC that impact how you record employee hours and what notices must be distributed to employees. On Feb. 26, the "Wage Theft Prevention Amendment Act of 2014," which makes broad changes to DC's wage and hour laws, became effective. While the purpose of the measure is to enhance remedies, fines, administrative penalties and enforcement of wage payment and collection laws, the law also requires employers to provide written notice to each employee of the terms of their employment and to maintain employee records.

Effective immediately, employers must provide the notice to all *new* employees when they are hired. Additionally, employers are required to provide the notice to all *current* employees by **March 27, 2015** (90 days from the Act's effective date). **As proof of compliance, every employer must retain copies of the written notices furnished to employees that are signed and dated by the employer and by the employee, acknowledging receipt of the notice.**

The Department of Employment Services (DOES) has issued a notice regarding the changes to the District's wage laws. Additionally, the DOES Office of Wage-Hour will conduct a public education campaign for employers and employees in the coming weeks that includes webinars, conference calls and information sessions. A tentative calendar of events for the upcoming information sessions is posted here. For more information on the new law, including fact sheets, legislative summaries, please visit www.does.dc.gov.

REGION II

Massachusetts

Rental Housing Association of the Greater Boston Real Estate Board

The Rental Housing Association of the Greater Boston Real Estate Board has filed several new bills aimed at economic development and multifamily housing production. In addition, RHA has also re-filed two bills including a bill to establish a rent escrow law in the Commonwealth and a bed bug remediation bill. 2015 is the start of a new legislative cycle. On average 5,000-8,000 bills are filed every two years, of that the RHA is currently tracking 500 bills. Bills to establish a real estate transfer tax, expanding the application of the hotel/motel tax to short term apartment rentals, energy scoring and a bill to regulate so called "Air B&B"s are before state lawmakers. Deliberations on the State Budget have also started with Governor Charlie Baker recently releasing his proposal. Massachusetts is dealing with a $765 million budget shortfall

REGION IV

North Carolina

Triangle Apartment Association

The Triangle Apartment Association (TAA) is a 928 member association representing more than 121,000 units and an estimated 303,000 residents. Our jurisdiction covers more than 11 counties, consisting of major municipalities and rural communities; included in our area is also the state capitol.
Listed below is a brief description of the legislative activities and categories of issues that impact our members:

- State Level:
    - Inspections/Rental Registrations – protecting code-compliant housing providers from excessive fees and facing responsibility for violations of codes by tenants.
    - Private Process Servers – allow private companies to serve evictions notices, rather than relying solely on over-worked sheriff's deputies.
    - Prohibit Protest Petitions – currently, if as little as one neighbor objects to a rezoning request, a super-majority of City Council members is needed to override the protest; we would seek that repealed.
    - Wage Garnishments – allow for the garnishment of wages of a person who is behind on rent and is required to repay them by judgment.
    - Unconscionable evictions test – recently, Legal Aid won an appellate court case in which they argued that an eviction was unconscionable and therefore put undue strain and stress on the evictee; this has now become standard case law in NC. The case has been appealed to the NC Supreme Court but they may not accept it; if they don't we will be working to have the NCGA remove the unconscionability test from evictions.
- Local/County
    - Rental registration/inspection – Currently, several municipalities fine property owners/managers for the violation of ordinances by tenants, as well as require a per-unit fee on properties in order to register them with the City. We are seeking to have this overturned.
    - Transportation (light rail) – The Triangle is growing and local leaders are seeking to add light rail to the area's transportation infrastructure. However, this impacts land use, zoning, taxes and affordable housing.
    - Affordable housing – work with local municipalities to increase the amount of affordable housing providers without expanding protected classes or requiring it through Inclusionary Zoning processes.
    - Sign ordinance – Raleigh has changed their requirements on signs and have become more restrictive. We are working with the City to loosen the restrictions and make the requirements more business-friendly.
    - Backflow devices – There has been a crack-down on backflow devices in the area. We are working with the municipalities to allow for cost-effect solutions and reasonable replacement times.
    - Multifamily recycling fees – We are working with several local solid waste service authorities to ensure fair billing and collections for multifamily housing providers.

South Carolina

Charleston Apartment Association

Report Focus: Legislative Activities

The Charleston Apartment Association was pleased to participate in the South Carolina Legislative Day in Columbia on February 25, 2015. The opportunity allowed key leaders to see and meet the faces of the local industry, which speaks volumes and resonates throughout the year as vital industry issues are discussed. All CAA industry allies were invited to participate by traveling to Columbia that day. The day included a legislative program and overview of current legislation affecting the multi-family housing industry followed by a luncheon with invited legislators.

A PAC fundraiser is scheduled to take place during the CAA's Diamond Awards on March 27th at the Francis Marion Hotel. An iPad mini will be raffled off. Tickets are $10 each or $50 for an arm's length of tickets.

The South Caroline Apartment Association

The South Carolina Apartment Association recently hosted their annual Legislative Day in Columbia, SC. More than 100 members attended, making this year's event the largest ever. Speakers included Fred Tayco from the National Apartment Association, SCAA lobbyists Richard Davis and Annie Wilson of Capitol Consultants, Rod Atkinson, Administrator of the SC Real Estate Commission and Mark Nix, Executive Office of the Home Builder Association – SC. Additionally, several legislators attended the Luncheon and were able to network with their constituents.

Members discussed national and state legislation of interest to the multi-family housing industry. Specifically the SCAA is closely following the SC Real Estate Commission's proposed rewrite of the Real Estate Practice Act.

Tennessee

Tennessee Apartment Association

The Tennessee Apartment Association is comprised of five local associations representing the most populated areas in the state. These include: Apartment Association of Greater Knoxville, Apartment Association of Greater Memphis, Chattanooga Apartment Association, Greater Nashville Apartment Association, and Tri-City Apartment Association.

This year, fourteen members from TAA will be participating in the Capitol Conference. These members will be traveling from all three regions of Tennessee, and will provide a strong, cohesive representation of Tennessee's needs overall.

State Legislative News

Since the bill filing deadline, the Tennessee Apartment Association has identified fifteen bills of interest or concern to monitor during this legislative session. TAA will continue to study this list to determine which bills should actively be lobbied and which bills should only be monitored to ensure they are not amended to change the original intent. While this list is not exhaustive and is subject to change as session progresses, below is a summary of the bills that have been identified as priority. TAA will continue to work with each of the bill sponsors.

Senate Bill 548/House Bill 501

Sponsors: Senator Todd Gardenhire, Representative JoAnne Favors

As introduced, this bill enacts the "Secure Home Act." At the direction of the TAA Board of Directors, the TAA lobbyist has worked with the lobbyist for the City of Chattanooga to address an issue of concern initiated by Chattanooga's Mayor and Chief of Police. In essence, this bill will require a landlord to change the locks of a unit occupied by a victim of domestic assault upon receipt of an authenticated order of protection. An amendment will be filed that will make the bill. The language of this amendment will address the concerns of TAA, limiting this obligation to a single occurrence, allowing the landlord to seek reimbursement from the offender, and providing the landlord with immunity from all civil liability for damages arising out of acts by the offender.

Senate Bill 1036/House Bill 917
Sponsors: Senator Bill Ketron, Representative Dale Carr

As introduced, this bill makes various changes to the use of smoke alarms in one-family and two-family rental units, one-family and two-family dwellings, apartment buildings, and hotels. Since the summer, TAA representatives have worked with the Tennessee Fire Services Coalition to compose language that would allow the law to coordinate with the adoption of the rules by the Department of Commerce and Insurance without having to pass legislation each time a new building or safety code is adopted. Additionally, the bill updates the smoke alarm terminology used throughout the code.

Senate Bill 1129/House Bill 1144
Sponsors: Senator Todd Gardenhire, Representative Susan Lynn

As introduced, this bill declares that water companies shall not be prevented from providing water and wastewater treatment authorities with information about water customers to locate such persons or to collect delinquent debts. Additionally, this bill increases authority of municipalities to collect delinquent or past due sewer charges, and expands the ability of water and wastewater authorities to discontinue water service to sewer users who are delinquent in paying sewer service charges, penalties, or fees. In particular, section two of the bill authorizes wastewater authorities to collect delinquent or past due sewer charges from the current owner for debts incurred by a former tenant.

Senate Bill 1141/House Bill 1258
Sponsors: Senator Reginald Tate, Representative Johnnie Turner

As introduced, this bill requires landlords to make certain certifications and disclosure in writing to prospective and current tenants with regard to mold in dwelling units or buildings. Additionally, the bill requires landlords to repair, remediate, and remove mold from dwelling units or buildings, and requires tenants to notify landlords of any suspected mold in the tenant's dwelling unit or building.

REGION VI

Texas

Austin Apartment Association

Main policy issues of past year:

- **Source of Income**
  The conversation, as it relates to adding source of income as a protected class in Austin, started April 2014. By summer, it was a hot topic and debate continued through the elections of the new City Council. AAA hired an attorney to help with communication efforts at the City. Members attended a number of stakeholder meetings and council meetings during the fall months.
  TAA joined our efforts with the staff/legal counsel resources in November. In addition, we hired a PR firm to assist with op editorials, press conferences, and press releases. During the December 11, 2014, council meeting, the ordinance, as presented passed. It was determined by our leadership/TAA that if the City passed the ordinance, AAA would sue, which we did the following day, December 12. By this time, we had hired COATS/ROSE as our litigator. Many conversations - both in person, conference calls, and thru email - have taken place since mid-November. On January 26, 2015, at the Federal Court, the hearing for a temporary injunction was held. As of this time, the Judge has not released his ruling. Our next steps will be determined after we see his ruling.
- **Austin votes to create single member districts**
  Austin was the largest U.S. city with an all at-large city council, but is now a 10-district system, plus the mayoral position. The board of directors approved the expenditure to hire a political strategist to assist with the nearly 90 + candidates that filed for one of the 10 districts plus the mayoral race. Beginning in

September 2014, our PAC interviewed/met with more than 25 candidates and we were very successful with our endorsements overall.

- **San Marcos Proposed Ordinance**
  The San Marcos City Council recommends a single provider for trash and recycling to all MF zoned properties. The COSM (City of San Marcos) currently manages the contract for MF recycling and TDS manages all the residential contracts for the COSM.
  Each property received a certified letter asking if the property would prefer to contract directly with TDS (Texas Disposal System), or have the City manage the contract for MF service with TDS. The letter went on to ask if the city manages the contract would you oppose the city billing the management company?
  The proposed cost is $16.87 per unit, which includes trash and recycling on site. Recycling includes dumpsters/rear load trash trucks, use of Green Guy Recycling drop off, etc.
  For example, a 258 unit property in SM currently pays $1600 per month for trash bill. This proposal would require the property to pay $4,352 per month. The ordinance will not go into effect until October 1, 2015 at the earliest. AAA is working with SM members addressing these concerns.

Dallas

Apartment Association of Greater Dallas

Source of Income – Just as the City of Austin was approving an ordinance mandating the acceptance of Section 8 vouchers, the City of Dallas announced they had reached a *Voluntary Compliance Agreement* with HUD to avoid a fair housing lawsuit. Part of the agreement stated that the Council would introduce an ordinance for public hearing that would make it a violation of fair housing rules to discriminate based upon a person's *Source of Income* (SOI). While we wait for the anticipated ruling that U.S. District Judge Sam Sparks will issue regarding a temporary injunction, AAGD has been hard at work fighting this issue.
AAGD immediately appointed a task force of owner members that meet regularly to decide on strategy. We have been working with our consultants David Margulies and Ken Carter for the past three months, who have prepared letters to Home Owner Associations and news releases for the media. We submitted a Request for Public Information to the Dallas Housing Authority asking for numerous statistics related to the Section 8 program they administer. Our attorney is trying to work around a denial of the request from their legal counsel, citing the possibility of pending litigation.
We continue to meet individually with Council members to educate them on the issue. We have provided our chief champions with talking points they may share with other council members. In January, we met with the Dallas City Attorney Warren Ernst, who allowed us to get many of our questions answered regarding the city's timeline and gave us the information about where the impetus for such an ordinance was coming from. We subsequently had a conference call with Greg Brown of NAA and Cindi Chetti of NMHC, who are working on a Congressional fix. We are reaching out to Congressman Jeb Hensarling for his assistance in this matter, which we are sure he will support.
We have had a good showing of support, but fear that the turnover of six Council members in the upcoming May elections may not work in our favor. Staff will brief the Council on their recommendations in April, but we are hoping to be ahead of them in garnering support.

Dallas Chapter 27 Revisions – The City of Dallas has announced plans to completely revise their Code of Ordinances, particularly Chapter 27. This is the chapter that governs everything related to multi-family, including housing standards, crime initiatives, and registration requirements. We have formed a task force that has met with the Code Director, a code manager and a community prosecutor. We are in the very beginning stages of this process, but have notified the city that we will be fully engaged in the development of the document, which will so closely affect our members.

Mesquite Water and Sewer Fees – While compiling survey data, we knew that the City of Mesquite would have a significant increase in their water and sewer fees, but when the November bills went out, a number of members frantically called our office. We learned that the way they interpreted and applied the ordinance resulted in bills go up over 300% in one month!

The new ordinance called for billing based upon meter size which, for an apartment building, is usually 2 inches. However, the city billed EACH UNIT the new rate of $25, instead of by just the few meters per property. We brought this to the attention of the city during the week of Christmas. After some quick analysis, they realized that they had made a grave mathematical error and promised to fix it. However, they still needed to increase revenue by a substantial amount.
Since then, the Council has voted to revise the rates to a base charge of $11.00 per unit. Significant to the calculation is that they divide the total usage by the number of units, which brings the average usage down enough to take advantage of the lower rate fees. Our most recent calculations show that property owners will have to bear about a 20% rate increase on water. The December bills were delayed a week to give staff time to process the adjustments, but credits were shown on that bill.
The sewer rates were increased by even greater percentages. Simple calculations for a 300 unit property, using 900,000 gallons of water will result in a **65% increase** over last year!

REGION VII

Arizona

Arizona Multihousing Association

The Arizona Multihousing Association has three pro-active bills pending in the State Legislature: HB 2254 regarding the phase-out of residential rent tax over the course of five years; SB 1079, which would preempt cities and towns from mandating that apartment communities use city-owned sold waste services; and SB 1072, which would clarify state law prohibiting cities and towns from adopting mandatory “inclusionary zoning” ordinances.

All of these Bills have passed through subcommittees, and are pending in their respective Houses for a full vote of members. There is still a long way to go on all three, but SB 1079 and SB 1072 seem to have the best prospect of final approval and signature of the Governor.

Arizona Governor Doug Ducey recently signed the 2015/2016 state budget, which sweeps the Housing Trust Fund once again to help balance the state budget. This Fund was historically used to provide equity for low-income housing development throughout the state, but since the Recession, has been reduced to almost nothing of substance.

Washington

Washington Multi-Family Housing Association

The Washington Multi-Family Housing Association (WMFHA) monitors legislative activities through our Government Affairs team which includes a state lobbyist, Seattle lobbyist and our Government Affairs Director, who then report monthly to our Government Affairs Committee (GAC), Board of Directors and the Executive Director.

The Washington State legislature is in session from the 2nd week of January into April. In February, our association partnered with other housing associations for our annual Day on the Hill legislative day in our state capitol. About 60 members of our collective associations met with legislators to discuss our legislative priorities and educate lawmakers on the importance and influence of the apartment industry in their local jurisdictions. We continue to promote grassroots efforts to meet with and inform policymakers about the housing industry and what we need to operate in a manner conducive to serving the renting public.

We tracked several bills this session, some introduced by the apartment industry that we testified in support of, and many more bills submitted by tenant advocates that we spoke in opposition of.

We spoke in opposition to a bill re-introduced this year which would mandate that rental housing providers accept a portable screening report that is purchased by a prospective applicant. If a building manager did not want to accept

the screening report provided by the prospective resident, the manager could obtain their own screening report, but could not charge the applicant for the cost.

Other bills submitted this legislative session are a bill that would prevent a screening company from disclosing eviction lawsuits unless the suit resulted in a judgment in favor of the landlord, a bill that would require a 90 days notice of a rent increase of 10% or more, a bill that would make Source of Income a protected class, and a bill that would require energy benchmarking reporting by all property owners. There is even a bill that would require landlords to provide voter registration information to all new tenants moving into the complex, and provides financial penalties for non-compliance.

We continue to look for ways to raise PAC funds to support political candidates in our state with voting records favorable to the multifamily housing industry. We feel this will help us gain access and support during the next legislative session.

We have a goal to collect $50,000 toward our Political Action Committee (PAC). We intend to spend that much and more in contributions to candidates whose actions and voting record favor the multifamily industry and who understand our members' business needs.

REGION VIII

South Dakota

2015 Legislative session has closed (March 10th) for us. We supported one bill and another we were opposed to:

SB100 would create a tax classification for Leased Residential Property. Currently we are included in Commercial/Other. This would give us the ability to obtain data on the number and value of Leased Residential property in SD. We currently pay 30% more in property tax than an owner occupied property. This passed both Houses and is on the Governor's desk to sign.

SB179 would take away the sunset on a $5.00 increase to our Criminal Background Checks. The $5.00 increase was put into affect Jan.1, 2012 and was to sunset (end) June 30, 2017. Criminal Background checks cost $20 per person/alias. The Chief Justice brought this bill forward and was asking for the $5.00 increase to continue and to go into the State Law Enforcement Training Fund. We are the ONLY state in the US that is a closed state, meaning our court records are not shared via an online portal of some sort. It was amended that $1.00 of the $5.00 would go into the General Fund. The amendment was voted down, and it is now in committee.

Legal Update: Vermillion, SD. City adopted the 2012 codes, with no exceptions (no grandfather clause). They have specifically looked at egress windows, hard wired smoke detectors and non shared air heating/cooling systems. Property owners banded together and brought a suit against the City Council, City Manager and City of Vermillion. First step was asking for an injunction, which the judge has denied. The group of property owners are currently discussing their next step.

REGION IX

Florida

Space Coast Apartment Association

There is no local legislative update at the time. I would like to mention that SCAA President Karen Mitchell, SCAA Board Member/Legislative Chair Bonnie Smetzer and SCAA Board Member/Membership Chair David Dexter attended FAA Legislative Days last month. The two issues discussed with our State Representatives and Senators were as follows:

1. Funding of the Sadowsky Affordable Housing Trust, which has been negatively impacted by funding for restoration of the Everglades, now mandated by passing of Amendment 1 last election. Funding was previously

based on a percentage of the doc stamp funds collected each year. Since passage of Amendment 1, funding for Everglades restoration comes off the top of the total doc stamps funds and then the Sadowsky Trust is funded, so funding has been negatively impacted. This negatively impacts affordable housing development all over the state, including our area.
2. FAA does not currently have a bill pending but we started discussion about our need to have state law accept the NAA Certified Apartment Maintenance designation so that our maintenance workers with this designation could do some work without hiring a contractor. Since we have no bill or sponsor at this time, the only thing to really report is FAA has a serious agenda about getting something passed in the next few years and we should advise all our properties to have their maintenance personnel (at least maintenance supervisors) to start working toward their CAMT designation.
As of March 11, 2015, the SCAA has collected $1929.00 in APAC funds through individual giving and through dues billing.
As of March 11, 2015, the SCAA has collected $700.00 in NAA's Better Government Funds through dues billing.

The Apartment Association of Greater Orlando

AAGO recently joined the Florida Apartment Association in Tallahassee for the annual Legislative Days Conference. AAGO had a total of 50 attendees who met with 25 central Florida Legislators. AAGO members discussed the importance of affordable housing funding at the state level and the possibility of expanding the allowable repairs for maintenance professionals who hold a CAMT certification. In addition to our coordinated efforts with FAA, AAGO is actively monitoring local policy developments in the Orlando metro area.

There has been a recent trend at the local level to evaluate impact fee rates. Some local governments are increasing fees by 30-50 percent, while others of opting to extend impact fee waivers to encourage development. Lastly, we have seen municipalities take an interest in gated communities (both single family and multi-family) and local law enforcement's ability to enter the community as necessary to ensure public safety. AAGO will continue to monitor these issues and others as they arise in the Orlando metro area.

General Association Updates:

- AAGO has held 12 classes to date in 2015 and serviced a total of 146 students.
- In February, AAGO held a Grand Re-Opening and Ribbon Cutting Ceremony for its newly renovated headquarters and Education Center in Maitland, Florida.
- AAGO's Maintenance Mania is on March 24th.
- AAGO's Trade Show is scheduled for April 21st and the theme is AAGO Con.

REGION X

California

Apartment Association of Greater Los Angeles

On December 17, 2014, in the City of Los Angeles, AAGLA was successful in having a proactive motion to create an amnesty program for non-permitted converted apartment units passed by the City Council. The draft ordinance is expected back from the involved departments at any time.

In January 2015, AAGLA members and advocates teamed with the local Realtor Association to defeat a "rent control" proposal in the city of Culver City. This was a result of a two month mail and meeting campaign to mobilize all rental property owners in the City. We were able to persuade the City Council to drop the subject completely.

AAGLA is very busy trying to find outside funding for a soon-to-be-mandated earthquake retrofit program. All wood-framed first floor soft-story buildings of 5 units or more built before 1979 are subject to inspection for earthquake vulnerability and assessed for possible retrofit