



ALABAMA ASSOCIATION OF REALTORS® PUBLIC POLICY

*“Under all is the land. Upon its wise utilization and widely allocated ownership depend the survival and growth of free institutions and of our civilization...[T]he interests of our nation and its citizens require the **highest and best use of the land and the widest distribution of land ownership.**”*

Preamble to the Code of Ethics and Standards of Practice
of the National Association of REALTORS®

The Alabama Association of Realtors® (Alabama REALTORS®) is the largest statewide organization of real estate professionals with over 14,000 members. United by the REALTOR® Code of Ethics, our members work as professionals in the sale, lease, appraisal, management and development of residential, commercial, rural and resort properties throughout Alabama. Alabama REALTORS® serves as the voice for real estate in Alabama – advocacy is one of our central and most effective missions. Fundamentally, we advocate for policies that (1) protect private property rights, (2) keep the REALTOR® at the heart of the real estate transaction, and (3) promote homeownership.

The purchase of real estate is more than a mere purchase - it embodies the hopes, dreams and economic destiny of the purchaser. Alabama REALTORS® distinctly understands the role a REALTOR® plays as an active participant in this most significant investment. Alabama REALTORS® is dedicated to the protection of the rights of landowners and the furtherance of high ethical and professional standards.

In fulfilling our role, we fervently adhere to the following principles:

1. Protect Property Owners – The U.S. and Alabama Constitutions recognize and protect the natural right to own property. REALTORS® hold steadfast that private property rights are a foundation upon which our nation was born and are central to a free-market economy. Homeownership is the cornerstone of the American Dream. Every citizen has the right to own safe, affordable housing, whether it is in an urban, suburban or rural setting.

2. Promote REALTORS® Role in Real Estate Transactions – The value of a knowledgeable, experienced and professional REALTOR® is critical to real estate transactions. We promote policies that maintain the role of REALTORS® as a central and valued part of real estate.

3. Build Better Communities Sensibly – Communities flourish when governments follow common-sense guidelines, ensuring a high quality of life at a reasonable cost. We encourage broad-based taxation to support infrastructure that accommodates quality residential, commercial and industrial growth in an environmentally sensitive manner.

4. Ensure Economic Vitality – A strong, vibrant economy sustains the communities in which we live and work and stems from steady and strategic residential, commercial and industrial growth. Economic growth spurs new opportunities, creates jobs, increases the tax base and invigorates communities. Alabama REALTORS® promotes pro-business policies that bring new businesses and industries to and expand existing businesses and industries in Alabama.

5. Embrace Community Values – We believe that leading a happy, healthy and prosperous life begins at home, impacting how we treat family, friends and neighbors. [Studies](#) show that home ownership positively affects educational achievement, parenting behavior, civic participation, health and crime rates.

Alabama REALTORS® Policy Statements

By Market Segment

Commercial

The success and growth of Alabama's commercial sector is built upon the experience, professionalism, and hard work of REALTORS® in commercial real estate. Alabama REALTORS® is committed to the continued growth of Alabama's commercial endeavors. Alabama REALTORS® believes that the federal government should support commercial industries through financing and refinancing options, prudent safeguards to buyers from assuming liability of prior owners, as well as through reasonable protections for the health of the environment and of building occupants and visitors.

Current Issues:

1. *Increased regulations have caused less access to capital*
2. *Abuse of the ADA through meritless lawsuits*
3. *Rent control and rental registry*
4. *Rental tax and required inspections of rental property*
5. *State-wide short-term rental regulations*

Vacation and Second Homes/Tourism

Tourism and travel is a massive component of Alabama's economy. With an abundance of natural resources, including lakes, mountains, beaches on the Gulf of Mexico, and wild game and sportfish, Alabama is blessed to have many opportunities for vacation and second homes. Alabama REALTORS® supports the highest and best use of the land and promotes policies that encourage the ownership of second homes and vacation homes to further the enjoyment of Alabama's land and its lavish natural resources.

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Rural Lands/Farms

Alabama REALTORS® supports the ownership, purchase and sale of rural property, including rural residences, [timber lands](#), farm lands, and hunting property. With millions of acres in timber and farm land, Alabama's agribusiness is vital to a healthy economy. In 2012, Alabama's agricultural, forestry, and related industries total output was \$70.4 billion, employing over 580,000 people. ([Article](#))

Current Issues:

1. *Concerns regarding the different financing and appraisal requirements for land*
2. *Tax proposals that affect land such as the 1031 Tax Deferred Exchanges*

Residential

With over 2.1 million housing units in Alabama ([2010 Census Data](#)), Alabama REALTORS® encourages home ownership as a fundamental component of the American Dream. Changes that negatively impact residential home ownership, or the ability to buy or sale primary residences, should be scrutinized rigorously. Alabama REALTORS® is wholeheartedly committed to preserving and enhancing home ownership.

Current Issues:

1. *Failure to establish homeowners associations causing problems before or at closing, especially defunct or non-existent HOA's listed on deeds*
2. *Privacy concerns related to the scope of information given to online real estate sites*
3. *Inspectors exceeding scope of expertise*

Infrastructure/Economic Development

Alabama REALTORS® promotes infrastructure investment and economic development policies that encourage and seek to bring new businesses and industries to Alabama. Investment in infrastructure and labor

development are foundational to achieving economic growth. Building upon this investment, policies should promote the growth of existing industries and businesses as well as ensure a focus on the continual recruitment of new industries and businesses. The growth of existing and the establishment of new industries and businesses creates more jobs and better opportunities. More jobs lead to thriving communities, better schools, and an improved quality of life. All of these factors contribute to increased home and property ownership and a higher and better use of the land.

Current Issues:

1. *Alabama's roads and bridges are in great need of improvement and losing economic development opportunities for the state*
2. *Failure of developers to meet deadlines and/or requirements for roadways to receive county or municipal maintenance*
3. *Gains in our educational system are necessary if we want to truly succeed in economic development*
4. *Impact fees are stifling development*
5. *Lack of sewer system access inhibiting growth*

Property Management

Rental properties - residential homes and apartments, and commercial space - are home to thousands of Alabama families and businesses. Non-discriminatory, fair ownership and management of these properties are vital to ensuring equal treatment and sanitary conditions. Alabama REALTORS® supports landlord-tenant legislation that protects tenants and encourages laws and regulations that allow property managers to carry out their duties in a fair and equitable manner. Alabama REALTORS® opposes legislation that creates unjustifiable and unreasonable barriers to rental property ownership and management.

Current Issues:

1. *Requests for companion animals are increasing dramatically and reasonableness of the requests difficult to determine*
2. *Judges not enforcing landlord tenant laws as written*

Professionalism/Ethics/Licensing

Alabama REALTORS® supports the highest levels of professionalism in the real estate industry and advocates for legislation and regulatory guidelines that benefit the real estate industry and protect the consumer. Alabama REALTORS® support high standards for acquiring and maintaining a real estate and broker's license by the Alabama Real Estate Commission for the protection of the consumer. Alabama REALTORS® stands firmly by the [Code of Ethics](#) to which REALTOR® members agree to abide. High professional standards and a rigorous Code of Ethics are incredibly important in our efforts to constantly highlight the trustworthy nature of the real estate profession.

Current Issues:

1. *Strengthen pre-requisites for obtaining/renewing a broker license*
2. *Increase education of licensees*
3. *Social media advertising – applicable laws not being followed well*

Private Property Rights

Alabama REALTORS® is committed to the private ownership of real property and believes it is the foundation of our nation's free enterprise system. Alabama REALTORS® opposes any governmental actions that discourage or diminish the ability and capacity of Alabama citizens to own private property.

Alabamians should have the right to acquire real property with confidence and the certainty that the property's value will not be unduly diminished or jeopardized by government action, such as eminent domain or re-zoning, at any level, without just compensation or the owner's express consent.

Alabama REALTORS® supports legislation that protects private property rights and that prohibits any county, municipality, state agency or other state/local governmental entity from taking private property for private use, such as commercial, retail, office, industrial or residential use. Eminent domain is sometimes needed for roads, bridges, utilities, public schools and other traditional public uses, but the government should use eminent domain powers for public uses with extreme discretion.

Current Issues:

1. *Resist encroachment of eminent domain*
2. *Require adequate notice, process and the payment of fair market value in condemnation and inverse condemnation cases*
3. *Protect the right to reasonable use of drones for property owners and managers*

Tax Reform

Alabama REALTORS® understands that federal, state and local governments cannot function without revenue. However, budgeting should be fair and balanced, where expenses are justifiable and necessary. Increasing costs and flat-lined revenues have caused widespread budget shortfalls. In Alabama, tax reform has been a priority among legislators and other government officials since the 2015 Legislative Session. Alabama REALTORS® strongly opposes any efforts to increase property taxes and any other efforts to add additional costs through taxes to buying, selling or owning property. The Mortgage Interest Deduction (MID) is vital to the stability of both the Alabama housing market and economy - reducing or eliminating the MID is a de facto tax increase on homeowners and homeownership. Increases to the Mortgage and/or Deed Recording Fees are negative for both homeowners and our community and will be strongly opposed by Alabama REALTORS®.

Current Issues:

1. *Protecting the Mortgage Interest Deduction*
2. *Opposing additional taxes that threaten real estate*
3. *Increases to mortgage deed recording fees*
4. *Preserving independent status of licensees*
5. *Resist any changes to the 1031 exchange*
6. *Business license fees*
7. *Promote first time home-buyers savings accounts*

Insurance

Insurance is an integral part of property ownership, from the farmer to the homeowner to the tenant. Alabama REALTORS® believes in sound, sustainable insurance laws, regulations and practices that allow property owners an efficient, affordable method of protecting their livelihoods and their property from damage and destruction. All property owners should have access to risk-related property insurance. Federal and state reforms should include better underwriting rules, adequate rates, liability limits, and more stable funding strategies, as well as incorporate the private insurance market.

Current Issues:

1. *Renew the national flood insurance program and update flood maps*
2. *Fight to protect affordable flood insurance*
3. *Support fortification efforts that mitigate costs and decrease insurance*
4. *Fight for affordable home and property insurance*

State Government/Zoning/ Land Use

Alabama REALTORS® believes that Alabama's public officials should exhibit the highest ethical integrity. The impact of public corruption cascades beyond government function to public perception of state and local government, portraying Alabama in a negative light and eroding confidence in the stability of our government and economy. Alabama REALTORS® supports a stringent adherence to ethics and campaign laws that promote the rule of law, cultivate honest and good government, and foster a pro-business environment that leads to growth and economic opportunity.

Governments should not arbitrarily infringe on the basic right of the individual to acquire, possess and freely transfer real property and should protect private property rights as stated in the Alabama and United States Constitution. Alabama REALTORS understands the need for legitimate property condemnations and the exercise of eminent domain; however, government should only do so when necessary to materially advance a real public use, and landowners must receive just and timely compensation. Zoning changes should occur only after due diligence and public involvement.

Current Issues:

1. *Low government staffing creates long wait times, especially for sewage/septic permits*

2. *Limit excessive county and/or municipal fees*
3. *Ensure uniform development and promulgation of laws affecting real estate*
4. *Oppose zoning efforts that attempt to re-classify property without landowners express consent*
5. *Inconsistent development of ADEM's construction and development regulations*

Banking and Lending

Alabama REALTORS® supports a reasonably regulated banking and lending industry. Without loans from the federal government and private lenders, home ownership rates could not reach the nearly 66% of Americans that it is today. Alabama REALTORS® promotes banking and lending policies that ensure smooth real estate transactions but opposes policies that create clouds on titles.

Current Issues:

1. *Policies that unnecessarily inhibit access to capital*
2. *Lack of VA-approved appraisers*
3. *Limited access to loans due to credit restrictions*
4. *Lending/credit underwriting guidelines (Dodd Frank)*