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Industry Awareness

 CHICAGO TITLE

Where Does MIBOR Stand on the following Hot Topics?

Property Taxes

MIBOR believes that all real property should be assessed a fee for services directly attributable to the property such as public safety, infrastructure, and planning and zoning.

Specific Objectives

1) Reduce dependency on property taxes (fees) by: Moving public education and child welfare funding from property taxes to the state; Exchanging property tax for broad based taxes, such as income and sales taxes; Moving remaining services, to local income and sales taxes.

Rationale: The three primary types of taxation - sales, income and property, have become unbalanced in relation to the equity of the burden on the property tax portion. Reducing dependency on property taxes redistributes the burden to other sources in a more equitable fashion.

2) Increase efficiencies, effectiveness, and accountability of government by: Lowering the cost of government and increasing the transparency and accountability; Eliminating unnecessary services and reducing layers of government and taxing authorities.

Rationale: Current government is complex and not transparent. Government services should reflect current needs, and the use of monies earmarked for services should be maximized.

3) Ensure a broader based equity through redistribution of the burden by eliminating all exemptions and deductions on real property.

Rationale: The current property tax system unevenly distributes the burden; all should share equal burden.

4) Ensure the accuracy of the assessed service fee for all real property.

Real Property Transfer Fees

MIBOR staunchly opposes transfer taxes on properties transferred in a given year to subsidize services whose benefits will be enjoyed by the entire community. MIBOR opposes using the transfer of real property as the triggering mechanism for the enforcement of laws, regulations, and ordinances, or imposition of government imposed fees or taxes that make real estate transactions less affordable. Costs associated with programs for the public good should be shared equitably throughout all members of a community.

Regional Transportation

As the population of the Indianapolis region continues to grow, need for adequate, regional mass transit funding needs to be secured. This region is estimated to grow 16 percent by 2020 and will have significantly increased commuter traffic as a result. To accommodate central Indiana's current growth and economic vitality, we must ensure adequate, regional funding for the Regional Transit Authority. MIBOR strongly urges the business community and public officials to support our region by receiving more funding for mass transit. This mode of transportation allows convenient travel while mitigating traffic, improving air quality, and increasing the safety of our continually growing region.

Moratoria (Suspension of Zoning Activity)

Recognizing the negative impact a zoning moratorium will have on property values and on economic development within a community, MIBOR opposes it for the following reasons:

1. A moratorium will foster continued unproductivity and rule out numerous

Healthy communities are valuable communities, and valuable communities are good for the housing market and regional commerce. The Metropolitan Indianapolis Board of Realtors (MIBOR) understands that many factors affect economic vitality and community wealth, including transportation, schools, planning and zoning, infrastructure, taxation, housing, crime, the environment and recreation. With that in mind, MIBOR works to inform policy makers their members' views on these critical issues.

This article contains a list of issues currently affecting central Indiana, and the corresponding stance MIBOR has taken on each. For a complete list, please visit www.mibor.com/rpac.



planning options. Furthermore, MIBOR does not feel that imminent danger to public health, safety or welfare exists, which would justify a moratorium.

2. Placing a moratorium on development would be unfair to long-term residents. Residents would likely receive a lower price if they decided to sell, or would be prohibited from developing their property during the time in which a moratorium is in place.

3. Municipal revenue and income would suffer from a decrease in fees and taxes being received. Although moratoria are temporary, the impact can be long-term due to the loss of economic development and business opportunities that will locate elsewhere.

4. Moratoria hurt jobs and the local economy. By stopping new development for a period of time, a moratorium can result in significant layoffs, increased local unemployment, and a downturn in the local economy.

Energy and the Environment

The State of Indiana and its municipalities' must develop a balanced and comprehensive energy and environmental policy. The policy must emphasize energy conservation and include conservation incentives. Government-funded energy research aimed at developing new energy technologies and reducing the environmental impact of existing energy sources must also be expanded. Hydrocarbon-based energy sources, whose emissions most adversely affect public health and the global environment, must be reduced by these steps:

- Tax credits to encourage higher standards of energy efficiency in new home construction and remodeling should be made permanent.
- Increased funds earmarked for home weatherization for low-income homeowners.
- Expanded funding for energy conservation research and renewable en-

ergy technologies.

- Expanded laws to encourage greater use of public transportation and car-pooling, and improved incentives for business use of the home.

Controlled Smart Growth

Each community defines smart growth for itself, but MIBOR hopes to see all such efforts guided by five principles:

1. A commitment to housing opportunity and choice, a wide range of urban, suburban, and rural homes at all price levels for a diverse population.
2. Build better communities with good schools, low crime, quality public services, efficient transportation systems, ample recreation areas, open space, a strong employment base, and a viable commercial sector.
3. Control pollution and encourage preservation of natural resources and properties of historic significance.
4. Respect our Constitutional rights to freely own, use, and transfer real property.
5. Implement fair and reasonable public sector fiscal measures to ensure that the cost of new infrastructure is shared proportionally among those served.

Rental Restrictions

Recognizing the negative impact a rental restriction will have on economic development within a community, MIBOR opposes establishing any city-wide ordinance restricting the lease of newly constructed residential homes for the following reasons:

1. Restricting a new homeowner's ability to use his/her property within the confines of the law is a major violation of the owner's property rights.
2. Such ordinances claim that lease restrictions can protect property values of new neighborhoods. However, a restriction takes away the flexibility of homeowners to rent their homes in order

to avoid foreclosure when life-altering events occur. The increase in vacant or foreclosed homes will have a stronger impact on neighborhoods than the claimed impact of rental housing.

3. New communities are much more likely than older communities to have protective covenants that address the nuisance issues described in rental restriction ordinances. As a result, new communities should not have more restrictions than existing communities.

4. New development is one of the most important economic engines to local economies. Each new development creates opportunities for hundreds of jobs. Hindering new development opportunities can have a detrimental impact.

Affordable Housing Tax Credit

No federal tax incentives are currently available to expand the supply of affordable housing available for purchase by lower-income individuals. MIBOR supports incentives to increase the supply of affordable single family housing. Increasing the supply will spur additional transactions and, more importantly, will enable more families of modest means to become homeowners. Homeownership strengthens communities and is an important mechanism for creating family wealth.

Source: mibor.com

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