



Government Affairs Committee  
Legislative Session 2016  
Year-End Report

# Message from Joseph Luca & David Salvatore

Dear REALTOR®,

Now that the 2016 legislative session has concluded, we want to update you on the work of the Government Affairs Committee during the first-half of 2016. Throughout the Rhode Island Association of REALTORS®' (RIAR) legislative session, the Government Affairs Committee achieved great progress by leveraging resources aimed at creating a proactive method to handling government issues facing REALTORS®.

In particular, the Government Affairs Committee received presentations from elected officials and government agencies concerning issues that impact the REALTOR® community. For example, the Government Affairs Committee recently convened a meeting with Rhode Island Secretary of State Nellie Gorbea to discuss new partnership opportunities between our agencies. The ability of our members to generate constructive dialogue with elected officials of our organization and RIAR's strategic plan.

Legislation was also a priority for our members during the legislative session. This year, the General Assembly considered legislation relative to commercial broker liens, accessory dwelling units for the aging population, and an affordable housing bond to name a few. RIAR's presence in the Rhode Island State House has played a critical role in the consideration of important legislation. We are happy to share that the House and Senate approved two of RIAR's bills this year!

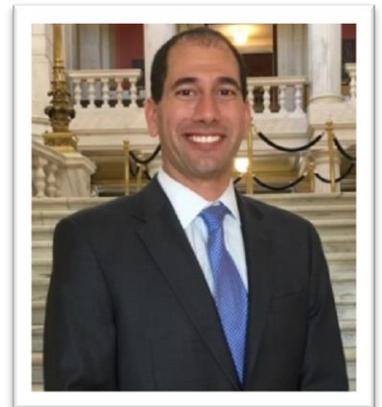
First, the General Assembly passed a bill that creates an avenue to challenge the legal viability of a recorded commercial real estate broker's notice of lien for their unpaid and owing commercial real estate sales commission bill. The legislation was sponsored by Senator McCaffrey and Representative Keable and Lombardi and cosponsored by Representatives Winfield, Johnston, Casey and Morin.

Secondly, the General Assembly passed a bill at the request of the Rhode Island Association of REALTORS® that allows an accessory family dwelling unit (ADU) in an owner-occupied single family residence. Under the new law, ADUs will be permitted as a reasonable accommodation for family members who are sixty-two (62) years of age or older. Thanks to Representatives Winfield and Senator Picard for sponsoring this important piece of legislation. The bill was also cosponsored by Representatives, Marshall, Williams, Costantino, and Craven in the House of Representatives.

Passage of these new laws is evidence that our new REALTOR® Day on the Hill format was a success. Building new relationships with legislators is an important component of our strategic vision and will be critical as we craft and adopt the 2017 legislative agenda!



*Joe Luca, Chairman  
Government Affairs Committee*



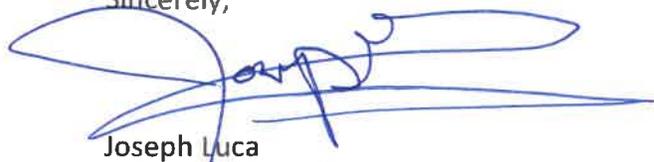
*David A. Salvatore  
Government Affairs Director*

With election season in full swing, REALTORS® from across Rhode Island are asking how they can get involved. In March, RIAR offered a training class for REALTORS® interested in running for political office. The one-day course offered an introduction and description of how to run for elected office. Sponsored by the National Association of REALTORS®, interested participants received a valuable head start in their political journeys, as well as information on how to run successful campaigns. We hope that you will consider participating in our next Candidate Training Academy!

We want to be sure that the Rhode Island Association of REALTORS®' membership is aware of the work and the commitment of our committee. The following report outlines some of the tasks that the Government Affairs Committee and staff have embarked on over the last six months including: legislative bill tracking pertaining to REALTOR® issues, training & development, government agency and elected official interactions and strategic planning updates.

We hope you find the report to be a helpful resource and look forward to building on the momentum we achieved during the last six months. Strengthening REALTORS®' position on Rhode Island's Capitol Hill can be challenging in any political environment; however, together we can build new relationships that positively impact the real estate industry here in Rhode Island.

Sincerely,



Joseph Luca  
Government Affairs Committee Chairman



David A. Salvatore  
Government Affairs Director

# Meet the Committee

Purpose: The Government Affairs Committee is responsible for positioning RIAR as a community leader and opinion shaper as the organization strategically leads the state on legislative issues. Advocates on behalf of REALTORS® to preserve, protect, and promote private ownership, transfer and use of real property and to advocate for a legislative and regulatory climate in which REALTORS® are able to conduct their business at the state and local level of government.

Composition: Members of the committee were selected based on their roles as Federal Political Coordinators (FPCs), local Government Affairs Committee Chairs, liaisons to the RIAR RPAC Committee, Trustees, etc.

## Members

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| <b>Joseph Luca, Chairman</b><br>Northern Rhode Island Board of REALTORS® | <b>David Iannuccilli, Vice Chairman</b><br>Kent Washington Association of REALTORS®            |
| <b>Stephen Antoni</b><br>Newport County Board of REALTORS®               | <b>Bruce Lane</b><br>Greater Providence Board of REALTORS®                                     |
| <b>Dena Conley</b><br>Greater Providence Board of REALTORS®              | <b>Patricia Lenihan</b><br>Kent Washington Association of REALTORS®                            |
| <b>Garrett Mancieri</b><br>Northern Rhode Island Board of REALTORS®      | <b>Susan Martins-Phipps</b><br>Greater Providence Board of REALTORS®                           |
| <b>Joseph McCarthy</b><br>Greater Providence Board of REALTORS®          | <b>Jamie Moore</b><br>RI Commercial and Appraisal Board of REALTORS®                           |
| <b>Belinda Nattress</b><br>Newport County Board of REALTORS®             | <b>Ted Reidy</b><br>Kent Washington Association of REALTORS®                                   |
| <b>Francis Sullivan</b><br>Kent Washington Association of REALTORS®      | <b>Anthony Verdi</b><br>Kent Washington Association of REALTORS®                               |
| <b>John Vitkevich</b><br>Newport County Board of REALTORS®               | <b>David Salvatore</b><br>Government Affairs Director<br>Rhode Island Association of REALTORS® |

# What's Hot on the Hill?

The legislative session ended on Saturday, June 18, 2016. While this is an election year for General Assembly members, RIAR has been working with key legislators on many issues impacting the real estate industry here in Rhode Island. Here are the bills that were tracked by the Committee on Government Affairs during the 2016 General Assembly Session that impact real estate in Rhode Island.

- ❖ **Commercial Brokerage Lien:** Creates an avenue to challenge the legal viability of a recorded commercial real estate broker's notice of lien for their unpaid and owing commercial real estate sales commission bill. The bill is consistent with a recent Rhode Island judiciary opinion and was filed by RIAR on behalf of the Rhode Island Commercial and Appraisal Board of REALTORS®. The legislation went into effect on May 19, 2016. ([S 2503](#), [H 7486](#))

*Status:* Approved by Senate and House. Effective without Governor's Signature.

- ❖ **Home Inspector Contracts:** Prohibits home inspectors or associate home inspectors from entering into contracts limiting their liability to less than \$500,000. ([H 7305](#))

*Status:* Approved by House and Senate Committees. Effective without Governor's signature.

- ❖ **Security Deposits:** Increases the amount of money that a landlord could charge a tenant as a security deposit at the start of a residential lease: (1) Rent for the first full month of occupancy; and (2) A security deposit equal to two months' periodic rent. ([H 7399](#))

*Status:* Committee Hearings held; did not pass.

- ❖ **In-Law Apartments for Seniors:** Allows an accessory family dwelling unit in an owner-occupied single family residence to be permitted as a reasonable accommodation for family members who are sixty-two (62) years of age or older. This act would take effect on January 1, 2017. ([H 7456](#), [S 2297](#))

*Status:* Approved by Senate and House; Governor signed.

- ❖ **Private Easements & Rights-of-Way:** Establishes the rights and obligations of property owners concerning the maintenance of private easements and rights-of-way. The legislation aims to structure a maintenance agreement amongst residential property owners that benefit from the private easement. This act would take effect upon passage. ([H 7528](#))

*Status:* Committee Hearings held; did not pass.

- ❖ **Source of Income:** Prohibits discrimination in housing against those persons who have a lawful source of income such as Section 8 housing vouchers. The Government Affairs Committee opposed the legislation. ([H 7599](#), [S 2706](#))

*Status:* Committee Hearings held; did not pass.

- ❖ **Municipal Building Permits:** The bill would extend the expiration dates pertaining to approvals and permits issued by towns and cities and would apply to approvals and permits in effect on November 9, 2009 and those issued between November 9, 2009 and June 30, 2017, but would not revive any expired approval or permit. The legislation would take effect upon passage. ([H 7215](#), [S 3046](#))

*Status:* House and Senate approved; Effective without Governor's signature.

- ❖ **Patent Infringement:** The bill authorizes the attorney general and/or persons aggrieved to file a bad faith patent infringement suit in superior court seeking equitable and/or monetary relief from persons filing frivolous patent infringement claims as well as costs, fees, including reasonable attorney's fees and punitive damages. The legislation went into effect on June 14, 2016. ([S 2542](#), [H 7425](#))

*Status:* Approved by Senate and House; Governor signed.

- ❖ **Low and Moderate Income Housing:** The legislation permits mobile and manufactured homes which are a part of a mobile and manufactured home park to be counted as low and moderate income housing for purposes of compliance with the requirements of the city or town's comprehensive land use plan. Each city and town is required to preserve ten percent of its housing stock for low and moderate income housing. ([S 2212](#))

*Status:* Committee Hearings held; did not pass.

- ❖ **Accessibility Improvement Tax Credits:** Establishes the "Rhode Island Livable Home Tax Credit Act," and provide for its administration. The bill credits against the tax imposed pursuant to R.I.G.L. §44-30-1 of an amount equal to five thousand dollars (\$5,000) for new residence, or fifty percent (50%) of the total amount spent for the retrofitting of such existing residence, not to exceed five thousand dollars (\$5,000). ([S 2814](#), [H 7980](#))

*Status:* Senate hearings held; did not receive a House Committee hearing and did not pass.

- ❖ **Short-term Rental Tax:** The bill would repeal the legislation passed during the 2015 legislative session. And provide those houses, condominiums or other residential dwelling units, regardless of the number of rooms, which are used and/or advertised for rent for occupancy, would be exempt from the state sales or hotel tax. ([S 2813](#))

*Status:* Did not receive a committee hearing; did not pass.

- ❖ **Wetland Buffers:** Provide that wetland buffers not be excluded from the calculation of buildable lot areas, minimum lot sizes or in the calculation of buildable lots or units. ([H 7651 Sub A](#), [S 2591 Sub A as Amended](#))

*Status:* Approved by House and Senate; signed by the Governor.

- ❖ **Burrillville Power Plant Propose – Tax Stabilization Agreement:** After contentious public debate, the House and Senate introduced bills that would have increased the membership of the energy facility siting board from three (3) to seven (7) members, and would have required approval by the electors in Burrillville of any tax agreement established by the town council with a power plant located in the town. ([H 8240 Sub A](#), [S 3037 Sub A](#))

*Status:* House Committee passed; Senate Committee recommended no passage; did not pass.

- ❖ **Short-term Rental Tax:** In contrast to S 2813, this bill would have amended the short-term rental tax by reducing the period from thirty (30) days to six (6) days in regard to the exclusion from the definition of occupancy for any home, condominium or other residential dwelling rented. While the bill did not succeed, RIAR has an opportunity to leverage this legislation during next year’s session of the General Assembly. ([H 8114](#))

*Status:* Committee Hearings held; did not pass.

## Affordable Housing

The Government Affairs Committee also voted to support Rhode Island Housing’s request for a \$100 million affordable housing bond referendum to appear on the November general election ballot (S 2446, H). Subsequent to Rhode Island Housing’s request, Governor Raimondo included a budget article in her fiscal year 2017 budget proposing a \$40 million Housing Opportunities Bond to build homes, create jobs, and attract private investment. The bond proceeds, which would be allocated over four years through the existing Building Homes Rhode Island would finance the development of 800 homes for working Rhode Islanders, create 1,000 jobs and leverage \$160 million in federal and private resources, according to Rhode Island Housing officials . RIAR testified in support of the measure, and the House added \$10 million for “urban revitalization and eliminating blight.”<sup>1</sup>

## Lobbying

In November 2015, RIAR hired David Salvatore to serve as the organization’s Government Affairs Director. A former senior policy analyst for the Rhode Island House of Representatives, Salvatore is prohibited from lobbying the General Assembly for one-year in accordance with the State’s Code of Ethics’ revolving door clause. During the 2016 legislative session, RIAR renewed contracted lobbying services from Martiesian & Associates. Lenette Boisselle and/or Terry Martiesian from Martiesian & Associates regularly attend meetings of the Government Affairs Committee and provide insight relative to their advocacy efforts on behalf of RIAR.

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<sup>1</sup> Dunn, Christine. “R.I. Housing approves \$29.6M budget, an increase over this year’s spending plan.” The Providence Journal. 17 June 2016. <http://www.providencejournal.com/news/20160617/ri-housing-approves-296m-budget-increase-over-this-years-spending-plan>

# Building New Relationships

During this year's legislative session, the Government Affairs Committee committed to building new relationships with legislators, government agencies and organizations that shared common interests that affect the real estate market here in Rhode Island.

## Rhode Island Housing

During the committee's April 1, 2016 meeting, Rhode Island Housing presented a number of issues relevant to our local real estate industry, such as the affordable housing bond proposal, first-time homebuyer programs, and Section 8 Housing to name a few. Strong advocacy for the proposed affordable housing bond and low and moderate income housing demands were compelling reasons for the committee to support the measure. Committee members agreed that leveraging federal and private resources will create new buying opportunities in Rhode Island's housing market.

In April, HousingWorksRI published a report emphasizing Rhode Island's housing needs over a ten-year period. The *Projecting Future Housing Needs Report* - a report commissioned by Rhode Island Housing - examines Rhode Island's housing market during the post economic and housing crash of the mid-2000s. The Rhode Island Association of REALTORS® has committed to working with the two stakeholder groups, so that any shortage in housing is mitigated. The report can be accessed by clicking [here](#).

Among the home buyer resources that are available to Rhode Islanders through Rhode Island Housing are:

- ✓ **FirstHomes Tax Credit** - Provides qualified first-time Rhode Island homebuyers and buyers in targeted areas of the state with a mortgage credit certificate, which can be used as a "dollar-for-dollar" tax credit of up to \$2,000 against their federal tax liability for the life of their loan. Click [here](#) for additional details.
- ✓ **Ocean State Grad Grant** - The grant aims to assist college graduates that reside in Rhode Island and offer a special first-time home buying grant of up to \$7,000 in down payment assistance. To qualify, borrowers must have graduated within the last 36 months from an accredited academic institution. Click [here](#) for additional details.
- ✓ **Renewed Homes Program** - The Renewed Homes Program is helping to strengthen housing demand and stabilize communities that were affected by the housing crisis and is structured as a forgivable loan, secured by a second mortgage. When Rhode Islanders purchase a previously foreclosed home or other eligible property, homebuyers can receive \$20,000 toward a down payment. Buyers who remain in homes purchased with the assistance for at least five years are not required to repay the loan. Qualifying homes in targeted communities include: Central Falls, Cranston, East Providence, Johnston, North Providence, Pawtucket, Providence, Warwick, West Warwick, and Woonsocket. Click [here](#) for additional information.

## Secretary of State – Nellie Gorbea



*May 6, 2016: Nellie Gorbea, Secretary of State and members of the RIAR Government Affairs Committee*

The Rhode Island Association of REALTORS® is building new relationships with statewide elected officials, also. In fact, Rhode Island's Secretary of State, Nellie Gorbea joined the Government Affairs Committee in May to collaborate on issues her office is undertaking and how the REALTOR® community can assist her office. For instance, Ms. Gorbea elaborated on her recent initiative to modernize the voter registration process in Rhode Island. A common theme of the topic was building constituent awareness around civic engagement.

Members of the committee were eager to share their ideas, encouraging the REALTOR® community to promote the new voter initiative by utilizing tools such as social media, new neighbor packets, etc. Staff has also worked with the National Association of REALTORS® to increase Rhode Island's REALTOR® voter participation by sending postcards and emails to its members.

Additionally, the committee discussed the newly transformed Secretary of State website. The innovative features that were revealed by Ms. Gorbea are welcomed changes to the REALTOR® community. From easy-to-process LLC applications to public meeting subscriptions, Ms. Gorbea has made improved efficiency in government the cornerstone of her administration. To learn more about these new improvements, click [here](#).

## REALTOR® Day on the Hill

This year's REALTOR® Day on the Hill format presented a new opportunity for our constituency to engage with Rhode Island lawmakers. On May 18, 2016, members of the Rhode Island Association of REALTORS® Executive Committee and Government Affairs Committee met with key lawmakers to discuss legislative opportunities that impact the real estate industry. The new format provided the group with an in-depth perspective to the inner workings of the legislative process and proved effective with the passage of two bills (Accessory Dwelling Units and Commercial Broker Lien) that were championed by the REALTORS®. We were happy that Senator Pagliarini could join his fellow RIAR colleagues for the discussion.



RIAR thanks the following members of the General Assembly for taking time out of their busy schedules to meet with us:

Representative Cale Keable, Chairman House Judiciary Committee  
Representative Marvin Abney, Chairman House Finance Committee  
Senator Roger Picard, Chairman Senate Commerce Committee  
Senator Michael J. McCaffrey, Chairman Senate Judiciary Committee  
Senator Frank Lombardi

## MORE Information Online

Websites:

[www.rirealtors.org](http://www.rirealtors.org)  
[www.realtoractioncenter.com](http://www.realtoractioncenter.com)

Facebook:

<https://www.facebook.com/RIRealtors/>  
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