



The 2017 legislative session has officially begun. Our association has engaged on a variety of issues on both a local and national level. Through meetings with State and Federal law makers, we have gained insights and information about where our industry will stand with both the new administration in Washington DC, and how it will fare with regard to the **State budget, set to be announced on February 8th**. The lobby team for WRA and CARW has been working closely with legislators and leadership on top priority issues. Commercial economic development involves initiatives that extend to all areas of real estate including residential, industrial and commercial. CARW is in a position to affect change for the benefit of our communities and our members. Please continue reading for more information about ways you can engage with the legislative process, the work we have been doing on behalf of the industry, and more.

ENGAGE:

We are gathering members interested in learning more and engaging in the "Dark Store" Issue. Some of you have reached out to the office regarding this topic that has received a lot of press over the past few weeks and months. The 'Dark Store' issue is one that CARW has been monitoring since early 2016. At that time, bills had not been introduced, but now, we have seen several bill drafts that will likely be introduced during this session. We currently have a small group assembled to develop a strategy ensuring the legislation's outcome is favorable for our industry, but are looking for more members who may be impacted. Please reach out to Tracy if you are interested in learning more. We will seek your feedback on the bill drafts that we believe will be introduced and possible engagement in a listening session. There are a number of groups also looking at this issue including The Wisconsin REALTORS® Association.

Commercial Real Estate and Government Day is on [March 15](#). We will join nine other commercial real estate associations and pay Wisconsin legislators visits with a unified voice on

our issues. We take a bus to Madison in the morning and hear from a variety of speakers who will focus on top priority issues. From there, members meet in small groups with their legislators to discuss industry issues. Prep materials are given in advance of the meetings. This is an excellent opportunity for you to get involved and learn more. Possible issues are outlined below in the State Issues section.

Large Donor Council - We are proud to have more than 20 Large Donor Council participants for 2017. Large Donor members support CARW legislative efforts through personal contributions to RPAC and the conduit. Those conduit dollars are invested in local, state and national races on candidates supporting our industry and our issues. In Wisconsin, every dollar that is paid through a conduit, is credited not only to the individual, but the association too. We have an event with Governor Scott Walker planned for April 18th. This will be available to anyone who signs up as a Large Donor (\$1,000) in 2017. More information about becoming a Large Donor Council member may be found [HERE](#).

NATIONAL ISSUES:

Leadership has met with congressional leaders and administrative leaders on the top priorities for the commercial industry. On the top of our list, we are keeping a close watch on real estate programs including **1031 Exchange, Historic Tax Credit Funding, depreciation schedules and carried interest**. The new national leadership has said that tax reform is a top priority for the administration. We are currently meeting with congressional leaders in district to discuss these issues and more. In May, we will be traveling to Washington DC to advocate with NAR, WRA and others. Please click [HERE](#) for NAR position pieces on the above issues. Stay tuned for more information and possible calls for action on these important economic development matters.

STATE ISSUES:

There are many issues still on the table for the commercial real estate industry. Below find several that we are keeping a watchful eye on, and advocating to establish our desired outcome.

Transportation funding: Cited as one of the top needs of companies' site selection criteria, access to roads and infrastructure is key to our State's economy. There is no dedicated solution for funding state cost increases for highway and road projects at this time which is leading to prolonged project schedules and ultimately, more costly road construction. The State budget, as far as we know, does not currently include any sustainable funding solution. State legislators are working amongst several committees to develop those solutions. CARW supports a sustainable transportation funding solution and continues to be a vocal

advocate. We have joined a coalition called DRIVE that will continue to push information about the issue.

Historic Tax Credit: in the last budget (2015-2016), our industry fought very hard to educate legislators and ultimately save the State Historic Tax Credit. Our goal is to preserve the credit with no cap, no job creation requirement, and no clawback provision. Our industry believes that putting restrictions on the tax credit would hurt both urban and rural communities where that HTC funding is the only way that real estate professionals will be able to retain not only jobs, but the historic nature of many communities.

TIF: Tax Incremental Financing is a crucial tool for our industry and we are continuing to work on advocacy measures to educate legislators in the hopeful passage of several bills. Of concern for those not in support of TIF legislation, is the creation of best practices related to the varying success levels of TIF throughout the state. Our industry is working as a partner with a coalition of other groups on marketing materials and research to not only push for changes that we deem necessary, but to combat other proposed legislation that would negatively impact our industry. Broadly, those changes we are advocating for include changes to the TID Revenue Sharing; Increases to the 12% Limit; Distressed TID Sunset and Redetermination of Base Value. **Also, please [CLICK HERE](#) to view the new TIF brochure.**

Out of State License (OSL): As of January 1, 2015, Wisconsin law created a new voluntary option permitting a Wisconsin firm to allow an out-of-state (OSL) firm to provide limited brokerage services in Wisconsin. Newly created Wisconsin Statute § 452.137 affords the opportunity for Wisconsin listing companies to either enter into a referral arrangement with the OSL or enter into a cooperative agreement with the OSL. The intent of the new law is to keep the Wisconsin broker at the helm of the transaction while offering flexibility as to process to the Wisconsin listing firm. There have been a number of challenges pertaining to the lease form and the WB-28 which are being discussed and will be addressed in the upcoming session. Commercial firm representatives from the Milwaukee market approached the WRA to express a challenge they experience with the new law; specifically the limitation that permits cooperation with an OSL only when a Wisconsin firm has a property listed. Because the law does NOT apply to buyer agency/tenant representation agreements the only option is to offer a referral fee to the OSL. Click [HERE](#) for more information on the status of this evolving discussion.

For more detail on State initiatives click [HERE](#)

If you have ideas for the legislative session, please let us know by contacting [Adam Williquette](#) at or [Tracy Johnson](#). We need to hear directly from you as to what regulations need to be changed to help strengthen commercial real estate markets throughout Wisconsin.

