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## **We protect members/clients from misguided legislation**

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During recent surveys and phone calls, members have asked what the benefits are of being a member of NHCIBOR. We explain that protecting our members as well as our clients and customers from misguided legislation is a critical component to our ability to conduct business. Most of us remember the year long effort that went in to passing the Broker Lien Law. Recently many of your leaders testified and helped kill a bill that would have allowed the state to impose impact fees on commercial development not contiguous to the improvements. Thankfully, that bill was killed.

Now we are faced with a shocking situation wherein the state is disallowing already completed 1031 Tax Deferred Exchanges and billing the exchanger for Business Profits Tax retroactive several years. NHAR and your leadership were immediately made aware of this situation in a president's message and at a quarterly meeting.

NHCIBOR and NHAR did not stop there. Working with senators D'Alleswandro and Gallus as co-sponsors, draft language of proposed legislation was written by the lawyers at Devine Millimet law firm. The next step will be lawyers at the State House's legislative services will take the language and review it and could possible make some changes if they feel the language will not accomplish our intent.

D'Allesandro, with input from NHAR and NHCIBOR, will either approve or ask for further changes. The final legislative language may not be available until January. We should expect a public hearing on the bill in either January or February. Prior to this time we will be talking with some of the key senators who could be important swing votes. As importantly, we will need to present a well-organized argument at the public hearing. That will be key. Our feeling is that the bill ultimately will live or die based on how large the Fiscal Note will come back from DRA. If DRA claims that the state will lose millions then we are going to have a tough road ahead.

Our members and leadership will need to explain to the legislators that the positive fiscal impact is a one time thing. Yes, the state may have some short term revenue but there will be no future revenue from that provision of the RSA because everyone will know about it and avoid it in the future. Future investors will also be avoiding transferring real estate in NH at all to the extent they can so transfer stamp revenue will fall. The ramifications don't stop there. Taxes generated from real estate professionals like brokers, title companies, lawyers, accountants and appraisers will fall. Also, the taxpayer better be put on notice that they need to be ready to fund the state's legal bills because no one is going to volunteer to hand over \$100,000s in so called profit without a fight. That is why there are at least three big NH law firms churning fees right now to gear up the fight in the event the legislation fails. This will be tied up in litigation for years so our governor and the DRA should not plan on that money coming in at any time soon.

As you can now appreciate, NHCIBOR and NHAR are working long and hard to protect your ability to provide a high level of professional service to your clients and customers. Why not take a moment

and read through the draft legislation. You paid for it with your dues dollars.

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