

BOMA International's State and Local Issues Matrix for 2017



The involvement of all BOMA local association and state coalition members in BOMA International's State and Local Advocacy Program is a vital component of BOMA's continued work and success on issues that are important to commercial real estate. One of the important ways we work together on CRE issues is to maintain an effective state and local issues network. In order to maintain and update this network, each BOMA local association was surveyed as to what their priority state and local issues are for 2017. The results of this survey, our Issues Matrix, are contained below and detail the issues that each of the participating BOMA local associations and state coalitions are actively involved in or monitoring for 2017. The goal is to assist other local associations which may be engaged in similar legislative or regulatory issues. Please contact Scott Morris, BOMA International's Director of State and Local Affairs, with any questions at smorris@boma.org, or at (202)326-6364

Local Association Issues in 2017 – 40 Local Assoc., 2 State Coalitions Responding to Survey

Tax Issues – 24 local associations

1. Austin – **Property tax; groups starting to get in front of linkage fees**
2. Chicago – **Property tax shifts; user fees**
3. Dallas – **Property tax appraisal reform**
4. Denver Metro – **Impact fee on new development: \$1.70 per square foot recently passed**
5. Fort Worth – **Property taxes statewide have increased substantially over the past several years for many reasons. Many commercial buildings are seeing their valuations increase over 50% year on year. Despite those increases, the press has continued to say commercial property is undervalued. BOMA Fort Worth supports legislation that would change the method of appraising property and/or levying property taxes.**
6. Greater Cleveland – **Preserving the Historic Preservation Tax Credit**
7. Greater Kansas City Metro -- **Reigning in illegitimate (unconstitutional) targeted taxes designated as user fees (i.e., “Transportation Utility Fee” now before Kansas Supreme Court); Engaging taxing jurisdictions in dialogue regarding property valuation relative to market conditions**

8. Greater Los Angeles – **Expecting to see more parcel taxes for local services on future ballots, as parcel taxes will continue to be used to pay for city services**
9. Greater Minneapolis – **Reducing statewide commercial/industrial property tax**
10. Greater Rochester – **High state and local tax burdens in New York State**
11. Greater St. Paul – **Eliminate an annual inflator on business property taxes**
12. Houston – **Unsustainable valuation increases**
13. Iowa – **Property taxes**
14. Metro Detroit – **Continue to monitor all taxes at state level**
15. Oakland-East Bay – **Repeal of Proposition 13**
16. Orange County – **Opposition to removing the Proposition 13 protections against a split roll property tax, which might require businesses to pay property taxes at a rate higher than the rate imposed on homeowners.**
17. Orlando – **Phasing out sales tax on commercial leases**
18. Philadelphia – **Business taxes, specifically an effort by means of a possible state constitutional amendment to increase the city’s commercial real estate tax with an offset in the reduction of both the city’s business income and receipts tax and the net profits portion of the wage tax.**
19. San Francisco – **A split roll tax measure being placed on the state ballot; the increases that are regularly exacted from property owners via an increase in the real estate transfer tax, exactions for transit, parks, housing, open space, and other “community benefits”.**
20. Seattle-King County – **Business and Occupation (B & O) or gross receipts taxes for services kept at 1.5% and not raised; and oppose any measure to institute a state capital gains tax.**
21. Southern CT/Greater Hartford – **CT has very high taxes: gas, income, property. Would support legislation to lower these and other taxes in order to retain businesses in the State.**
22. Spokane – **Local transportation tax initiatives (public transit): a .2% tax increase to support specific infrastructure and route changes for our local transit authority (Spokane Transit Authority). The tax is phased out after 2028. BOMA Spokane members are generally supportive of this tax increase.**
23. Utah – **Value assessment equalization, appraisal methodology and appraiser oversight. Tax appraisals are going through the roof and history making rates and appeals are not working.**
24. Wisconsin – **Extremely high property taxes that no one wants to address.**

Energy Efficiency, Mandatory Benchmarking Laws/Ordinances – 23 local associations

1. Denver Metro – **Energize Denver** wants mandatory benchmarking, disclosure, and retro-commissioning, which Denver Metro opposes. No prescriptive mandates.
2. Greater Los Angeles – **While CA already had mandatory benchmarking, the city of L.A. is just passed an ordinance mandating benchmarking and disclosure, plus audits if a building does not meet certain efficiency standards.**
3. Greater New York – **The city just expanded its benchmarking mandates to smaller buildings, but BOMA/New York buildings were already covered.**
4. Miami-Dade – **Approval for Florida Power and Light to increase pricing**
5. Austin
6. Central New York
7. Chicago
8. Columbus
9. Greater Charlotte
10. Greater Cleveland
11. Greater Kansas City Metro
12. Houston
13. Inland Empire
14. Knoxville
15. Oakland-East Bay
16. Orange County
17. Orlando
18. Philadelphia
19. Seattle-King Country
20. Spokane
21. Suburban Chicago
22. Utah
23. Westchester County, New York

Building Codes Adoption – 20 local associations

1. Denver Metro – **City of Denver has adopted amendments, and BOMA was involved in the process. Other jurisdictions adopting; we have input.**
2. Greater Kansas City Metro – **Consistency among regional jurisdictions**
3. Greater Minneapolis – **Appeal to the Minnesota Plumbing Board of the decision of an administrative law judge who had previously upheld the Board’s approval of the Uniform Plumbing Code, instead of the International Plumbing Code, strongly preferred by the business community, to replace a “home-grown” plumbing code.**
4. Greater New York – **Recent adoption of a new City Energy Efficiency Code. Working with BOMA International on the next Energy Efficiency Code and other Building Codes at the National level. Have also recently worked with BOMA International and locally on machine room-less elevator issues. Will continue to closely monitor proposed bills in the City Council that deal with modifications of various building codes.**

5. Seattle-King County – **A state building code council reform bill**
6. Utah – **Will continue to closely monitor proposed legislation dealing with licensing/ education requirements and stricter code modifications and mandates in upgrades to areas i.e., mechanical systems, generators, gas and fuel usage and equipment, EV charging stations, etc.**
7. Austin
8. Chicago
9. Dallas
10. Greater Charlotte
11. Greater St. Paul
12. Houston
13. Inland Empire
14. Memphis
15. Oakland-East Bay
16. Philadelphia
17. Spokane
18. St. Louis
19. Suburban Chicago
20. Westchester County

Economic Development Issues– 20 local associations

1. Austin – **Transportation**
2. Chicago – **Transportation initiatives. BOMA Chicago supports the City of Chicago’s efforts to improve and relieve congestion in the Central Business District. BOMA Chicago has advocated in support of constructive proposals on behalf of its members including Rapid Bus transit, increased bicycle usage and parking, and better and more efficient public transportation.**
3. Denver Metro – **Oil/gas initiatives, which Denver Metro opposed**
4. Greater Buffalo – **Transparent planning and development of less represented areas**
5. Greater Cleveland – **Preserving historic preservation tax credit**
6. Greater Kansas City Metro – **Curtailment of economic development incentives (historic tax credits, tax abatement, tax increment financing)**
7. Greater Los Angeles -- **Homelessness and affordable housing are huge issues currently. Homelessness relates to security and cleanliness in certain communities, and cities are struggling to provide affordable housing not only for homeless, but for low-income people.**
8. Greater St. Paul – **Provide leadership to create a woonerf, which is a street that functions as shared public space – for pedestrians, cyclists, children, and, in some cases, for slow-moving, cautiously-driven cars.**
9. Houston – **City pension reform**
10. Memphis
11. Metro Detroit – **Brownfields and incentive extensions**
12. Oakland-East Bay – **Urban infill**

13. San Francisco – **Homelessness and its impact on BOMA San Francisco members and their tenants via uncivil street behavior, aggressive handling, unclean streets.**
14. Seattle-King County – **Oppose the imposition of a Capital Gains Tax in Washington State (proposed at nearly 8%);
Support BOMA- proposed legislation to pre-empt the imposition of any form of commercial rent control;
Oppose the imposition of increases in the B & O (Business and Occupation) or gross receipts tax on services;
Preserve the exemption of sales tax on janitorial services;
Support legislation that advances the growth of affordable housing inventories;
Oppose new parking taxes**
15. Silicon Valley – **Homeless use of private property**
16. Southern CT / Greater Hartford – **CT is not business-friendly; too many corporations moving out of state. Needing help convincing the Governor of the creation of more jobs, not fewer.
And, Transportation issues.**
17. Spokane – **Minimum wage increases mandated by the State; mandatory paid sick and family leave; mandated scheduling requirements for part-time employees;
rent control in residential properties.**
18. Utah -- **The State Prison will be relocating which will open up approximately 680 acres of prime commercial real estate for development. The State Legislature is in the process of determining how this will impact the market and how to let it out for development. This also will impact business recruiting and economic/
business development within the commercial real estate market and how the government interacts with it.**
19. Westchester County – **Different permitting processes in each Westchester County municipality; cooling tower issues and legionella**
20. Wisconsin – **Tax increment financing (TIF) funding for downtown commercial buildings**

ADA and Access-Related Issues – 11 local associations

1. Greater Minneapolis – **“Drive-by” Lawsuits, which are suits brought by individuals who are not real customers or patrons of the businesses that are being sued for ADA violations. These individuals visit a business for the sole purpose of finding an ADA violation and then filing a lawsuit.**
2. Greater New York – **There are no new proposed ordinances or regulations on access-related issues. BOMA/Greater New York continues to get reports at the City Council’s Codes and Regulations Committee that ADA lawsuits are a problem that is, if anything, growing worse.**
3. San Francisco – **ADA issues are being more strictly defined and enforced with laws that just create greater bureaucracy.**
4. Chicago
5. Greater Cleveland

6. Greater Little Rock
7. Greater St. Paul
8. Inland Empire
9. Oakland-East Bay
10. Silicon Valley
11. Suburban Chicago

Environmental Issues – 10 local associations

1. Dallas – **Dallas 2040 Zero Waste Initiative**
2. Denver Metro – **Sustainable Denver Summit on 11/14/16, which Denver Metro participated in**
3. Greater Kansas City Metro – **Wastewater treatment and associated user rates relative to EPA mandates; stream setback requirements; water rate increases**
4. Greater Minneapolis – **Recycling mandates**
5. Greater New York -- **Steady flow of environmental bills/initiatives. Along with various climate change matters, the city has embarked on a 7-year process to develop a commercial waste franchise system (based in large part on analysis the Department of Sanitation had done that showed traffic and air quality improvements), and there is a bill to regulate construction noise near schools that has had a hearing and could move in Council. Recently, a bill was introduced that would require half of available commercial roof space to be developed as a green roof or be covered in solar panels, although it is not clear if the Council will try to move it. Will be looking to work with the Department of Health to work out at least one issue from this year's cooling tower – Legionella Law/ Rules. BOMA New York will also likely face a bill in 2017 that would reduce permit capacity at waste transfer stations in the City.**
6. Miami-Dade – **Abnormal rise of coastal water levels generated by a storm, possibly causing extreme flooding in coastal areas**
7. Oakland-East Bay -- **Water shortages, water management, and the State of CA looking at and examining water reuse. There are a number of counties in CA that have built/building water reuse facilities that will take the effluent from the wastewater plants and put it through reverse osmosis, micro filtration and ultraviolet disinfection, and then re-distribute it as clean water. A question is how will that affect the CRE field -- new building development with potable reuse? The State of CA is doing all this while having some of the strictest clean water requirements.**
8. Oregon – **Portland Harbor Superfund -- BOMA Oregon has serious concerns about EPA's proposed site-wide cleanup of Portland Harbor that would require many years to complete because it would disrupt not only commercial and recreational uses of the river, but also affect commercial buildings in the area due to noise, pollution, dredging, and increased traffic.**
9. Seattle-King County – **Shoreline management**
10. Silicon Valley – **Electric Vehicle Charging Stations**

Security / Emergency Preparedness – 9 local associations

1. Austin
2. Central New York
3. Chicago
4. Greater Minneapolis
5. Greater New York
6. Memphis
7. Metro Detroit
8. Suburban Chicago
9. Westchester County, New York

Labor/Union-Related Issues – 9 local associations

1. Austin – **Labor unions trying to organize**
2. Chicago – **Labor contracts; paid sick leave**
3. Greater Buffalo – **Scaffold Law and personal injury culpability**
4. Greater Cincinnati – **Janitorial contracts**
5. Greater Cleveland – **Minimum wage**
6. Oakland-East Bay – **Employer Practices**
7. Philadelphia – **SEIU-Security and Housekeeping**
8. Silicon Valley – **Ability to remove non-performing janitors and staff**
9. Iowa

Stormwater Requirements – 8 local associations

1. Greater Los Angeles – **Implementation at the local level of ever-increasing state mandates on, among other things, stormwater runoff**
2. Central New York
3. Greater Charlotte
4. Greater Kansas City Metro
5. Houston
6. Iowa
7. Metro Detroit
8. Suburban Chicago

Ballot Initiatives – 7 local associations

1. Denver Metro -- **#70: to raise the minimum wage to \$12/hr. by 2020**
#69: Single payer (state) healthcare system; Denver Metro opposes huge tax increase
#96: Raise the bar and make it more difficult to amend state constitution
2. Greater Los Angeles – **Development moratorium on March ballot in City of L.A.**
BOMA/GLA also expects to see more parcel taxes for local services on future ballots.
3. Houston – **School finance, recapture (the redistribution of local property tax revenues in order to level the playing field between property-wealthy school districts and property-poor school districts)**
4. Metro Detroit – **Regional Transit Authority**
5. Seattle-King County – **Carbon tax proposal**

6. Spokane -- **I-732: impose a carbon tax**
I-735: remove individual rights from corporations
I-1433: increase minimum wage
I-1464: various campaign finance provisions
I-1491: issue extreme protection orders to prevent access to firearms in certain cases
I-1501: increase identity theft penalties
7. St. Louis – **Voter ID requirement passed Missouri State Legislature, but there is a state referendum on November 8, 2016.**

Conceal Carry (Handguns) in Commercial Buildings – 4 local associations

1. St. Louis – **Missouri law that says citizens w/o permit or training, can carry guns.**
2. Wisconsin – **Just settling into this 2-year old state law.**
3. Austin
4. Inland Empire

Mold – 4 local associations

1. Greater New York -- **DRAFT mold legislation that would regulate mold abatement exists but has not moved recently. A similar state law has passed.**
2. Central New York
3. Knoxville
4. Suburban Chicago

Other Energy/Sustainability Issues – 10 local associations

1. Chicago – **PJM, which is the electric power market interconnect that ComEd is in; all of City of Chicago’s demand response (DR) programs run through this PJM.**
2. Denver Metro – **Sustainable Denver Summit, which Denver Metro is participating in on 11/14.**
3. Greater Cleveland – **Utility Submetering**
4. Greater Kansas City Metro – **Advocating for workable financial incentives and reasonable investment outcomes for capital investment in energy efficiency**
5. Greater Los Angeles -- **Implementation at the local level of ever-increasing state mandates on, among other things, energy and water efficiency, recycling**
6. Greater New York – **Implementation of the city’s plan to reduce emissions by 80% by 2050 looks to focus early on buildings. This will likely lead to legislative initiatives in the near future.**
7. Oakland-East Bay – **Water: persistence of drought conditions and construction of water reuse facilities. This affects commercial real estate in terms of new building development with reuse of potable water.**
8. Seattle-King County – **Carbon tax proposal, which is flawed**
9. Spokane – **Carbon taxes imposed by the State of Washington**

10. Utah -- **The utility companies, particularly electric, are being very aggressive in modifying (reducing) energy sustainability incentives and trying to pass legislation that removes oversight from the Public Service Commission in certain circumstances.**

Other Issues – 10 local associations

1. Baltimore – **Paid sick leave legislation; a strong state transportation policy – good mass transit is lacking in Baltimore, which is a concern for tenants and businesses.**
2. Denver Metro – **Affordable housing. Have to support certain parts; opposed impact fee; huge issue in Denver; also, potential sidewalk policy in Denver**
3. Fort Worth -- **Retainage Bills. In many construction projects, including commercial office build-outs, property owners and managers use contractual retainage on the project. Under retainage, a property owner withholds 10% until after the project is completed. In this manner, the owner is able to both ensure the project is completed, and also ensure the subcontractors have been paid in full. The subcontractors association has proposed legislation that would require an owner to establish a trust account for the benefit of contractors and to fund that trust account with the 10% retainage as the job progresses. The point is to protect the contractors and subcontractors from a foreclosure, where a lender would take possession of a property and strip the liens, leaving the contractors as unsecured creditors, just like all others involved in the property.**
4. Greater Kansas City Metro – **Advocating in support of regional workforce development**
5. Greater Little Rock – **Anticipating some changes (unknown at this time) to the residential landlord/tenant laws that would not be favorable to those landlords; BOMA GLR will be watching those developments closely to ensure changes are kept to a minimum and that any changes would not adversely affect its commercial landlord constituency.**
6. Greater Los Angeles – **Sidewalk repair policy was passed and will need to be implemented in 2017. Street vending is an issue in downtown L.A.; Poverty groups are pushing for street vending districts.**
7. Metro Detroit – **New legislative session in 2017, so it will be evolving.**
8. Orange County – **Reform of CEQA or California Environmental Quality Act**
9. Oregon – **Unreinforced masonry mandate in City of Portland; FEMA/NMFS (National Marine Fisheries Service); Portland Comprehensive Plan**
10. San Francisco -- **Affordable Housing, the restrictions to building same, and its impact of not having enough affordable housing for our members' tenants and their employees and the homeless.**
Telecom/Internet provider access into office buildings. Local legislation that would require owners to give access to any provider who wished it, with certain conditions met. BOMA San Francisco wants to protect owners' property rights and let the leases decide what is permitted.

State Coalition	Issues
<p>BOMA/Florida</p>	<ul style="list-style-type: none"> • Permits and Fees • Building Codes/Energy and Sustainability • Taxes • Insurance/Water Regulations • ADA/Elevator Regulations
<p>BOMA/Washington State</p>	<ul style="list-style-type: none"> • Tax Measures: <ol style="list-style-type: none"> 1. Oppose efforts to institute a State Capital Gains tax 2. Keep the services B&O at 1.5% 3. Oppose continuing efforts to institute a State Income Tax. 4. Oppose the elimination of the sales tax exemption on janitorial services 5. Oppose any further parking tax authorization • Commercial Rent Control: <p>Support a bill that would prohibit any form of Commercial Rent Control. In Washington State residential rent control is prohibited. Some City of Seattle Council members want to impose a form of commercial rent control for small business tenants.</p> • Low Income housing: <p>Support two bills that would expand local property tax exemptions that help provide low income housing and one that extends the multifamily tax exemption program.</p> • Regulations and Codes: <ol style="list-style-type: none"> 1. Support reforms to state building code adoption processes 2. Support reforms and limits on how elevator code rules are created and imposed 3. Oppose any further attempt to regulate or limit the amount of space a janitor can clean in an 8 hour shift to an arbitrary square feet of space (30,000 was the most recent effort) 4. Engage on new state energy code proposals 5. Continue to support efforts to have the IPC adopted as an option to UPC in Washington State • Energy Policy: Carbon reduction- carbon pricing – climate action issues: <ol style="list-style-type: none"> 1. Engage on the Governor’s carbon pollution limits (Cap) legislation 2. Engage on any Cap & Trade and Carbon Tax legislation or rule making • Transportation: <p>Much recent progress has been made – major transportation package passed – but will continue engaging on process and spending reforms</p>