



National Apartment Association Lobby Day Issues

Reform the Tax Code to Promote Economic Growth and Investment in Rental Housing

Tax reform is expected to take center stage in the next Congress. NAA/NMHC have also made tax reform a top priority since changes to the tax code have the potential to seriously impact the apartment housing industry's ability to meet the nation's housing needs.

The House Republicans' [blueprint](#) for tax reform is expected to launch the upcoming tax debate. The proposal would reduce the top tax rate on the pass-through businesses that dominate the apartment sector to 25 percent; enable all investment except for land to be immediately deducted from income instead of depreciated; and eliminate the deductibility of business interest.

Some lawmakers would like to move on the House Republican blueprint, which includes both corporate and individual tax reform. Others have floated the prospect of tackling a corporate reform measure first that would also fund an infrastructure bill by repatriating offshore holdings. Under this scenario, a second bill focusing on pass-through businesses and individuals could follow separately.

NAA/NMHC are reaching out to lawmakers to make the case that any tax reform should promote economic growth and investment in rental housing without unfairly burdening apartment owners and residents relative to other asset classes. We are also pushing them to preserve the pass-through tax structure, sensible cost recovery and investment incentive rules and the Low-Income Housing Tax Credit (LIHTC).

Reauthorize the National Flood Insurance Program

The National Flood Insurance Program (NFIP) ensures that affordable flood insurance is available at all times and in all market conditions for every at-risk rental property. For the vast majority of apartment communities, the NFIP is the only available option for coverage. These include more than just high-rise apartments found in urban centers and extends to rental homes as well. Ensuring that all rental properties continue to have access to affordable, quality flood insurance through NFIP is a top priority to protect NAA

members' investments and to help manage the increasing costs of providing housing. NAA/NMHC expect that legislation to reform and ultimately reauthorize NFIP will be introduced in both the House and Senate during the first part of 2017.

We strongly urge Congress to prevent disruption in the marketplace and pass a long-term reauthorization of the NFIP that maintains the government's backstop well before it is set to expire on Sept. 30, 2017.

Provide for a Right to Cure Period for Alleged ADA Deficiencies

Housing providers have responsibilities under the Americans with Disabilities Act (ADA) to ensure that their communities are accessible to people with disabilities, including the inclusion of specific building design features. However, the complex and sometimes conflicting nature of guidance, building codes and statutory language have led to varying interpretations of compliance. Allegations of non-compliance create significant challenges for apartment firms, including operational barriers and litigation concerns.

Unfortunately, suits driven solely by litigants aiming for financial gain are growing even though they often have no intention of improving accessibility needs. Dubbed "drive by" lawsuits, these complaints often result from tester visits to a business for the express purpose of finding violations and filing suit. Plaintiffs then typically demand settlement money in lieu of filing a lawsuit, with a single plaintiff sometimes filing hundreds of actions.

We support legislation introduced in the past several Congresses to allow a business owner to cure an alleged deficiency prior to a lawsuit's initiation. This measure would increase access for the disabled and create an important disincentive for complaints motivated purely for financial gain.