



ASSOCIATED REALTY OF THE AMERICAS

January 2018

Comments by
Leslie Rouda Smith

AREA RETREAT 2018

You're invited to a
**New England
Clambake**

MEXICO REPORT

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contest

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Make Your Reservations
Now to the 2018
AREA RETREAT
May 29 - May 31





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Leslie Rouda Smith

Happy New Year everyone! Here's to an awesome 2018! As we reflect on 2017, take time to contemplate what's ahead in 2018! This past year was wonderful and rewarding in so many ways. I have faith in our future and look forward to a year of new ideas and vision for continued success and great times with our AREA members. I'm a proud member of our AREA group!

Brian and our family wish each of you a very happy, prosperous and healthy New Year! We are looking forward to seeing all of you in Newport, Rhode Island, this coming May. At last count, well over 70 members of AREA are fully paid and on board. Brian and I have experienced the outstanding hospitality of the Phipps in Rhode Island. I promise you won't be disappointed. If anything, you may not want to leave. It will be quite an event. Here's some additional information on our retreat from our hosts Ron and Susan Phipps...



Ron Phipps
Newport, Rhode Island
AREA Retreat Chair

Retreat Update:

One of things about New England that I know all of members will like is the sense of history one inhales upon visiting here for the first time. Newport, itself, is a treasure and is the real first "resort" city in the USA, made so by the Robber Barons who, loving the beautiful and sheltered coast, built incredible mansions here for their summer residences in the 20's. Here is a brief history of our very beginning, which was taken information written on the web:

"In 1636, Roger Williams settled on land granted to him by the Narragansett tribe at the tip of Narragansett Bay after being banished from the Massachusetts Bay Colony for his religious views. He called the site "Providence Plantations" and declared it a place of religious freedom.

In 1638, Anne Hutchinson, William Coddington, John Clarke, Philip Sherman, and other religious dissidents settled on Rhode Island after conferring with Williams, forming the settlement of Portsmouth which was governed by the Portsmouth Compact. The southern part of the island became the separate settlement of Newport after disagreements among the founders.

Dissident Samuel Gorton purchased Indian lands at Shawmut in 1642, precipitating a dispute with the Massachusetts Bay Colony. In 1644, Providence, Portsmouth, and Newport united for their common independence as the Colony of Rhode Island and Providence Plantations, governed by an elected council and president. Gorton

received a separate charter for his settlement in 1648, which he named Warwick after his patron. The union of these four towns was strengthened by the Royal Charter of 1663. Critics at the time sometimes referred to the Colony as "Rogue's Island", and Cotton Mather called it "the sewer of New England" because of the Colony's willingness to accept people who had been banished from Massachusetts Bay.



In 1686, King James II ordered Rhode Island to submit to the Dominion of New England and its appointed governor Edmund Andros. This suspended the Colony's charter, but Rhode

Island still managed to retain possession of it until Andros was deposed and the Dominion was dissolved. William of Orange became King after the Glorious Revolution of 1688, and Rhode Island's independent government resumed under the 1663 charter, which was used as the state constitution until 1842."



You are cordially invited to attend a New England Clambake Monday, May 28th

VIEW YOUR PERSONAL INVITATION HERE

Ron and Susan Phipps have organized a genuine **New England Clambake** for Monday, May 28th in Olde Buttonwoods, Warwick Rhode Island (our neighborhood).

Buttonwoods, a peninsula on Greenwich Bay, was established 1871 and modeled after Oak Bluffs on Martha's Vineyard as a beach community.

EJ Ryan is the "Bake Master" and He is also a local Realtor and Appraiser. He will start the bake in the late morning and we would anticipate that it would be cooked and ready to serve about 4PM. It would include all of the elements of a true New England Clambake: lobster, steamers, mussels, potatoes, corn-on-the-cob, sausage, white fish, etc. There is significant capacity for attendees.

EJ is willing to do the bake for \$60 a person. Susan and Ron will provide the place, the beverage, and the warm hospitality. We would need a count of attendees by May 13th.

To register for this event on line through the **MAKE PAYMENT** button on your individual home page.

Your Username: the first initial of your first name

Your Password: the last three letters of your last name

Reservations must be made and paid for on or before May 13, 2018.

This event will be held not far from the Providence Airport. Arrangements for overnight accommodations can be made at the Best Western Airport Inn Warwick, R.I. or you may contact the Newport Marriot to check availability that weekend.

Newport Marriot:

25 America's Cup Ave. Newport, RI 02840
Direct: 401-848-6964
Email: rachel.deschenes@marriott.com

Best Western Airport Inn

2138 Post Rd, Warwick, RI 02886
Direct: 401-737-7400

Or, you may find accommodations at a number of close by area hotels, which you can find through Google. As we close in on the event, we offer transportation suggestions from the Providence Airport. If one is flying into Boston, renting a car is suggested.

Keynote SPEAKER

FirstNet's Chair, Sue Swenson to be Keynote Speaker at AREA Retreat



The Board of FirstNet (First Responder Network Authority) made it possible for first responders to communicate with one another in real time and at any and all disaster following the disaster of 911 where that could not happen. It's Chair, Sue Swenson, will be the keynote speaker.

Sue Swenson's Background:

Sue Swenson brings extensive experience as a telecommunications and technology executive to the FirstNet Board. She has served as CEO and Chair of the Board of Inseego Corp., a leading global provider of SaaS telematics solutions from 2015- 2017 and President and CEO of business software provider Sage North America from 2008-2011. Ms. Swenson also served as COO of T-Mobile USA, President and COO of Leap Wireless, International (Cricket Communications) from 1999-2004 and President and CEO of Cellular One from 1994-1999. She started her telecommunications career at Pacific Telesis holding various management roles including President & COO of Pac Tel Cellular from 1990 - 1994. Ms. Swenson serves on the Board of Directors of Wells Fargo and Harmonic Inc.

**Sue Swenson, recipient of the
AREA 2017
Humanitarian of the Year Award,
will be the keynote speaker.**

AREA RETREAT 2018



**NEWPORT, RHODE ISLAND
MAY 29-31**

**LAST DAY
TO BOOK IS
5/8/18**

HERE'S HOW TO MAKE YOUR EVENT PLANS:

1.

EVENT REGISTRATION:

Register with AREA for the Event:
Registration Costs: \$465

TO REGISTER FOR THE EVENT:

Access the AREA Website, in the upper right-hand corner, enter your

Username =

first initial of your first name and entire last name

Password =

last three letters of your last name

Go to **make payment** and **follow directions**.

2.

MAKE HOTEL ACCOMMODATIONS:

Newport Marriott
Special Group Rate: \$249/per night

Click on the button below to make your reservation.

MARRIOTT RESERVATIONS

If you need stay pre or post, please make your reservation
and then contact:

Rachel.Deschenes@marriott.com

with your confirmation number and she will assist with availability.

Sponsored by:





John Glaab, CIPS
Mexico
612-157-7903

The Settlement Company
www.settlement-co.com
www.globalmexico.org

John was born in Canada and received his higher education in the United States. He is Vice President, International Marketing at The Settlement Company®, Mexico's oldest title and escrow company.

Following a successful career in international marketing, John entered the world of international education. As Director of Development and Public Relations at the United World College of the Pacific at Pedder Bay, British Columbia. It is one of twelve United World Colleges spread throughout the globe. As Director of Development and Public Relations, his task was to raise funds to provide scholarships for 200 students from more than 60 countries. John is a Trustee of Pearson College. Moving to San Jose del Cabo in 1991, he became a founding member of the AMPI Los Cabos Section and served on its Board of Directors for a decade. Promoting the Section, he watched it grow from five members to over 400. In 2000, he moved to La Paz and became a member of AMPI La Paz. Several years later he was named Director Emeritus of that Section. A founding member of the Board of Directors of the Global Mexico Real Estate Institute, John is responsible for public relations and increasing the awareness of the Institute, in the global real estate industry.

Welcome to the second edition of our new blog. In this edition, we report on the news 2018 U.S. Tax Laws and Property Taxes in Mexico.

MEXICO NEWS & TAX TIPS <<

How does the new 2018 US tax law change the rules for real estate on your personal US tax return?

By **Don D. Nelson**, International Tax Attorney at Law

Partner in Kauffman Nelson LLP, Certified Public Accountants

Many owners of real property in Mexico have been concerned about the effect the US new tax laws will have on their ownership of real property in Mexico. The new law is complex and its provisions involving foreign matters are confusing.

If you own your Mexican property in your own name or through a Fideicomiso (bank trust) there may be some changes under the new Trump tax laws. If it is your personal residence the same rules apply as to a personal residence in the US. This means you are now limited under the amount of property taxes you can deduct and may receive no benefit from deducting your mortgage interest. Read more about the changes in itemized deductions for residences or second homes here:

<http://us-mexicantax.blogspot.com/2018/01/new-us-tax-laws-concerning-personal.html>

If your Mexico property is a full time rental property, the rules have generally remained the same. The main difference is that residential rental properties are depreciation (written off) over a 27.5 years in the US and 40 years when located in other countries.

If your business or rental property is held in a Mexican corporation, and it has not elected to be treated the same as you owning the property individually for US tax purposes (allowed if you file a form with IRS for an SRL), you may have to pay additional tax in 2017 if you have allowed income to accumulate in the corporation and have not distributed it to yourself. Read more about this new tax on accumulated income in foreign corporations at this link: <http://us-mexicantax.blogspot.com/2018/01/new-us-tax-law-may-cause-you-to-pay.html>

If you have questions on any of these changes, email Don at ddnelson@gmail.com

Mexico News

By **John K. Glaab**, CIPS

Property Taxes in Mexico: As in most other countries of the world, residents of Mexico pay property taxes. There is some good news. Most municipalities offer "discounts" for early payment. Typically these are: 20% if paid in January, 10% if paid in February and 5% if paid in March.

A few places offer a 50% "forgiveness" on interest and fines for 2017 taxes in arrears, if paid between January 1 and March 31.

More information: info@settlement-co.com

Learn more about rental taxes in Mexico and how to pay them at:

ddnelson@gmail.com | info@settlement-co.com

Rentaltaxmexico@settlement-co.com



A Look on the Legal Side

with Dennis Badagliacco

Dennis Badagliacco

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Dennis Badagliacco, who is one of three members serving on the Legal Advisory Board of the NAR, as are other prominent members of AREA: **Diana Bull** and **Patti Lawton**, who is Chair, made the following presentation about current legal considerations facing the NAR.

1. There is a lawsuit being filed in California which could have national implications dealing with late fees charged tenants for failure to pay on time. The suit, which is being filed by a non-profit, on behalf of tenant who had been evicted, contends that the fees represent an unfair taking of money because they are arbitrary in nature. The suit charges late fees can only be charged for definable damages the Landlord has experienced due to the late payment. The rental form used was the ZIP Logic form many states use (16-19). The Landlord, not wishing to fight the issue over such a small amount have asked CAR for help in fighting this. The case is being appealed to the 9th circuit.
2. There is another challenge precipitated by the proliferation of real estate teams where some of the members may be paid hourly wages, perform duties defined by the

team, work in a defined space and keep hours defined by teams. The claims contend that they are not independent contractors but employees, subject to withholding and other employment rules for employees.

3. PDF FILLER is now scrapings ZIP Logic forms and documents from Texas as well as California and then selling the forms to third parties at a greatly reduced rate. The third-party users are also able to modify, what appears to be a standard contract used by all others. Texas is suing PDF Filler and NAR is contributing \$300,000 to Texas to help with case.

4. Cyber fraud is rampant and we must all be well aware. The FBI will not be taking on any cases under \$240K. So, be on our toes. More about this at the Retreat.



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The Jeanne Radsick "Sherlock Holmes" contest

She is well known for seeing things that others may miss"

Word of the Month:



The following is a hint: Nothing to do with yesterday.

November's winning entry came from **Colin Mullane** who, in addition to being REALTOR® of the Year in Oregon, receives a trip to Astoria.

AREA Retreat Sponsor Feature

Pillar to Post

Buying a home is one of the most significant decisions and one of the biggest investments you will ever make. A Pillar to Post home inspection will give you a clear, unbiased evaluation of a home's condition, answer any questions you may have, and help give you peace of mind.

An inspection of the home you are considering will help you make an informed decision during the purchase process. It will also provide you with the information you will need for any repairs and maintenance your new home may require.

A professional home inspection will allow you to buy with confidence.



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