

What is the fundamental issue?

Single and multi-family properties across the country are being used to store, create and distribute methamphetamine, a highly addictive drug that has been increasing in popularity over the past decade. The process used to make (or "cook") this drug creates indoor health hazards for current and future tenants. These hazards create problems for Realtors and property managers, especially in the areas of clean-up and disclosure.

I am a real estate professional. What does this mean for my business?

Methamphetamine laboratories ("meth labs") exist across the country, particularly in rural areas. These labs have been set up in both single- and multi-family housing. The main issue of concern for Realtors is one of disclosure. It is unclear how a Realtor would know whether a home was once used as a meth lab, and if so, whether a meth lab has been cleaned up to a certain public health standard. In addition, there is a concern about whether a Realtor would be required to disclose the fact that the house was once a meth lab -- even if it has been remediated.

The Drug Enforcement Administration (DEA), in late 2006, unveiled a web-based database listing properties by street address, town and county, that may (or may not) be contaminated from being used as meth labs). DEA will not stand by the data in its database. Properties listed in this database may be unduly stigmatized if they never were contaminated, or are not now contaminated due to being cleaned up.

NAR Policy:

While NAR does not have policy specific to meth lab cleanup, the policy would generally support "war on drug" government programs that also protect the rights of property owners who either have no knowledge of illegal activity or made reasonable efforts to prevent use of their property for illegal drug activity.

Legislative/Regulatory Status/Outlook

Legislative: President Bush signed H.R. 365 on December 21, 2007 (Public Law 110-143).

From the regulatory perspective, one issue that has emerged in relation to meth labs is that the Drug Enforcement Administration (DEA) has developed a public website and database listing all known meth labs, by state, county and street address. The information is provided to the DEA by state and local law enforcement agencies. NAR has written a letter to the DEA expressing concerns about this website, including the fact that the criteria for listing the property is vague, it is difficult for property owners to correct an error in the listing, and there is no criteria to remove a property from the website. In addition, NAR raised concerns about this database with Congressional staff. The report accompanying H.R. 365 addresses the DEA database and requests that DEA develop criteria for listing and de-listing properties.

Current Legislation/Regulation (bill number or regulation)

NAR will continue to monitor this and other "war on drug" programs to ensure they safeguard the rights of innocent property owners.

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