

## Real Estate Principles

### Chapter 6 Quiz

1. Which of the following is the general purpose of local building codes?
  - A. Assuring the use of skilled labor in building construction and renovation
  - B. Guaranteeing cost-effective construction through uniform building standards
  - C. Providing minimum requirements in building standards to promote the safety, health, and welfare of the public
  - D. Assuring compliance with uniform standards of design and construction throughout the state
  
2. A city passes a bond issue to improve streets in a particular neighborhood. The properties in that area will be burdened:
  - A. according to value of the property
  - B. according to the size of the lot
  - C. in proportion to the benefits that the land will receive
  - D. identically
  
3. Brendan bought a property from Lisa on March 1, 2004. The property taxes for the 2004-2005 fiscal year are:
  - A. added to the purchase price
  - B. a personal obligation of Brendan
  - C. a personal obligation of Lisa
  - D. a lien against the property
  
4. A developer subdivided a large parcel and imposed a deed restriction requiring a 15,000 square foot minimum lot size. The local planning commission then designated the area in which the subdivision was located as requiring a 10,000 square foot minimum lot size. Which requirement would prevail?
  - A. Zoning laws
  - B. Deed restrictions
  - C. Whichever was recorded first
  - D. The developer would be required to create new requirements in line with the new zoning regulations
  
5. Through its police power, local government has the right to regulate land use. This may include:
  - A. Regulations related to building repair and removal
  - B. Zoning ordinances
  - C. Subdivision regulations
  - D. All of the above
  
6. What is the main difference between real property taxes and special assessment bonds?
  - A. In terms of lien priority, assessments are subordinate to property tax liens
  - B. Special assessments are used to pay for local improvements, not ongoing government operations
  - C. Special assessments may be levied only by special improvement districts
  - D. A special assessment is levied according to each property's value

7. All of the following goals are accomplished through zoning regulations, except:
- A. promotion of orderly suburban expansion
  - B. control of design of buildings and methods of building construction
  - C. protection of agricultural land from encroachment by other uses
  - D. prohibition of undesirable uses in certain areas
8. Ad valorem property taxes would be levied against:
- A. a synagogue
  - B. a courthouse
  - C. a shelter owned by a nonprofit group
  - D. an undeveloped lot
9. Zoning laws are constitutional and enforceable because:
- A. planning commissions are under local control and therefore responsible to those persons who are regulated
  - B. of the ease of enforcing them
  - C. of the police power of local governments
  - D. they do not interfere with interstate commerce
10. A property use that is permitted to continue even though it doesn't comply with a new zoning ordinance is called a:
- A. variance
  - B. conditional use
  - C. nonconforming use
  - D. rezone
11. Both private restrictions and zoning define and limit land uses for what purpose?
- A. To prevent the use of restrictive covenants
  - B. To prevent uncontrolled growth and suburban sprawl
  - C. To ensure racially balanced communities
  - D. To ensure compatible uses and promote harmony between neighboring landowners
12. Which of the following statements regarding the power of eminent domain is true?
- A. The proposed use must be practical and just compensation must be paid
  - B. The proposed use must be a public use and just compensation must be paid
  - C. The proposed use must be practical and a public use
  - D. The government must offer the property owner a property of comparable value and utility
13. "Ad valorem" most nearly means:
- A. for life
  - B. added value
  - C. according to value
  - D. fixed value

14. If a property owner wanted to receive an exception from zoning laws in order to build a structure in a manner that would not be detrimental to the public, he would apply for a:

- A. building permit
- B. rezone
- C. variance
- D. redevelopment agreement

15. Land use controls, master planning, and zoning are important examples of:

- A. police power
- B. eminent domain
- C. deed restrictions
- D. All of the above

## Answer Key with Explanations

1. C

Explanation: Building codes are another example of an exercise of the state's police power. They protect the public from dangers caused by unsafe design, substandard materials, or poor workmanship.

2. C

Explanation: While real property taxes are levied according to property value, special assessments are levied according to the amount of the benefit received by each property.

3. D

Explanation: Property taxes are not a personal obligation -- in other words, the county will not sue a property owner to recover them (unless a tax sale of the property is insufficient to make up the delinquency). Instead, they take the form of a lien against the property being taxed.

4. B

Explanation: In this case, the deed restrictions would prevail. Where there is a conflict, the more stringent of the two restrictions will apply, regardless of which was implemented first. Here, the deed restrictions require a larger lot size than the zoning regulations do.

5. D

Explanation: All of these methods of regulating land use stem from local governmental police power.

6. B

Explanation: Special assessments are one-time charges to pay for particular projects. Only those properties that benefit from the project will pay for a special assessment bond. Each property will pay for the special assessment according to the amount of benefit it will receive from the project, rather than according to the value of the property.

7. B

Explanation: Design of buildings and methods of building construction are regulated through building codes, not through zoning regulations.

8. D

Explanation: Public property, property owned by religious organizations, and property owned by nonprofit organizations is generally exempt from taxation.

9. C

Explanation: Zoning laws receive their legitimacy from the delegation of police power to local governments. Zoning laws are enacted for the protection of the health, safety, and welfare of the public.

10. C

Explanation: A property use that does not conform to current zoning requirements, but is allowed because the property was being used in that way before the present zoning ordinance was enacted, is called a nonconforming use. A nonconforming use may also be referred to as a pre-existing or legal nonconforming use.

11. D

Explanation: Zoning and private restrictions help ensure that neighboring land uses are compatible, which promotes harmony between neighboring landowners.

12. B

Explanation: The two basic constitutional requirements for condemnation are that the property must be taken for a public use, and just compensation must be paid to the owner.

13. C

Explanation: Ad valorem is a Latin phrase meaning "according to value."

The amount of ad valorem taxes paid by a property owner is based on the value of the property.

14. C

Explanation: A variance allows a property owner to make a minor deviation from zoning regulations. A property owner can qualify for a variance only if strict enforcement of zoning regulations would create undue hardship or severe practical difficulties.

15. A

Explanation: The broadest power of the government to regulate for the protection of public health, safety, and welfare is the police power. This includes land use controls on the use of private property.