



OAR POLITICAL ADVOCACY FUND

Information Packet

A plan to keep the voice of Ohio REALTORS strong

On August 11, 2016

By Bob Fletcher, OAR Chief Executive Officer

Ohio's REALTORS have a long-standing tradition of fighting for private property rights and the free enterprise system at the state and local level.

As a leading grassroots organization, we have invoked the power of our people – members who live and work in every community across this great state – to help our fellow Buckeyes achieve home ownership. Our entrepreneurial spirit helps countless businesses open their doors and grow. We, individually and collectively, play a critical role in making the American Dream a reality.

Since the Ohio Association of REALTORS was formed more than a century ago, we have been THE voice for real estate – and have been a partner in pursuing policies that help move our communities and our state forward.

Our highly respected and influential REALTORS Political Action Committee has been an effective tool in helping elect lawmakers who are receptive to our concerns since its inception in the early 1970s. In fact, a handful of Ohio visionaries were instrumental in creating and growing RPAC. Great leaders such as JD Sawyer, Paul Everson, Owen Hall and Chet Sudbrack helped unify the REALTOR voice across the nation for a common purpose, helping to give the REALTORS a prominent place in the political arena at the national, state and local level.

RPAC has been – and will always be — a key part of our ongoing fight to preserve private property rights. It allows us to directly support candidates empathetic to our views. It allows Ohio's REALTORS to join together and make a positive difference.

But today – due in large measure to the Supreme Court's Citizen United ruling a few years ago – a new era of politics has dawned. For Ohio's REALTORS to remain a strong, effective advocate – it's imperative that we reimagine and reinvigorate our approach to public policy.

As such, your leadership team and Executive Committee is putting forth a proposal to create a ground-breaking initiative designed to help advance the real estate profession's shared objective of being the leading voice for Ohio real estate. The organization's Board of Directors will have an opportunity to discuss and debate the creation of a Political Advocacy Fund at our upcoming Annual Convention & Expo, Sept. 19-21, in Cleveland.

The proposal would adopt a \$25 member dues assessment for a five-year period. It will provide the necessary funding to expand our involvement at the State House and City Halls across Ohio. The money will be utilized by both OAR and our Local Boards/Associations to support political and issue advocacy campaigns. It will complement and enhance our existing RPAC program, creating a solid foundation for long-term relevance in ensuring that private property rights are protected.

Simply stated...it takes people and money to influence and cultivate political allies and the rules have changed.

Ohio ranks 7th nationally with nearly 3,800 units of local government. Given the importance of REALTOR participation in local elections and issues, providing additional resources is paramount to achieving a successful outcome. OAR's elected leadership and staff have continually advocated that political influence begins at the local level. This is evident in a multitude of ways, such as the many local taxing initiatives, home rule ballot initiatives, and restrictive or onerous ordinances that surface in local communities. Plus, today's local elected official will likely become a state representative or senator.

The proposed Political Advocacy Fund is an important step in building a lasting partnership with our Local Boards/Associations. If you have any questions, I encourage you to reach out to your elected leadership team or contact my office.

OAR POLITICAL ADVOCACY FUND

Fighting for Private Property Rights and the Free Enterprise System

OAR Political Funds

Issues Mobilization Fund (IMF)

The Issues Mobilization Committee utilizes IMF to educate REALTORS and the general public about state and local issues.

The IMF is also used to support OAR's positions on ballot measures and state legislation and to support Local Boards with local ordinances and regulations.

REALTORS Political Action Committee (RPAC)

RPAC funds are used for the direct contributions to state, local and federal candidates supportive of OAR views.

Input is received from Local Boards before contributions are made. All funding decisions are made by the RPAC Trustees.

OAR PAF (Proposed)

OAR PAF funds will be utilized for independent expenditures (IEs) in support of state and local candidates and ballot issues.

Examples of potential OAR PAF expenditures may include such communications as:

- signs and flyers;
- mailers & postcards;
- advertisements in newspapers and other publications; and/or
- internet, radio or television media.

OAR PAF may also be used for the creation of informational brochures for members, and select statewide issue research and analysis. OAR PAF can also be used to support allied organizations that share our views.



What is OAR PAF?

The Ohio Association of REALTORS Political Advocacy Fund (OAR PAF) is:

- Funded by an annual member assessment of \$25.00 forwarded to OAR PAF for a period of 5 years.
- Designed for use by both State and Local boards; further supplemented by OAR's allocation from state NAR independent expenditure (IE) allocation.
- Intended to support state candidates and ballot issues affecting private property rights and the real estate industry.
- Available to Local Boards to fund local IEs to support local candidates and issue advocacy campaigns.

OAR PAF is a necessary compliment to RPAC and the IMF. Our Local Boards have and continue to have tremendous results with local issues and in the process spends considerable time in trying to cultivate local elected officials support.

Why do we need OAR PAF?

OAR and NAR have historically been leaders in political funding but that model has remained static for almost five decades. Additionally, after the Citizens United case it has become a virtual necessity to move into an IE program or continue to lag behind in our political advocacy. Taxing, zoning, and regulatory efforts at the local level have and continue to present challenges.

The best way to fight back is to elect candidates who fully understand the importance and impact of real estate and private property rights **before** the imposition of taxes and



Recent Growth in SuperPACs

("SuperPACs" = Independent Expenditure-Only Organizations)

Buckley v. Valeo (1976)

- Supreme Court first made important distinction between independent expenditures and contributions.
- Struck down limits on independent expenditures.

Citizens United v. FEC (2010)

- Corporations may make unlimited independent expenditures.

SpeechNow.org v. Federal Election Commission (2010)

- Limitations on independent contributions unconstitutional.

2016 Election Cycle

As of August 8, 2016:

- 2,316 FEC superPACs.
- \$936,094,870 receipts.
- \$479,781,240 expenditures.

Average past NAR allocation to OAR for independent expenditures (one entire election cycle)

=\$125,000

ordinances.

RPAC "hard dollars" are currently used in support or in opposition to issues or ballot proposals such as local ordinances or school board levies. This drains resources that are best utilized as direct contributions to candidates.

Additionally, changes to Ohio's Campaign Finance Laws have resulted in raising the amount of PAC money requested from candidates. This, combined with the overall increase in money post-Citizens United, has greatly increased the level of spending needed to maintain REALTOR campaign influence.

The creation of OAR PAF allows for the expansion of the current NAR local independent expenditures funds, and positions local associations to build an early "positive" relationship with their elected officials. The OAR PAF program is one more step which not only allows us to continue to participate, but truly moves political advocacy to the local political area, where all political activity begins.

The need for RPAC funds at the local level is also ever growing. OAR PAF program funding and RPAC are not mutually exclusive. The two in tandem, but not coordinated, provide OAR a unique opportunity to move upward and forward as the political player REALTORS once were.

NAR Ranks 35th in 2016 IE Spending - \$4.3M



Facts About Independent Expenditure-Only Committees (IEs):
CAN:

Raise unlimited sums of money from corporations, associations and individuals.

Spend unlimited sums to overtly advocate for or against political candidates and issues.

CANNOT:

Donate money directly to political candidates.

Spending must not be coordinated with that of the candidates they benefit.

RESULT:

IEs are NOT constitutionally subject to contribution limits.

Funding Political Campaigns & Community Outreach Activities



**REALTORS®
Political Action
Committee (RPAC)**

Voluntary investments from individual REALTORS® for direct contributions to REALTOR® Champions running for national, state and local offices.



RPAC Trustees (or in some local associations, the Government Affairs Committee) decide which REALTOR® Champion will receive RPAC funds based on questionnaires, interviews, voting records, support of REALTOR® issues and other important factors.

HARD MONEY



Roughly one-third goes to congressional candidates and two-thirds to state and local candidates.

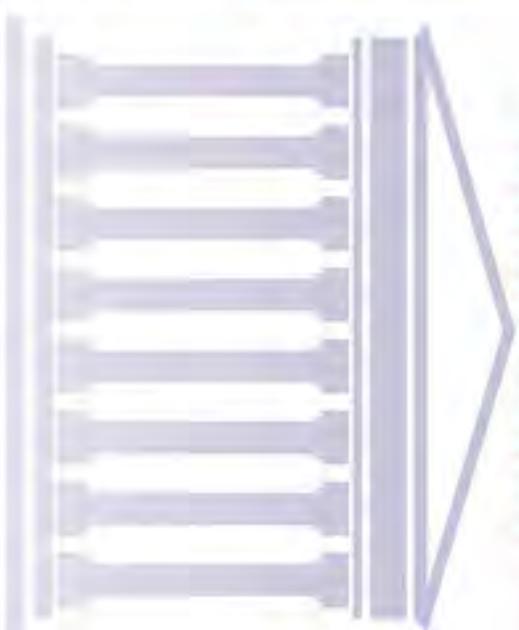
President's Circle (PC)



must first invest a minimum of \$1000 in RPAC.

REALTORS® may also directly support congressional REALTOR® Champions who have demonstrated support of REALTOR® issues by their votes, sponsorship of bills or through other ways. PC members

Citizens United v. the Federal Election Commission



This 2010 ruling of the U.S. Supreme Court ruling allows corporations, labor unions and super PACS (funded by corporations, labor unions, and wealthy individuals) to spend unlimited amounts of money on independent expenditures to influence elections. This caused RPAC and the REALTOR® Party to step up soft dollar fundraising efforts to keep pace.

SOFT MONEY



REALTOR® Party

Funded by NAR through dues dollars. Each year, approximately \$40 million is devoted exclusively to REALTOR® Party advocacy and community outreach efforts.

Corporate Ally Program (CAP)



Investments from MLSs, real estate technology partners and advisors; NAR business affiliates, political vendors, institutes, societies, and councils; national and regional real estate franchisors; and real estate brokerages that support federal, state and local independent expenditures for REALTOR® Champions running for public office, issue campaigns OR both. One half of each CAP contribution is directed to fund state/local campaigns and the half to support federal campaigns.

Political Advocacy Fund (PAF)

Corporate investments by state and local associations and their affiliates used for federal political activities permitted by law, such as opportunity races, legislative receptions and "meet and greet" events.



(document prepared by the Lake & Geauga Area Association of REALTORS®)

Potential \$25 OAR Dues Increase for 2017

WHY? to ensure that OAR is sufficiently armed with enough funds to fight for your industry rights!

NAR REQUIRES MORE "skin in the game"

NAR recently reviewed OAR's finances and discovered that we are on the low side of funds held for issue campaigns.

We also discovered that coalition partner contributions do not count toward the required minimum contribution towards an issue campaign.

NAR requires that State and Local Associations contribute 10% - 50% of total funds needed towards mobilizing an issue. For requests over \$1 million, a minimum 50% is required as an association contribution. Guess how much the average cost is to put an issue on a state ballot for general vote? Yup, approximately \$1 million. For requests over \$1 million, a minimum 50% association contribution is required for an NAR Issues Mob Grant. That's \$500K from the State or Local Association. OUCH!

[LEARN MORE](#)

WHAT IS ISSUES MOBILIZATION?

NAR Issues Mob Grants provide monies to state and local associations to support legislative efforts and public policy that effects our industry, your work as a REALTOR, and your clients' interests.

NAR isn't requiring more 'skin in the game' to be a bully. They require more because it costs more to fight issues that hurt us and our business; it's the increased cost of politics overall in today's world.

[Learn More](#)





ISSUES MOBILIZATION EXAMPLES

OAR Defeats [Sales Tax on Services](#) (i.e. Your Commissions)

NAR Sales Tax on Services [White Paper](#)

Things Funded by Issues Mob Grants:

- Direct Mail
- Public Opinion Surveys/Polls
- Phone Banks/Automated Calls
- Social Media/Websites
- Grassroots Mobilization
- Lobbying
- Advertising (TV, radio, print, online)
- Research
- Billboards, brochures, banners, etc.
- Consultant Assistance (i.e. lobbying, public relations, advocacy, research, media, etc.)
- NAR Campaign Services

WHAT DOES ALL OF THIS MEAN?

It means OAR is currently underfunded to:

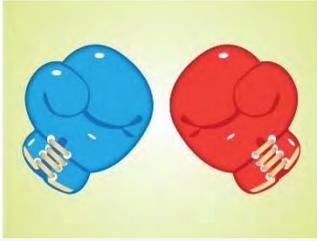


* Defeat repeated attempts to expand the base of the state sales tax to include commissions, and other professional services our members either provide or consume

* Provide the necessary support needed to influence the outcome of issues arising at the local government level, such as:

- Real estate transfer taxes
- Sign bans
- Point of sale inspections
- Septic regulations
- Growth & land use controls
- School levies
- and any other matter affecting property ownership and private property rights

* Augment the impact of RPAC on state and local elections through the use of independent expenditures. The world of campaign finance changed dramatically in 2010 via the US Supreme Court ruling in the Citizens United vs. FEC case. OAR and our Local Boards cannot afford to not adapt to the reality of the new rules.



RPAC versus ISSUES MOBILIZATION FUND What's the Difference?

Q. What is the Issues Mobilization Fund (IMF)?

A. The IMF is specifically allocated for one of three purposes: Ballot issues or board-approved Independent Expenditures, research and development of legislative issues, and local issue advocacy.

Q. What is the difference between IMF and RPAC?

A. RPAC investments are used for the direct support of candidates for public office. The Citizens United decision opened up new avenues of financial support for candidates and issues. This required us to look beyond the traditional RPAC funds in order to keep our strong voice in real estate. IMF funds can only be used for Ballot Proposals and Independent Expenditure races in addition to local and state issues research and advocacy. An Independent Expenditure campaign is when funds are allocated to support or oppose a candidate or issue. There are strict controls on the Association not coordinating with a candidate or candidate committee.

Q. Will the IMF take away from RPAC Dollars?

A. Other states that have adopted similar IMF assessments have actually seen their RPAC contributions increase. This has been attributed to more members realizing the important and different mission of the Issues Mobilization Fund (IMF) versus Realtors® Political Action Committee (RPAC).

Q. Why is a strong IMF fund important right now?

A. Your Realtor® leadership strongly supports making ours the strongest voice at the state and local level. A robust IMF is used to fend off multiplying attacks on our industry, private property rights, and our economic recovery. Realtors needs to be well positioned to defend the real estate industry and our elected Realtor champions.

A MESSAGE FROM THE OHIO ASSOCIATION OF REALTORS® CEO:

I realize that it's a busy time of the year, but wanted to take a quick moment to let you know that our Board of Directors will be considering a motion that will have an impact on 2017 dues. The Board of Directors will meet at our State convention on Wednesday, September 21.



Specifically, the Executive Committee will be bringing forth a motion that will establish a \$25 per member dues assessment to be allocated to the establishment of a Political Action Fund in Ohio. If approved, this assessment will be levied for a five year period.

Click [HERE](#) for a document which sets forth the advocacy initiatives to which the funds will be directed.

As your OAR Leadership Team has explained in our various In-District meetings that we've held throughout the state, the Political Action Fund will be an important tool for the REALTOR organization in providing support to campaigns and issues of concern to private property rights at the state and local level.

I know many of you start budgeting for the new year in late summer and I felt it important to let you know now. Should you have any questions, please feel free to contact me.

Thanks,

Robert E. Fletcher, CEO
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