



## **Coalition of Los Angeles REALTOR® Associations Keeps Transfer Tax Increase Off the Ballot—February 2013**

Last spring, when the City of Los Angeles proposed solving its \$230 million fiscal year budget deficit by doubling the documentary transfer tax rate to \$9 per \$1,000 of assessed value, REALTORS® took action – fast.

“That would have been in addition to the county tax of \$1.10, creating a total transfer tax of just over 1 percent of the value of a piece of property, shouldered solely by those selling property,” notes Laura Olhasso, Government Affairs Director of the Pasadena-Foothills, the Glendale, and the West San Gabriel Valley Associations of REALTORS®. “It would not have been a fairly shared burden, nor would it even have made up the whole deficit.”

Olhasso and two of her fellow Los Angeles-area GADs joined in response, pulling together an impressive coalition of eleven local REALTOR® organizations, plus others representing industrial properties, building managers, and apartment owners. “It was the first time a coalition of this magnitude had been assembled – with the strength of about 25,000 REALTORS®!” says David Kissinger, Government Affairs Director of the South Bay Association of REALTORS®. “Los Angeles is really big,” he explains, “with every kind of diversity, even within its business community, our traditional partners. It’s clearly in our best interests to collaborate, which pools our resources, multiplies our effort, and raises the profile of the REALTOR® brand.” Each of the 11 local REALTOR® associations committed funds to the effort, as did the California Association’s IMPAC fund.

The group asked the NATIONAL ASSOCIATION OF REALTORS® to conduct a survey to produce hard numbers that they could present to the city’s chief administrative officer (CAO). The results showed that 62 percent of the population opposed a transfer tax increase. “With NAR’s backing, we were able to say to the CAO, ‘We will fight you tooth and nail on this issue – and we have the funding to win,’” says James W. Litz, Government Affairs Director of the Beverly Hills / Greater Los Angeles Association of REALTORS®. “The resources NAR has provided to our local associations in the past two years have made a tremendous difference in how effectively we can work the political machine. Their nimble decision making is also key: they understand the dynamics of a campaign, and that we don’t have six weeks’ research time.”

The coalition proposed that the burden of solving the deficit would be more fairly and effectively shared by all Los Angeles citizens, in the form of a half-cent sales tax increase, which it showed would create a revenue gain three times that of the proposed transfer tax increase. The NAR-funded survey



showed public support for a sales tax increase. Simultaneously, NAR paid for a direct mail campaign informing residents that the city council was proposing a transfer tax increase, and directing them to call their council members, in opposition. “The CAO is not necessarily REALTOR<sup>®</sup>-friendly,” says Olhasso, “but he is a pragmatist, and saw a budget solution in our proposal.” In January, when the State of California passed a half-cent sales tax increase of its own, the CAO agreed to put the proposal before the city council. The council voted to put a sales-tax increase on the ballot this March, instead of the transfer tax increase.

“The measure is very carefully worded for the ballot,” Olhasso points out, “it notes that the sales tax increase would pay for essential public works – like pot-hole filling – and emergency services like police, fire, and ambulance. We REALTOR<sup>®</sup> associations are not in the business of supporting sales tax increases, but in this case, we are not opposing it. It’s the lesser of two evils.”

Keeping the proposed transfer tax increase off the ballot took unprecedented cooperation and effort, and the nearly \$200,000 total spent by the coalition was certainly not peanuts; in total, NAR provided \$40,000 of Issues Mobilization funding, plus consultant services. “It was a whole lot cheaper than the estimated \$1 million campaign we would have had to mount, had the measure actually made it to the ballot!” Olhasso assures us with a smile.

*To learn more about how this coalition of associations banded together to prevent the threatened increase in transfer taxes, contact Laura Olhasso, Government Affairs Director of the Pasadena-Foothills, the Glendale, and the West San Gabriel Valley Associations of REALTORS<sup>®</sup>, at [lolhasso@pfar.org](mailto:lolhasso@pfar.org) or 626.795.2455.*



**City of Los Angeles  
Budget Balancing Tricks:**

**TAXES AND FINES:**

- Double the Documentary Transfer Tax.
- Increase the Parking tax by 50%.
- Increase Parking Fines.

**GOVERNMENT EFFICIENCIES:**

- Pension and Healthcare Reform.
- Collect Millions of Dollars of Debt Owed to the City.
- Eliminate Waste, Fraud and Abuse.

**NAFTE SOMERDAY**

**Enough is enough when it comes to taxes.**

City Hall bureaucrats have started talking about raising our taxes, again. This time, they want to double the Documentary Transfer Tax, which is the tax paid when property is sold. What this means is that the tax on the sale of a \$500,000 home would be \$500. This money will be taken out of your wallet and handed over to the City and County.

- ✓ Los Angeles homeowners already pay the highest documentary transfer tax in L.A. County.
- ✓ With the housing market already struggling, this new tax will make it even harder and more costly to buy or sell a home.
- ✓ Because the real estate market fluctuates, revenue from this tax is unstable and cannot be counted on each year.

Before the City Hall bureaucrats ask the City Council to approve new taxes, let our leaders know that new taxes are a bad idea. The City needs to balance their budget just like the rest of us, without asking for more money.

Ask your Councilmember to join us from unfair taxes. Sign the support card, pick up on line and call your Councilmember.

Councilmember Wesson: 213-473-4010  
 Councilmember Krekorian: 213-473-7002  
 Councilmember Rivera: 213-473-7005  
 Councilmember Cardenas: 213-473-7006  
 Councilmember Rosendahl: 213-473-7011

www.StopUnfairTaxes.org

**Documentary Transfer rates in other Cities and LA County:**

Los Angeles:	\$9.00 (proposed)	Burbank:	55 cents
Los Angeles:	\$4.50 (current)	Beverly Hills:	55 cents
Culver City:	\$4.50	Glendale:	55 cents
Santa Monica:	\$3.00	West Hollywood:	55 cents
Redondo Beach:	\$2.20	<i>(rates are per \$1000 of property value)</i>	
Los Angeles County:	\$1.10		

[www.StopUnfairTaxes.org](http://www.StopUnfairTaxes.org)

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Yes, you may use my name publicly as a supporter.  Please keep me informed via e-mail

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Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

**Join our efforts and sign-up online at [www.StopUnfairTaxes.org](http://www.StopUnfairTaxes.org)**

Tri-fold mailer provided through NAR's Issues Mobilization Program was part of coalition's successful campaign to keep a transfer tax off the ballot in Los Angeles.