



Missouri REALTORS® Use Power of Polling to Stop Tax Threat to Real Estate— June 2014

For the second year in a row, the Missouri REALTORS® (MR) has effectively blocked the attempt of a deep-pocketed individual to introduce a ballot initiative eliminating the state income tax. In an 'initiative state' like Missouri, anyone with enough money and expertise -- meaning more money -- can get an item on the ballot before the voting public. Anyone with less money seeking to thwart such a measure requires a very good advocacy strategy.

"This proposed elimination of the income tax was put forward without any real basis for replacing the state's revenue," explains Russ Cofano, MR's Chief Executive Officer. "The very real fear was that the vacuum would have to be filled by an increase in or expansion of the sales and services tax." That, says Cofano, would include real estate services. Beyond the obvious impact it would have on MR's 18,000 members and the real estate industry as a whole, he continues, the association cannot support a tax code that gets in the way of home purchases, and by extension, the state economy.

In December 2013, MR launched a multi-pronged offense against "Grow Missouri," the anti-income tax effort funded by a Missouri billionaire with a penchant for influencing state political affairs. The NATIONAL ASSOCIATION OF REALTORS® got behind the state association with an Issues Mobilization Grant for polling; MR was poised to seek a substantial grant from NAR for a full-on campaign, which it was prepared to support with funds from its own war chest, as well.

"The polling was highly beneficial, internally," says Cofano. "It enabled us to understand the position of consumers across the state of Missouri, and the wishes of our members, in particular." NAR's team worked with MR staff to craft two polls, which revealed that proponents of eliminating the income tax would have a very steep uphill battle. "The polling solidified our resolve as an association to fight the fight," notes Cofano. "It showed us that the public didn't want this to happen, our members didn't want it, and why we, therefore, were going down this path toward a very expensive issues mobilization campaign. It galvanized the process."

Simultaneously, MR pursued legal channels, creating an inherent delay as the clock ticked toward the general election. It also engaged in an active public relations campaign against the ballot proposal. "If a controversial measure appears on the ballot," he explains, "the public would still have to vote for it." MR's public relations consultant gained significant media coverage in print and online. The team spread the word and reached out to like-minded organizations, building a coalition and creating momentum against the proposal. The coalition, "Missourians for Fair Taxation" (MFT), was led by veteran MR member Larry Keating.

In mid-April, the income tax elimination issue was defeated in legal proceedings. As Keating wrote in a statement sharing the good news with his MFT leadership, "This is a tremendous victory and at a fraction of the anticipated cost of a full-blown, months-long election campaign that would have had to be mounted to defeat these bad proposals...Our case and our expert witnesses were obviously very strong, to the point



of causing the opposition effort to fold and forgo a trial." Keating expressed his gratitude to the MFT legal team, campaign consultants, and coalition partners who helped bear the expense of the legal action.

Cofano says his members are very pleased by the outcome. "While they were prepared for us to spend millions fighting this issue, the money is there to fight another day." In recent years, his team at MR has been strengthening its grass-roots advocacy machine, bringing the power of 18,000 REALTORS® to bear on issues that matter to real estate professionals, property owners, and consumers. Three new Regional Advocacy Coordinators on the MR staff travel the state, working with local associations and individual brokers in the political trenches. "There will always be those who can outspend us," says Cofano, "but no one can beat our advocacy. We are seeing it work."

Elizabeth Mendenhall, a past MR president who led the association's successful campaign in 2010 to ban transfer taxes, is well familiar with the powerful support of the REALTOR® Party. She adds, "In today's environment, the opposition can be so organized that it would be hard to go it alone, without the staff, resources, and vendors of a big organization like NAR. At the state and local level, we have to be just as organized -- and better -- to preserve private property rights. That's why, even if there's no immediate issue or threat in your state or locality, it's so important for all of us to be active members of the REALTOR® Party," she continues. "Its collective power is so effective, and can help any community at any time."

To learn more about how Missouri REALTORS® used REALTOR® Party strength and strategy to keep a major tax threat off the ballot, contact Russ Cofano, Chief Executive Officer of the Missouri REALTORS®, at russ@morealtor.com or 800.403.0101.