



Washington State REALTORS® Help Defeat Two Onerous Tax Hikes With Multi-faceted Issue Campaign – September 2015

The REALTORS® of Washington state are all for adequately funding public education, as mandated by law and recently enforced by the state Supreme Court. But when the Governor and several legislators set their sights on small businesses and services, as well as owners of second homes and investment properties as sources of tax revenue to make up the chronic funding shortfall, Washington REALTORS® had to cry foul.

Michael Schoonover, President of the Washington Association of REALTORS® (WR) explains that it was a matter of fairness, as none of the proposed taxes offered a broad based solution to the challenge of paying for education. "Service industries shouldn't be targeted to carry the water alone on funding education," he says, noting, "it should be a broad based funding source that allows everyone to help pay for a great education system in Washington."

He points out that within the state's budget structure in the recent past, of all new funding, 70 percent was for non-educational purposes. "Until the government's stated priorities, like education, are in line with the budget, it can't expect our members and their clients to be writing the checks. When it does demonstrate that education is a real funding priority, we're happy to talk, and bring open minds and good ideas to the table."

Combating the threat of these new taxes actually goes back several years, when it became clear that there would be a big budget battle this session. In consultation with the Campaign Services team at the NATIONAL ASSOCIATION OF REALTORS®, WR's Government Affairs Director, Nathan Gorton, hammered out an extended, two-part plan they called "Recover Washington". First, in the past election year, WR worked hard to get as many friends as possible in place in the legislature; second, with a significant Issues Mobilization grant from the REALTOR® Party, and the participation of a 25-member coalition of small business advocacy groups, WR conducted a major public issue campaign, making use of television, radio, and on-line ads, social media, and mailers and paid calls targeting swing districts, all with the counsel of NAR's razor-sharp polling services.

WR leadership was deeply involved in the effort, and members responded energetically to the association's calls-to-action; they also tackled the tax issue as a focal point of their annual Hill Day, when they meet with members of the legislature to discuss matters that affect the real estate industry. "It was a great marriage of NAR resources, our association's resources, and the grass-roots effort of members out in the field," says Gorton. By leading a coalition of like-minded groups representing small businesses, he adds, WR was able to fight a tax on its members without appearing self-serving.

In the end, the "Recover Washington" campaign scored two major wins. First, a 20 percent increase in the gross receipts tax paid by REALTORS® was deleted from the proposed tax package. Then, a new 7 percent capital gains tax on investment properties and second homes was finally defeated after a bitter battle that went into special session. "It's been a long, hard fight, and a real roller coaster ride at times," says WR CEO, Steve Francks, "but in the end, I can proudly say that this was as good a



legislative session as WR has ever had. And we could not have achieved this victory without the tremendous support and expertise of NAR."

To learn more about how the REALTORS[®] of Washington state have been defending small businesses and property owners against unfair tax increases, contact Nathan Gorton, Government Affairs Director of the Washington REALTORS[®] Association, at nathan.gorton@warealtor.org or 360.943.3100.

This mobile billboard was one of the many ways that Washington REALTORS[®] got the word out about their campaign to fight a tax on services and a new capital gains tax on investment properties

