



July 23, 2008

Mr. Gary Barlett
Executive Director
State Board of Elections
506 North Harrington St
Raleigh, NC 27603

BY FAX: (919) 715-0135

Dear Mr. Barlett

I am writing to complain about the North Carolina Association of Realtors (NCAR), which has recently imposed a mandatory fee assessment and dues increase on members to pay for political campaigns. I am attaching the letter from the NCAR President and the local broker/owner of my firm with explanations about why this increase is required. All of these explanations emphasize the need to fund political campaigns against various issues such as the land transfer tax.

I am required to be a member of NCAR, as well as my local board, RRAR, to have access to the MLS system, the primary tool of my business. I believed that the political actions of the Realtors were supported by voluntary contributions to the PAC, known as RPAC. I do not believe that it is right that my required fees are used to support direct political action for or against ballot initiatives. Furthermore, my required fees are deductible as a business expense on my tax returns. I am concerned that these policies and actions by the NCAR may jeopardize that deduction.

I would appreciate your attention to this matter.

Sincerely,

Becky Harper

RE/MAX United
51 Kilmayne Drive
Cary, North Carolina 27511
Office: (919) 469-4700
Toll Free: (800) 326-3562
Each Office Independently Owned and Operated



Becky Harper

From: Lynn Britt [lbritt@trianglelistings.com]
Sent: Friday, July 11, 2008 3:16 PM
To: Lynn Britt
Subject: NCAR Special Assessment
Attachments: image001.jpg; image003.jpg

Hello folks,

On Monday we will all be the recipients of an email notifying us of a billing for a special assessment from NCAR. (North Carolina Association of Realtors). Below my message is some information on how & why this was implemented. I will give you the short version from notes I took at a Broker/Manager meeting held at RRAR this past Thursday morning. There has been a \$70.00 special assessment instituted by NCAR to all members of NCAR. This is not an RRAR fee or increase. The money is going to be used to fill the Issues Mobilization fund to support and or fight issues that affect North Carolina property rights at both the state and local level. Issues such as real estate transfer taxes; professional services tax and impact fees. Although each of us may not necessarily agree on the support of all the same issues; we as members of RRAR and NCAR elect local and state leadership to represent our interests and quell any unfriendly legislation toward economic and physical growth in our communities.

This assessment has been reduced to \$50.00 if paid by September 30th and is \$70.00 after that date but is due no later the due date of our regular local and state Board dues by the end of 2008. If we do not pay the assessment, we will be subject to losing our membership in NCAR and NAR and therefore our local Board and TMLS. This assessment is tax deductible as a business expense as it is not an RPAC contribution but a dues assessment. Our 2009 dues will also increase by \$25.00 for our January billing.

We did want you to hear this from us first and on that "Happy Note," I hope you all have a great weekend! Remember, I'm just the messenger!

Lynn

Actions of the NCAR Board of Directors (Regarding Issues Mobilization Funding)

Five recommendations to the Board of Directors, made from the Executive Committee, were approved on June 10, 2008:

- A one-time \$70 assessment, to be billed on or around July 1, 2008. The assessment will be due and payable on the same date that a REALTOR® member's 2009 dues become due and payable. The assessment will be imposed without proration on all REALTORS® who are members anytime after July 1 during the 2008 calendar year. There will be an early payment discount of \$20 for

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assessments paid prior to Sept. 30, 2008; provided, those who become REALTOR® members after Sept. 30 will qualify for the discount so long as he or she pays the assessment on or before Dec. 31, 2008. A local association may keep \$1 from each assessment it collects to defray its collection costs. All other money collected from the assessment will be directed to the NCAR Issues Mobilization Fund.

- A \$25 increase in annual state dues, beginning with the 2009 billing cycle. Association policy will be revised to provide that a total of \$30 from each dues payment will be directed to the NCAR Issues Mobilization Fund. A pro-rata provision will be developed for new members who join in mid-year.
- The Executive Committee will explore ways to expand the network of fundraising partners and political allies on issues affecting private property rights and real estate in North Carolina.
- A change in the makeup of the NCAR Issues Mobilization Committee, with committee membership beginning in January 2009 to include the following: President; President-Elect; RPAC Chair; Legislative Committee Chair (who will serve as chair of the Issues Mobilization Committee); Legislative Committee Vice-Chair; Executive Vice President; 2 at-large members (initially appointed by the 2009 President to serve respective terms of 1 and 2 years, and thereafter to be elected by the general membership to serve 2-year terms); the President or President-Elect from each local association with 10 percent of NCAR's REALTOR® members that is otherwise not represented on the committee by a voting member; and Treasurer (non-voting member). The Policy Committee will be directed to develop appropriate changes to the Issues Mobilization Policy for consideration and approval by the Board of Directors at its next meeting.
- A ceiling of \$10 million will be established for the NCAR Issues Mobilization Fund. At such time the balance reaches \$10 million, the \$25 dues increase will be removed at the next billing cycle. The \$25 increase will be reinstated, if and when, the Issues Mobilization Fund balance falls below \$5 million. Association policy will be revised to reflect this action.

Lynn S. Britt
RE/MAX UNITED
51 Kilmayne Drive
Cary, N.C. 27511
(919) 469-6517



Things are Always "Looking Up" at RE/MAX UNITED!

Dear Valued Member:

As you know, the NC Association of REALTORS® flexed its muscles last fall and this spring and went 20-0 in defeating a proposed transfer tax in counties statewide. This perfect record saved property sellers \$55 million this year alone!

But as you also know, our work in defending the real estate industry is far from done. Our 42,439 REALTORS®, as well as affiliate members and private property owners from Murphy to Manteo, are under attack.

Recognizing this to be true, our Board of Directors on June 10th approved a five-step action plan that long term provides a \$10 million commitment to the Issues Mobilization Fund. It includes a one-time \$70 assessment (\$50 if paid before September 30th) and a \$25 dues increase, beginning with the January 2009 billing statement.

Without question, this was a visionary step for NC REALTORS®! When properly funded, we are the most powerful association in North Carolina. Now, moving forward, we have the financial resources to combat the legislative issues confronting us. Among them are:

- » A proposed tax on services. (Currently being considered by the General Assembly, this would directly take dollars from your pocket. For example, on a \$3,000 commission, you would be forced to pay a 7 percent tax of \$210. That's in addition to other taxes you already pay.)
- » Steep-slope ordinances in the mountains.
- » Coastal storm water regulations along the coast.
- » Building moratoriums, potentially statewide.
- » Adequate public facilities ordinances, also potentially statewide.
- » A storm water issue regarding Jordan Lake, which could affect members throughout the Piedmont.

(Over)

"We recognize that financially this is a difficult time for REALTORS®. But our opponents don't care, and they're ready to attack if we're vulnerable."

– Sandra O'Connor, President-Elect,
NC Association of REALTORS®

"If a tax on services is passed, we'd have to pay \$280 in new taxes on a \$4,000 commission."

– Lou Baldwin,
Region 6
Regional Vice
President

"The REALTORS® have come out with guns blazing ... launching a campaign to pull residents and lawmakers to their side."

— Jacksonville Daily News

And at least for the foreseeable future, we will need to defend our clients – and ourselves, as property owners – against the transfer tax, which we coined the "home tax." Nineteen counties placed the home tax on their ballots in either November or May (including Gates County both times), and in all 19, we soundly defeated the measure – in most by a 3-to-1 margin. Our success was due to a powerful, collaborative effort that educated the public through an impassioned, cohesive campaign that demonstrated the transfer tax, well, it's a bad idea!

Why an assessment and dues notice now, you ask? As we frequently say in our business, timing is everything. The NC REALTORS®' Board of Directors is made up of professionals just like you – 160 of our most dedicated volunteer leaders. All of us are suffering in this economy. However, it is during this time – especially when our profession is under attack – that we must be properly funded and able to react quickly and decisively. Consider it an insurance policy to ensure that while you're hard at work, strategies are being developed and executed boldly and effectively to address proposed legislation in the halls of the legislature and onerous regulations proposed by state agencies.

Friends, I love being a REALTOR®, especially in North Carolina, where our Quality of Life is, I believe, unsurpassed. We must maintain the attributes that have made our state great, and chief among them are the protection of private property rights and housing affordability.

Today, we stand taller and stronger than ever, united in the preservation of the American Dream and what it represents. This commitment to our Issues Mobilization Fund is a defining moment for the NC Association of REALTORS®. I'm fiercely proud of who we are and what we do, and that we're taking this journey together. Thank you!

Sincerely,

Wendell Bullard

Wendell Bullard
2008 President

"If public opinion is a guide, the (transfer tax) campaign worked ... 77 percent of N.C. voters opposed to the new tax. The REALTORS® are formidable."

— News & Observer