

RECOMMENDATION to the Executive Committee

FROM:

LPA Chair

RECOMMENDATION:

Approve \$5,000,000 from the REALTORS® Issues Mobilization fund to the Citizens for Fair Tax Policy fund for use in a ballot measure to prohibit professional service taxes for all services not taxed from and after December 31, 2017.

BACKGROUND:

The REALTORS® Issues Mobilization Committee (Committee) is a voluntary, non-profit, unincorporated committee of individual members of the Arizona Association of REALTORS® and others, and is not affiliated with any political party. The Committee is organized and operated for the purpose of collecting and disbursing contributions to support or oppose federal, state and local issues that impact real property and real property owners in Arizona in accordance with the then current Arizona Association of REALTORS® Bylaws, Policies and Official Statements including the Arizona Association of REALTORS® Legislative Policy Statements.

The 2018-2019 Legislative Policies contains the following policy:

“Research the possibility of enacting, when appropriate, a new constitutional amendment to prohibit Professional Service Taxes for all services not taxed from and after December 31, 2017 through a statewide ballot measure.”

The 2017 REALTORS® Issues Mobilization Committee has previously approved funding for the initial research of the ballot measure. Polling has been conducted, and it has been determined that the measure should move forward as a result of the polling. An attorney for the ballot measure has been hired and the drafting of the ballot measure language has also been drafted and is under review by a Certified Public Accountant.

Moving forward a multitude of expenses will arise from conducting a ballot measure. Some of these expenses include: a campaign consultant, a Certified Public Accountant, and signature gatherers. Additional expenses include items such as digital media, mail and phones, television and cable, newspaper, radio, collateral (stickers/brochure/yard signs) and ballot certification services. All of which add up in costs. As an example, the cost to run the transfer tax ballot measure in 2008 was over \$6 million dollars. We anticipate to run a successful ballot measure, the costs will exceed those of 2008.

To properly fund the ballot measure process, it is recommended that \$5 million is allocated from the REALTORS® Issues Mobilization Fund to the Citizens for Fair Tax Policy fund. Currently the REALTORS® Issues Mobilization Account has over \$6,724,880 in the fund.

BUDGET IMPACT:

\$5,000,000 to the REALTORS® Issues Mobilization Fund.

MOTION:

TO APPROVE \$5,000,000 FROM THE REALTORS® ISSUES MOBILIZATION FUND TO THE CITIZENS FOR FAIR TAX POLICY FUND FOR USE IN A BALLOT MEASURE TO PROHIBIT PROFESSIONAL SERVICE TAXES FOR ALL SERVICES NOT TAXED FROM AND AFTER DECEMBER 31, 2017.

FOR MORE INFORMATION CONTACT:

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