



Prevent Double Taxation! Campaign

Volunteer Sign Up Sheet

The constitutional ballot initiative campaign to prohibit real estate transfer taxes in Montana is going to take a concerted grassroots effort for victory on Election Day in November.

That's why MAR urges you to sign up as a **volunteer**. Please mark the volunteer opportunities that you are most interested in:

- Campaign contribution.
- Gather petition signatures to qualify the initiative for the ballot. MAR will be offering training on this crucial aspect of the campaign.
- Distribute campaign signs to colleagues, friends, and family.
- Participate in literature drops close the Election Day.
- Participate in "get out the vote" drives close to Election Day.
- Speak to community groups like Rotary and Kiwanis. MAR will be offering speaker training in your area.
- Write letters to the editor.
- Other _____

My contact information is:

Name _____

Address _____

Email Address _____

Telephone: work _____ home _____ cell _____

Local board _____

Mail, fax or email to:

Glenn Oppel
MAR Government Affairs Director
One South Montana Avenue, Suite M1
Helena, MT 59601
Email: goppel@montanarealtors.org
Fax: 406-443-4220



REALTOR®



TALKING POINTS

Real Estate Transfer Tax Constitutional Ballot Initiative

A coalition of groups – taxpayers, businesses, and REALTORS® – is undertaking initial steps to pursue a constitutional ballot initiative prohibiting the state and local governments from ever imposing a real estate transfer tax. These steps have included: 1. Extensive issue research on the pitfalls of real estate transfer taxes; 2. Public opinion surveys; 3. Citizen focus groups; 4. Discussions with potential coalition partners; 5. Submission of ballot initiative language to the Montana Secretary of State; and 6. Press release announcing the submission of our ballot initiative language. Our opinion surveys, focus groups, and discussions with coalition partners have yielded positive feedback for our efforts.

Real estate transfer taxes are spreading and increasing across the U.S. As state and local governments seek new revenue sources, more and more are either enacting real estate transfer taxes or increasing existing ones. Only 13 states, including Montana, do not currently have a real estate transfer tax. South Dakota is the only neighboring state that has one. The average rate for states that do impose a real estate transfer tax is .47%, or \$470 for a \$100,000 home. Seven states have a real estate transfer tax of 1% or higher, and a few of those states have varying value exemptions or none at all. Since 2001, the Montana Legislature has considered various proposals to enact a real estate transfer tax. Generally, real estate transfer taxes apply to sales, inheritances, and like-kind exchanges of many types of property, including raw land, residential, agricultural, commercial, and timberland.

Montanans need a better understanding of real estate transfer taxes. Most Montanans aren't familiar with the nature of this type of tax. According to the National Association of REALTORS®:

- Real estate transfer taxes are regressive because the tax burden is higher for lower income households.
- Real estate transfer taxes are discriminatory because they are assessed against one type of asset – real estate – while similar taxes are rarely applied to financial assets, such as stocks and bonds.
- A household that moves frequently, for whatever reason, does not derive additional benefits or place additional burdens on public services compared to someone who does not move at all. This violates the principle of horizontal equity, which holds that people who are equal should pay similar taxes.
- Because real estate transfer taxes are applied to a narrow base of taxpayers, it places a larger tax burden on a small share of the population relative to broader based taxes.
- Real estate transfer taxes increase closing costs, reducing the ability of new and current homebuyers to purchase a home.

Montanans are already burdened by our property tax system. Many Montanans already feel that property taxes are too high. Adding a real estate transfer tax is essentially “double taxation” and is viewed as unfair because oftentimes real estate transfer taxes don't provide any direct benefit to the payee.

There is public support for prohibiting real estate transfer taxes in Montana. A statewide public opinion poll conducted in September 2009 and focus groups conducted in December 2009 showed that a strong majority of voters supported a constitutional amendment to prohibit real estate transfer taxes. In fact, a majority of voters in every region of Montana would support the amendment if they were able to vote on it at the time.

A VOTE FOR THE CONSTITUTIONAL INITIATIVE IS A VOTE AGAINST REAL ESTATE TRANSFER TAXES.

Who should local associations/boards or individual REALTORS® direct media or press inquiries to?

- Peggy Trenk, MAR CEO, 406-443-4032, ptrenk@montanarealtors.org
- Glenn Oppel, MAR Government Affairs Director, 406-441-4861, goppel@montanarealtors.org

Paid for by the Montana Association of REALTORS®, Jeffrey Leuthold, Treasurer, One South Montana Avenue, Suite M1, Helena, MT 59601.



Volunteer Participation in the Campaign – Legal Implications

Individual contributions DO NOT trigger reporting requirements (individual contributions must be reported, but the reporting requirement is on the primary ballot committee).

- **DO** individually contribute to the primary ballot committee from a personal bank account. If the checks have both an individual name and a business name, the Commissioner of Political Practices (Commissioner) will likely require that the business file as an incidental committee.
- **DO** volunteer. Voluntary activities on an individual's own time done without compensation of any kind are not considered "contributions" (e.g., delivering campaign signs; speaking to local groups, writing a letter to the editor, "get out

the vote" efforts, and literature drops).

Incidental Committee Reporting Requirements. An incidental committee is triggered by a contributor other than an individual (e.g., a local association, local board, REALTOR® office, corporation, partnership, firm, cooperative, committee, club, union, or other organization).

- **DO** file a form C-2 "Statement of Organization" within 5 days of making an expenditure, in-kind contribution or earmarked contribution in support of the ballot issue.
- If receiving contributions from third parties, **DO** open a separate account for the deposit of these funds.
- **DO** timely deposit of each contribution received within 5 days of receipt.
- **DO** timely file form C-4 financial reporting of all contributions and expenditures.
- **DO NOT** accept anonymous contributions of more than \$25.
- **DO** report the name, address, occupation & employer of each earmarked contribution to the Primary Ballot Committee (earmarked contributions are given with the specific intent to support the ballot issue)
- **DO** report all in-kind services, (such as office space, staff time, materials, computers, internet, phones, copiers) loans, and debt-forgiveness – at the fair market value of the service or item.
- **DO** keep an accounting of all contributions received.
- **DO** record contributor's name, address, occupation, and employer.
- **DO** report contributions from mass fundraising events on an individual basis if cost of the event is \$35 or more per person; if the cost of the event is less than \$35 per person, **DO** report as a lump sum.
- **DO** include "Paid for by..." disclaimer naming the incidental committee, its treasurer, and contact information on all election materials you produce, including internet/website utilization.
- *Example:* If you include an article in your association newsletter you must report the value of the time spent drafting the article, the use of office space and equipment in typing the article, materials used when typing the article, and costs of reproduction of the article. If the article may be seen by nonmembers or posted on the internet, you must include a "Paid for by..." disclaimer.

Voluntary Signature Gathering

- **DO** volunteer to gather signatures (must be a Montana resident).
- **DO** complete training offered by the campaign's signature gathering firm.
- **DO** use approved petition form (available from primary ballot committee or MAR).
- **DO** ensure signatory signs the petition in the county in which they are registered to vote.
- **DO** ensure signatory signs in substantially the same form as their voter registration card.
- **DO** complete an affidavit stating that you were the individual who collected the signatures with each petition sheet (example affidavit found at MCA § 13-27-302).
- **DO** submit signed petition sheets with affidavit to County Election Administrator on a rolling basis – all petitions must be in no later than June 18, 2010.
- **DO NOT** put a petition sheet out for the public to sign where you will not directly oversee the signing of the petition.
- **DO NOT** accept payment of any kind on a per signature basis.

Recommendations

- **Contribute** as an individual to the primary ballot committee.
- **Volunteer** to gather signatures, distribute campaign signs, talk to local groups, and write letters to the editor.
- Reporting and accounting assistance available for **local board involvement** through direct or in-kind contributions!