



Local Board/Association RPAC Manual

A Practical Guide for the Proper Administration
of the REALTORS® Political Action Committee

January 2010



New York State Association
of REALTORS®, Inc.

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1. INTRODUCTION

Thank you for taking an active leadership role in support of the REALTORS® Political Action Committee (RPAC). Whether you are a REALTOR® member or local board staff, your efforts contribute directly to the health and success of RPAC.

RPAC is the lifeblood of the REALTOR® legislative and political agendas in Washington, Albany and your hometown. It allows our members to actively participate in the national, state and local political arenas. This is important because government at all levels has the authority to act in ways that affect the real estate marketplace and the rules under which we conduct our business.

RPAC is funded solely by voluntary annual contributions from REALTORS® like you and is used to support candidates who share REALTOR® priorities like advancing homeownership, lowering property taxes and protecting private property rights. RPAC is non-partisan and does not support a candidate or elected official based upon his or her party affiliation.

When we speak of the REALTORS® Political Action Committee (RPAC), we are not talking about a single committee. RPAC is composed of the national REALTORS® Political Action Committee, RPAC committees in the 50 states, District of Columbia, Puerto Rico, Virgin Islands and RPAC committees in the 1,600 local boards that make up the National Association of REALTORS® (NAR).

Under federal law, all units of RPAC - national, state, and local - are considered one for purposes of compliance with provisions of the Federal Election Campaign Act (FECA). If one state or local board RPAC committee violates the law, or does not follow proper procedures as specified in the FECA, it could jeopardize the entire RPAC effort.

RPAC of New York is administered by an autonomous group of REALTOR® trustees representing each region of New York State. The RPAC of New York Trustees consists of sixteen members plus a chair and vice-chair. There are eight regional trustees and four at-large trustees. The chair and the vice-chair of the Legislative Steering Committee, the chair of the Issues Mobilization Committee and a representative selected by the Association Executives serve as ex-officio members. The Trustees approve contributions to elected officials and candidates for elective office based on the official's individual voting record or publicly stated stance on issues of importance to the real estate community, never on party affiliation. NAR RPAC operates similarly.

RPAC Success Begins With You

The vast majority of RPAC fundraising occurs at the local board level through dues billing and annual fundraising events. Local boards also record and report to NYSAR contributor information as required by law. That is why you, as a local RPAC volunteer or local board staff member, are critical to the financial health and wellbeing of RPAC.

Each year local boards are challenged to exceed fundraising and member participation goals. The RPAC fundraising goal is established annually using a formula of board membership x \$15. For example, a board of 1,000 members would have a goal of \$15,000. The member participation goal is based upon a formula of increasing your previous year's participation by 10 percent. For example, if 200 members contributed any amount to RPAC one year, the participation goal for that local board the following year would be 220 members.

In addition to raising RPAC funds, local boards play an important role in helping thank RPAC contributors. Persons contributing \$99 or more receive special commemorative pins that are often handed out at local board events. See chapter 7, "Saying 'Thank You'" for more information on the RPAC major donor recognition program. This is a great way to promote RPAC and say thank you to our major contributors.

A portion of the RPAC funds you raise are reserved for your board to make political contributions to local lawmakers including, but not limited to, mayors, county executives, county legislators and city council members. Up to 25 percent of the RPAC dollars local boards raise will be deposited for your local board's use under the Local Revenue Sharing program.

REALTORS® expect value from their contributions to RPAC. From time to time your job will be to explain why contributing to RPAC makes good business sense. NYSAR will assist you by providing talking points on our legislative efforts in Washington and Albany, and the importance of making an investment in RPAC each year

Know The Rules

Some of the most important information contained in this guide deals with the legal aspects of RPAC. There are federal and state rules that we must abide by. Most of the rules require your diligence, not a legal background, to ensure that your board is compliant. Please don't fear these rules. RPAC has been operating for many years without major incident.

You Are Making A Difference

Undoubtedly you have taken on this responsibility because you share our belief that RPAC is a valuable resource that benefits REALTORS® and their clients and customers. NYSAR wants you to get the most out of this experience. Working together, we will continue to build RPAC's reputation as "Your Best Investment in Real Estate."

Any questions, comments or concerns about RPAC can be directed to:

Michael Kelly, Director
NYSAR Government Affairs
130 Washington Avenue
Albany, New York 12210

Phone: (518) 463-0300 ext.215
Fax: (518) 462-5474
Email: mkelly@nysar.com

2. RPAC PROCEDURES & ADMINISTRATION

Under federal law, all units of RPAC - national, state, and local - are considered one for purposes of compliance with provisions of the Federal Election Campaign Act (FECA). If NYSAR or a local board violates the law, or does not follow proper procedures as specified in the FECA, it could jeopardize the entire RPAC effort.

Local boards need to know how to collect and transmit the necessary contributor information to NYSAR within strict time limitations. In both the collection and transmittal processes, local boards and NYSAR need to be aware of, and carefully adhere to, the legal requirements and restrictions in this manual.

Methods of Receiving Acceptable Contributions

An individual who wishes to make a contribution to RPAC may do so:

- In the form of a check drawn on a personal or corporate account;
- In the form of a check drawn on a partnership account (providing the partnership does not hold contracts with the federal government);
- In the form of cash, but not exceeding \$99;
- In the form of a credit card contribution

All contributions received via credit cards must comply with requirements applicable to contributions received by check. As with all other permissible contributions, those received via credit card must be promptly processed in accordance with the transmittal time limits and must be identified as corporate or personal per state law.

Transmitting RPAC Contributions to NYSAR

Local boards must adhere to FECA transmittal time limits when collecting and forwarding RPAC contributions to NYSAR. Local boards and individuals soliciting and collecting RPAC contributions on behalf of RPAC must promptly collect all contributions and transfer them to NYSAR within the established time limits below.

Failure to follow the proper procedures at any level may "taint" RPAC contributions so that they may not be accepted by national RPAC.

The FECA requires that:

- ✓ **Contributions in excess of \$50 must be forwarded to NYSAR within 10 calendar days of the date of the check.**
- ✓ **Contributions of \$50 or less must be forwarded to NYSAR within 30 calendar days of the date of the check.**
- ✓ **To simplify the forwarding procedure, it is highly recommended that all RPAC donations be forwarded at least once a week to NYSAR.**

The "date of receipt" that begins the running of the applicable time period is the earliest of (1) the date an individual RPAC contributor gives his contribution to a local board or association solicitor; or (2) the date a contribution is received by a local board when it is provided directly to the board by the contributor, as in the case of a dues billing, for example. The time period ends when the contribution or check is received by NYSAR.

For example, when a local board RPAC chairperson or fundraising committee member receives a contribution from a REALTOR[®], he or she must promptly forward that contribution to the local board so that the board may, in turn, send it to NYSAR for receipt within the appropriate 10 or 30-day time limit. That period begins when the contributor gives the contribution check to the RPAC solicitor, and ends when the contribution is received by NYSAR (not the local board.) Particularly in the case of contributions in excess of \$50, which must be forwarded within 10 days, this requires prompt transfers of the contributions at all levels of the process.

The preferred method for a board to transmit contributions to NYSAR is to simply send the actual contributor checks and the submission form (see appendix). NYSAR encourages boards to forward the submission form electronically. An e-version of the form can be found on the RPAC page of www.nysar.com. A board check written for cash contributions will be accepted by NYSAR as long as the contribution is marked as "cash" on the submission form. Cash should never be deposited in an account of an individual board member or employee and forwarded via a check drawn on such account. For further technical assistance, contact NYSAR at 518-463-0300, x217.

FEC regulations permit contributions to be deposited in the board's general treasury account so long as the contributions are transferred to NYSAR within the required time limits and separate records of all such deposits and transmissions are kept and maintained for three years. Contributions should not be deposited into a board account used for state and local political activity.

Local boards may establish a "board transmittal account" that is used only for the deposit and transmittal of RPAC contributions. Such an account conveniently generates segregated records of the contributions deposited into and transferred out of the account. As in the case of board transmittal accounts, contributions must be transmitted to the state RPAC within the appropriate time limits, and the necessary contributor information must be provided to NYSAR along with the contributions. NYSAR has information on how to set up such accounts.

Local boards should be particularly careful about the reporting of checks which are or may appear to be from corporations. A check drawn on the account of "ABC Realty, Inc." obviously represents a corporate contribution, but a check drawn on the account of "Grenache Realty," may or may not represent a contribution by an incorporated firm even though "Inc." or "Co." is not printed on the face of the check. In the case of such checks, boards must endeavor to determine if the firm is incorporated, and, if it is not, should specifically advise NYSAR of that fact.

3. FUNDRAISING

To ensure that all state and local associations contribute to the RPAC fundraising effort, the national RPAC trustees set an annual fundraising goal based on the number of members reported to NAR through the National REALTOR Database System (NRDS). This number is multiplied by \$15 to determine each state and local board's goal for the following calendar year. Boards go "over-goal" for purposes of national RPAC awards when they collect at least \$15 per member.

The national RPAC accounting year runs from Nov. 1 to Oct. 31. Therefore, all monies must be deposited with NYSAR and forwarded to the national RPAC during the fundraising year to be credited toward a state's goal for that fundraising year. All contributions to be counted toward that year's goal must be mailed to NYSAR by October 15. All contributions postmarked after October 15 will count toward the next year's goal.

Although RPAC of New York conducts some RPAC fundraising including sponsorship and promotion of the annual "REALTORS® Got Talent" event and from time to time, the sale of promotional items such as pins, most RPAC fundraising occurs at the local board level. Most local boards raise RPAC funds primarily through the dues billing process (see chapter 5). NYSAR recommends that local boards request a minimum contribution of \$20 per member. Many boards also supplement their dues billing fundraising with auctions and other special events.

The fundraising rules for PACs including RPAC are largely governed by state and federal election laws.

There are clear limitations on *who* can be solicited to contribute to RPAC, as well as the methods that can be employed by NYSAR and local boards to solicit contributions. Contributions cannot be solicited based on threats or physical force, job discrimination, withholding of membership benefits or financial reprisals. Please continue reading for more details on solicitation restrictions.

Who Can Be Solicited?

To be solicited for RPAC, a contributor must be a "member" or an employee of an association at any one of the three levels of the REALTOR® association structure. Individuals holding "affiliate member" status in local or state associations may also be solicited. These individuals may be solicited for RPAC an unlimited number of times in any legally permissible way, except that solicitation of employees of REALTOR® associations *other than* executive and administrative personnel is more narrowly restricted. These non-executive employees may be solicited only twice per year, in writing, with the writing directed to their home. **As a general rule, a person must have a NRDS ID number to be solicited.**

Affiliate contributions must be reported as corporate, not personal, unless the affiliate member is an individual rather than a company, in which case the affiliate may make, and NYSAR may accept, RPAC contributions in the normal way. Your local board and Multiple Listing Service may also be solicited for RPAC contributions. The portion of these contributions going to NAR are deposited in the NAR "Political Administrative Fund."

All other individuals, regardless of their relationship with a state association or local board, cannot be solicited for RPAC in any way or at any time.

While federal law does permit a PAC to accept unsolicited contributions from persons who may not be solicited, RPAC has adopted a policy of never accepting contributions from persons who may not be solicited.

What is a Solicitation?

As outlined in the previous section, only individuals in the restricted class may be solicited for RPAC. To ensure compliance with this requirement, RPAC should not be actively promoted or discussed in the presence of persons not in the restricted class. In addition, when using association publications to inform people about RPAC, carefully consider (1) whether the article is merely an RPAC informational piece or a solicitation; and (2) who receives the publication. If an article can be fairly characterized as "informational only," it may appear in an association publication distributed to persons outside of the restricted class.

If an article about RPAC contains no more than a simple statement about how much money has been collected, the number of contributors, the candidates that have been supported by RPAC, or details on where additional information about RPAC may be obtained, it would probably be defined as merely informational and would not constitute a solicitation. On the other hand, an article that encourages readers to support RPAC, provides information on how to contribute to RPAC (a contribution form, for example, or an address to which a contribution may be sent), or makes a simple statement about RPAC's need for contributions, would constitute an RPAC solicitation.

If an article constitutes a solicitation, distribution of the publication must be limited to persons within the restricted class. The Federal Elections Commission has ruled, however, that under certain very narrowly defined circumstances solicitation materials or articles may be distributed to a *de minimis* number of persons not in the restricted class. Distribution of such material is not deemed an illegal solicitation if:

- 1) The distribution is to a *de minimis* or limited number of non-solicitable persons, which the FEC has construed to mean up to as much as 3 percent of the total distribution;
- 2) A clearly visible notice is printed (preferably in contrasting print) indicating that the solicitation is intended only for members of the association and that contributions from nonmembers will be returned; and

3) A screening mechanism is established to examine contributions to determine if they are from non-solicitable persons, and to return any received from such persons in response to the solicitation.

The FEC has also ruled that a PAC fundraising booth, exhibit, or table at an association meeting or convention, operated for the purpose of soliciting contributions either directly or through the sale of items, constitutes a solicitation. Such activity is permitted as long as contributions are not solicited or accepted from persons outside of the restricted class.

In sum, to stay clear of improper and unlawful solicitation of non-solicitable persons:

- 1) Do not publish RPAC solicitation articles in materials distributed to more than a *de minimis* number of persons outside the restricted class: and
- 2) Be cautious of RPAC promotion in the presence of persons outside the restricted class.

NOTE CAREFULLY!

All written solicitations including dues billings, emails, web pages, letters and flyers must contain the following statement:

Contributions are not deductible for income tax purposes. Contributions to RPAC are voluntary and are used for political purposes. You may contribute more or less than the suggested amount. You may refuse to contribute without reprisal and the National Association of REALTORS[®], the New York State Association of REALTORS[®] or any of its local boards or associations will not favor or disfavor any member because of the amount contributed. 70% of each contribution is used by your state PAC to support state and local political candidates. Until your NYSAR PAC reaches its RPAC goal 30% is sent to National RPAC to support federal candidates and is charged against your limits under 2 U.S.C. 441a; after NYSAR PAC reaches its RPAC goal it may elect to retain your entire contribution for use in supporting state and local candidates.”

Paying for Fundraising Costs

Cooperative agreements between National RPAC and RPAC of New York require that National RPAC receive 30 percent of all personal contributions collected by state RPAC's. Thus, a state RPAC or local board may not deduct costs incurred in the RPAC fundraising process from RPAC collections before forwarding them to either to National RPAC or RPAC of New York, respectively.

The Federal Election Campaign Act allows RPAC of New York and local board RPAC fundraising costs to be paid by state associations or local boards through their general treasury funds. *However, per New York State Election Law it is unlawful for certain RPAC fundraising costs to be borne by local boards or NYSAR.*

RPAC Fundraising and New York State Election Law

New York State election law sets forth the rules and regulations that RPAC must adhere to when raising and expending monies. Article 14 of the election law states

“political committee” means any corporation aiding or promoting and any committee, political club or combination of one or more persons operating or co-operating to aid or to promote the success or defeat of a political party or principle, or of any ballot proposal; or to aid or take part in the election or defeat of a candidate for public office...

A Political Action Committee or PAC is one example of a type of political committee. Although not defined in New York State Election Law, a Political Action Committee or “PAC” is considered to be any political committee that supports candidates or other political committees by making contributions only; i.e., PAC’s do not make direct expenditures on behalf of Candidates.

Because RPAC raises and expends monies to support political candidates and other political committees, it is therefore defined as a “political committee” and must adhere to the legally required rules, regulations and reporting requirements.

How Does This Affect How Local Boards Raise Money for RPAC?

As noted above, New York State election law states that if a local board expends corporate funds in support of an RPAC fundraiser, the local board would then have to register with the State Board of Elections as a political committee. **As a result, all costs associated with an RPAC fundraiser must be paid directly by RPAC and never from the local board’s corporate funds.**

State election law does not prohibit local boards or REALTOR® members from purchasing items, such as auction prizes, and donating them to RPAC for use in an RPAC fundraiser. The cost of the donated item would then count against the local board or individual PAC contribution limit of \$5,000 and \$150,000 respectively, per calendar year to RPAC. For example, a local board or REALTOR® member would be prohibited from underwriting the cost of the room rental or dinner bill at an RPAC event, but would be able to purchase a television to be auctioned off during the fundraiser.

Local boards who conduct RPAC fundraising events must contact NYSAR in the early stages of the planning process in order to gain funding approval for the event. (see appendix). NYSAR approved local board fundraising expenses will be paid seventy-five percent (75%) by RPAC of New York’s general account and twenty five percent (25%) from the local board’s LRS account. It is NYSAR’s policy to have RPAC of New York pay for the costs associated with the event directly to the vender. Please submit all bills directly to RPAC of New York in a timely fashion. By using RPAC monies to pay for their RPAC fundraising expenses, local boards will avoid being classified as a “political committee” and the subsequent registration, filing and reporting requirements of such designation.

Auctions and the “One Third” Rule

AUCTIONS

Auctions are a common way to raise monies for RPAC. You should be aware, however, that federal campaign laws require that you raise a total of three-times the fair market value of the cumulative cost of all items being auctioned. Since a portion of every RPAC dollar goes to NAR, it is imperative that you let NYSAR know when the so-called “one-third” rule has not been met.

The purchase of an item at an RPAC auction is considered an RPAC contribution equal to the entire purchase price, even if a portion of that price is paid from RPAC monies to the artist or other consignor who provided the item. Accordingly, persons outside the restricted class who are not permitted to be solicited to contribute to RPAC may not be invited to attend or allowed to purchase any auction items.

Items of value may be donated to the board for sale at an RPAC auction only by bona fide members. Such members include affiliate members (and even affiliate corporate members, though such corporate members may not make direct contributions to RPAC.) Local businesses who are not members of the board or state association may not contribute cash, merchandise or services to be auctioned off to raise funds for RPAC. Local boards may also purchase and/or obtain from members within the restricted class donated items for an RPAC auction, subject to satisfaction of the "one-third rule". The association may also purchase items for auction from other sources so long as the purchase price is the usual and normal charge for such items.

THE ONE THIRD RULE

The so-called "one-third" rule set forth in the Federal Election Commission Regulations applies to corporate sponsored fundraising events held to raise voluntary contributions to Federal political action committees where the event involves providing prizes, merchandise, or entertainment to contributors. The rule applies to RPAC fundraising events sponsored by NAR or state or local associations because 30% of each RPAC contribution is forwarded to National RPAC to support Federal candidates.

The one-third rule is intended to prevent a corporation from giving contributors prizes, merchandise or entertainment at events like dinner-dances, auctions and the like "in exchange" for voluntary individual political contributions.

Since an incorporated Board of REALTORS® may use corporate monies to purchase prizes from an RPAC fundraising event, such an "exchange" might appear to occur if the prizes or entertainment provided to contributors had approximately the same value as the total contributions made by those individuals in attendance. Thus, the rule prevents the sponsor from providing contributors prizes or entertainment in exchange for personal PAC contributions where the total amount contributed does not significantly

exceed the value of the prizes or entertainment. The rule accomplishes this by establishing a "threshold" relationship between costs incurred in connection with the event and total contributions made by those in attendance.

In order to prohibit "exchanges" of corporate money or merchandise for personal PAC contributions, the rule provides that the value of the prizes, merchandise, or entertainment distributed (exclusive of food, beverage and facility expenses, but including professional entertainment expenses) to contributors at a fundraising event, like an auction, may not exceed one-third of the total contributions made by contributors at the event.

Stated conversely, the event must result in total contributions not less than three times the costs of prizes and entertainment. If that amount of contributions is not achieved, the sponsor must be reimbursed by the PAC in an amount necessary to reduce the net "expenditure" (for merchandise and entertainment) to one-third of the contributions collected.

Assume, for example, a Board spent \$400 for items to be auctioned off at a fundraising event and collected \$1200 or more in contributions at the event. No reimbursement would be necessary because one-third of the fundraising proceeds (one-third of \$1200, or \$400) is equal to the Board's costs. But if the Board collected only \$900 in contributions, it would have to be reimbursed for the amount by which the expenses (\$400) exceeded one-third of the contributions collected ($\$900 \div 3 = \300), or \$100. [This calculation is complicated by the fact that this formula only applies to the National RPAC portion of the contributions, and any reimbursement must be made by National RPAC. In this example, National RPAC's portion of the total contributions is 30% of \$900, or \$270, and one-third of that amount is \$90. Similarly, National RPAC's allocable portion of the "expenditures" allocable to raising Federal PAC funds is 30% of \$400, or \$120. Thus, this example would require reimbursement by National RPAC of \$30, which is the difference between \$120 and one-third of \$270 (\$90.00).]

It is important to recognize two points in making these computations: (1) Each prize need not satisfy the one-third standard individually as long as the costs of all items and contributions received for them do so collectively. (2) In computing the Board's costs of the prizes distributed via the event, items donated to the Board must be valued at their *fair market value*, since even though such items may have been acquired by the Board without cost they have a market value and thus constitute an asset of the Board with that fair market value.

RAFFLES

Raffles are undoubtedly a popular fundraising method; but they are illegal in New York State when used for political fundraising purposes. NYSAR cannot accept any funds raised by raffles.

SWEEPSTAKES

Sweepstakes too are illegal in New York when used for political fundraising purposes. NYSAR cannot accept any funds raised by sweepstakes.

LOTTERY TICKETS

In order to dispense Lottery Tickets in New York State, an entity must be a licensed lottery ticket vendor. As a result, lottery tickets (including scratch-offs) may not be used in any way during RPAC fundraisers.

Prohibited Contributions

CONTRIBUTIONS IN THE NAME OF ANOTHER

Federal and state laws prohibit contributions to RPAC "in the name of another," that is, contributions identifying another person as the contributor. It is unlawful for anyone knowingly to use the name of another in submitting a contribution, to permit his or her name to be used in the making of such a contribution, or knowingly to accept contributions made by one person in the name of another. For example:

Salesperson Mary is prohibited from contributing \$25 to RPAC and claiming it is actually from Salesperson Sam, who was hindering fulfillment of a firm's "100 percent participation" pledge by refusing to contribute to RPAC.

Broker Bob is prohibited from contributing \$100 to RPAC from his personal funds and claiming that amount represents \$10 contributions from the ten salespersons in his office.

CASH CONTRIBUTIONS OVER \$99

Cash contributions may be accepted by RPAC, but only up to \$99 from any one member per calendar year. Any part of a cash contribution over \$99 must be returned to the contributor. All cash contributions must be converted to a cashier's check or money order before being transmitted to NYSAR.

ANONYMOUS CASH CONTRIBUTIONS

Although federal election law allows anonymous cash contributions in limited circumstances, RPAC policy prohibits anonymous cash contributions in the RPAC fundraising process.

4. PARTICIPATION

Success in RPAC fundraising has a symbiotic relationship with success in RPAC participation. Conveying the importance and value that an investment in RPAC makes for each and every REALTOR® is a message that once delivered will bring more and more members into the RPAC family. Once a REALTOR® member realizes the return that their investment in RPAC means to them they will more than likely continue to contribute to RPAC. In addition, RPAC contributors many times become the most effective proponents of RPAC often inviting non-participating members make a contribution and why their investment is critical to their everyday business practices.

In an effort to encourage RPAC participation, RPAC of New York runs two recognition programs.

RPAC of New York Crystal Apple Award

Prior to 2005 the Crystal Apple award was presented to the local board in each membership size category that reached their respective RPAC fundraising goal first.

While reaching a fundraising goal was commendable, the New York's RPAC Trustees believed more focus needed to be placed on increasing member participation in RPAC. During NYSAR's 2005 mid-winter business meetings the RPAC Trustees decided to amend the Crystal Apple award to be given to the board with the highest RPAC participation percentage in each size category. The Crystal Apple awards are presented annually during NYSAR's mid-winter business meetings.

RPAC of New York Participation Derby

In conjunction with the RPAC Fundraising Derby, RPAC of New York runs a similar derby for RPAC participation. While the fundraising goal for local boards is determined annually by NAR its participation goal is established by New York's RPAC Trustees. The annual RPAC participation goal for each local board is a function of the local board's participation level the previous year and setting a goal of a 10% increase over that amount. For example, if a local board had 100 members participate in RPAC in 2009, its 2010 RPAC participation goal would be 110 members, reflecting a 10% increase from the previous year.

5. DUES BILLING

Almost every local board in New York State collects RPAC through dues billing. This section will help ensure that your program complies with the applicable laws.

Requesting an RPAC contribution on each member's annual association dues statement, a technique known as "dues billing," ensures that every member will be solicited for an RPAC contribution. Every other fundraising technique, however effective, will miss at least some of the membership.

Dues billing is effective for three reasons. First, because RPAC works to the benefit of every NAR member, dues billing reminds each one of them to pay his or her fair share for those benefits. Second, dues billing makes it more convenient to contribute, because the process encourages members to make a contribution to RPAC at the same time they pay their association dues. Third, dues billing adds little to the cost of the fundraising effort.

A. Designing an effective dues billing statement.

The effectiveness of a dues billing program depends to a great degree on the design of the solicitation in the dues billing statement. The design should follow this general rule:

The easier you make it for the prospective donor to contribute, the more likely he or she will contribute.

As such, you should include the voluntary contribution opportunity "above the line" in which the member totals their payment to your board.

Although dues billing solicitations for RPAC may result in a large number of checks that combine RPAC contributions and association dues, the increased RPAC revenues should more than offset the separation effort -- especially if that effort employs the "transmittal trust account" device discussed later in this section under "Processing Dues Billing Contributions."

When a local board is unwilling or unable to process checks with combined dues and RPAC contributions, another form could be used. This form separates the dues bill and RPAC solicitation and provides clear instructions to write separate checks. This form is less effective because the perception that the RPAC contribution is as important as the dues payment is lost when the member is told to write two separate checks.

Where the inclusion of an RPAC solicitation in any form on the actual dues statement itself is a problem, legally or otherwise, another form may offer the solution. A separate item may be enclosed in the envelope used to send the dues billing statement, or mailed to members in a separate envelope at the same time the dues statements are sent. A contributor could be instructed to send the contribution by separate check back to the board with the dues payment, or, if the board did not want to process the

contributions, to send it directly to the state RPAC office. Enclosing a postage-paid business reply envelope will increase the response.

B. Ask for a Specific Amount

Regardless of the form used, it must suggest a specific RPAC contribution amount. NYSAR suggests at least \$20 per member. Many boards suggest a higher amount for brokers. One of the fundamental principles of political fundraising is that people are not likely to contribute unless they are asked for a specific amount, or at least an amount within a clearly delineated range. A "Give what you can" or "Give what you feel is right" approach does not work in fundraising and will seriously impair your RPAC dues billing effort.

Local boards using computerized billing have an advantage with individualized dues billing. A program can usually be devised that will automatically bill members for no less than they gave the year before or for an amount greater than that contributed previously. When a local board prepares dues billing statements, a history of members' previous giving is indispensable.

Remember, it is always better to ask for too much than for too little. A member is free to contribute as much or as little as they choose, but if you ask for only \$10, chances are that is all you will get. On the other hand, if you ask for \$50, you might get \$15, \$20, \$25 or maybe even the full \$50.

C. Legal Aspects of Dues Billing

The manner in which dues billing is done is subject to the legal restrictions of the Federal Election Campaign Act (FECA) and all applicable state laws. For example, the FECA requires that a notice be printed on every dues statement that also solicits RPAC contributions. Such notice must inform the members solicited of all of the following:

Contributions are not deductible for income tax purposes. Contributions to RPAC are voluntary and are used for political purposes. You may contribute more or less than the suggested amount. You may refuse to contribute without reprisal and the National Association of REALTORS[®], the New York State Association of REALTORS[®], and their local associations and boards will not favor or disfavor any member because of the amount contributed. 70% of each contribution is used by your state PAC to support state and local political candidates. Until your state reaches its RPAC goal 30% is sent to National RPAC to support federal candidates and is charges against your limits under 2 U.S.C. 441a; after NYSAR RPAC reaches its RPAC goal it may elect to retain your entire contribution for use in supporting state and local candidates.

The notice may be placed anywhere on the dues billing form. The only requirements are that it be reasonably visible and that there is some connection between the solicitation itself and the notice. An asterisk by the solicitation statement, pointing out the notice as a footnote, is sufficient.

For more questions and answers regarding RPAC fundraising see the Appendix document "Top Ten Legal Questions About RPAC Fundraising".

D. Processing Dues Billing Contributions

At first glance, the processing of RPAC contributions at the local board level may seem complicated, especially when dues billing is used. It can, however, be greatly simplified if certain legal requirements and procedures are kept in mind.

IMPORTANT

The FECA requires that if the amount of the contribution is in excess of \$50, it must be forwarded to the state association office within 10 days of the date of the check. If the contribution is \$50 or less, it must be forwarded within 30 days. To simplify the forwarding procedure, it is highly recommended that all RPAC donations be forwarded at least once a week to the state association or state RPAC office.

To separate the dues funds from the RPAC contributions, the Federal Election Commission (FEC) rules permit use of a special "transmittal trust account" to separate membership dues paid from RPAC contributions. Combinations of corporate RPAC contributions, if solicited for state election purposes, and association dues payments can be separated using the board's regular treasury account.

Boards using dues billing statements may not receive enough combined checks to warrant establishing a trust account. Instead, they may request that the individual member/donor provide two separate checks, one payable to the board for dues and one payable to RPAC.

When using the transmittal trust account, the best procedure is to use the account only for the purpose of separating the monies that are to go to the board for dues from the contributions for RPAC. Moreover, the monies may not be commingled for an extended period but must be separated in a sufficiently timely fashion to comply with the requirements relative to the forwarding of contributions.

6. WHY PEOPLE CONTRIBUTE

Why they Do

There are three primary factors that motivate individuals to contribute to any organization:

- 1) They believe in the cause;
- 2) They want to help, or please, the one who asks; and
- 3) They desire recognition or reward.

Remember, these are not necessarily reasons you think someone should contribute, nor even reasons why you yourself might decide to contribute. Rather, they are reasons, as determined by in-depth studies of human motivations and practical experience in political fundraising, why individuals might decide to contribute to RPAC.

Our legislative successes in Albany and Washington are the best way to get all REALTORS® to believe in RPAC. Without RPAC our voice would not be as strong. Visit the government affairs page of the NYSAR member-only website www.nysar.com for the updated version of our legislative agenda. NYSAR, NAR and RPAC's winning efforts to expand commission protections, keep national banks from taking over our industry, reducing the burden of state mandates on real estate licensees and the expanded federal homebuyer tax credit provides you with a persuasive argument to be a lifetime contributor to "OurPac."

Why they Don't (and what to do about it)

Potential donors often have a litany of reason for not being able to contribute. "I gave at the office" or "the check is in the mail." There is no reason why any individual cannot give some level of support to an organization whose sole purpose is to ultimately improve the standard of living for the potential donor. Here are some common statements and how to respond:

"I don't believe in giving money to political candidates."

Actually, rather than "giving" money to political candidates, you are investing in your business and a commitment to preserving the future of our industry. I'm sure you have insurance on your car, home, and business office. Legislation harmful to your business passed by Congress, the state legislature, or city council could BE just as catastrophic financially as the loss of any of your possessions by fire, theft or storm. RPAC helps elect officials at the national, state and local levels who support the free enterprise system and private property rights.

“I already contribute to political candidates on my own.”

You should contribute directly to the candidates of your choice, but you should also contribute through RPAC. The dollars you give are pooled with literally tens of thousands of other contributors to support candidates who understand the issues that affect our business. Our ultimate goal is to position the RPAC as the largest and most influential political advocacy organization in the country. With your support now, we will be one step closer.

“I don’t have the money.”

You can’t afford not to have the money. A ninety-nine dollar contribution to RPAC breaks down to about a quarter a day. Is a daily investment of 25 cents not worth the additional money in your pocket that results from RPAC’s successful efforts to ensure a vigorous and viable real estate industry?

“PACs are just in the business of buying votes.”

RPAC does not "buy" votes from politicians. RPAC helps elect candidates who share our philosophy, or will at least listen to the REALTOR® viewpoint. RPAC supported candidates will not always support us on every vote, but they will usually be more favorable to our point of view than the candidate who ran against them or the incumbent they replaced.

“I’m a Republican/Democrat, and RPAC has supported candidates of the other party.”

RPAC is nonpartisan in its selection of candidates. The voting record and views on the issues that affect REALTORS®, in addition to the recommendations of Local Boards and State Associations, are the deciding factors to determine who we support.

“RPAC supports federal candidates, I’m more interested in State and Local candidates.”

Only 30% of your contribution goes to support candidates at the national level. The other 70% stays in the state for use in supporting candidates here at home. Up to 25% of every dollar collected is returned to the local board for use in the LRS program. By contributing to RPAC, you can help support candidates at all levels of government.

“I’m not full time, why should I contribute?”

If you benefit in any way from the real estate business, you have a vested interest in ensuring that the individuals who pass the laws that affect our livelihood believe in private property rights and the free enterprise system.

“RPAC is already a successful PAC, you don’t need my contribution.”

While RPAC has been successful in advancing the REALTOR® position, there is constantly new “anti-Realtor” legislation being introduced. We must remain strong and ready to assist candidates at all levels that support our point of view. It is imperative that we continue to build on the momentum we have created.

7. SAYING “THANK YOU”

Thanking REALTORS® for their support of RPAC is one of the most important functions you will perform. Recognizing contributors in public and privately is one of the most effective ways to ensure that someone will become a lifetime RPAC supporter.

It is important that you get to know who the major donors are in your board and to mention their names whenever possible at board functions. A major donor is defined as a contributor of \$99 or more. You will also be given the opportunity to present RPAC recognition pins to major donors.

NYSAR also recognizes the achievements of local boards who reach their fundraising and participation goals. NYSAR presents local boards that make their fundraising and/or member participation goal(s) with congratulatory plaques during the Mid-Winter association business meetings.

RPAC “Thank You” Program

All contributors receive a “Thank You” post card from NYSAR after their contribution is entered into our database. Every effort is made to send thank you letters on a weekly basis. Additionally, NYSAR recognizes all RPAC major donors:

- on RPAC signs/displays during NYSAR’s bi-annual business meetings;
- during the *Major Donor Reception* at NYSAR’s mid-winter business meetings;
- in the *Major Donor Recognition* section of nysar.com; and
- in the Government Affairs Annual Report publication.

There may be occurrences when recognition is not as timely as some contributors would like which can result in some complaints. This is particularly true in the beginning of the year when a large number of contributions collected through dues billings arrive at NYSAR. Please explain that entering the names and other pertinent information is a labor intensive effort and that we will have our records updated as soon as possible.

NYSAR sends 99 Club (\$99-\$249), Capitol Club (\$250 - \$499), President’s Club (\$500 - \$999), and 10X Major Donor Club (at least \$250 for 10 consecutive years) pins to local boards for distribution to contributors. The pins are to be presented by the local board RPAC fundraising chairperson or other board officer at board functions.

Sterling “R” (\$1,000 - \$2,499), Crystal “R” (\$2,500 - \$4,999) and Golden “R” (\$5,000+) recognition is now handled through the National Association of REALTORS® who sends pins directly to the contributor on a monthly basis.

Major Donor Recognition Levels

NAR Golden “R” Contributor

- Contribution Amount: \$5,000 First-time
(First time individuals only – Golden “R” pin and spinner award)

- Sustaining Golden “R” Contributions Annually
Contribution Amount: \$5,000 Annually
Prerequisite: a member must have made an initial donation of \$5,000 for the Golden “R” membership. A new Golden “R” pin with an additional stone for each year they give a full \$5,000 is presented to the member.
- Sustaining Golden “R” Contributor
Contribution Amount: \$2,000 Annually
Prerequisite: a member must have made an initial donation of \$5,000 for the Golden “R” membership. At the \$2,000 sustaining level, the member does not receive a new Golden “R” pin annually.
- President’s Circle members receive a discount: \$4,000 (instead of \$5,000) to join and \$1,000 (instead of \$2,000) annually to sustain each year they remain a President’s Circle member. Golden R members who drop out of the President’s Circle must contribute the full \$2,000 to sustain instead of \$1,000 to remain a Golden R.

*Note: Charter Golden “R” contributors who joined the program by December 31, 2001 can sustain their membership at \$1,000 annually but do not receive a new Golden “R” pin annually.

Donor benefits include a 14kt Golden “R” lapel pin and an engraved spinner award (first time contributors only). Donor benefits also include an invitation to the NAR President’s Reception during the mid-year meetings in Washington D.C. and an invitation to a private reception held during NAR’s annual convention. Members also receive special recognition at select NAR meetings.

NAR Crystal “R” Program

- Contribution Amount: \$2,500 First-time
(First time individuals only – Crystal “R” pin and crystal award)
- Sustaining Crystal “R” Contributions Annually
Contribution Amount: \$2,500 Annually
Prerequisite: a member must have made an initial donation of \$2,500 for the Crystal “R” membership. A new Crystal “R” pin with an additional stone for each year they give a full \$2,500 is presented to the member.
- Sustaining Crystal “R” Contributor
Contribution Amount: \$1,500 Annually
Prerequisite: a member must have made an initial donation of \$2,500 for the Crystal “R” membership. At the \$1,500 sustaining level, the member does not receive a new Crystal “R” pin annually.

- President's Circle members receive a discount: \$2,000 (instead of \$2,500) to join and \$1,000 (instead of \$1,500) annually to sustain each year they remain a President's Circle member. Crystal R members who drop out of the President's Circle must contribute the full \$1,500 to sustain instead of \$1,000 to remain a Crystal R.

Donor benefits also include an invitation to the NAR President's Reception during the mid-year meetings in Washington D.C. and an invitation to a private reception held during NAR's annual convention. Members also receive special recognition at select NAR meetings.

NAR Sterling R Program

- Contribution Amount: \$1,000 Annually
First time contributors only receive personally engraved plaques and a new pin annually.
- Sustaining Sterling "R" Contributor
Contribution Amount: \$1,000 Annually
Sterling "R" pin with diamond chip for each year a members sustains this level.

Donor benefits include a sterling "R" lapel pin and an engraved Sterling "R" plaque (first time contributors only). Members also receive special recognition at select NAR meetings.

NAR President's Circle

- The President's Circle is a direct giver program created by NAR and RPAC to take advantage of the collective strength of our organization. As a member, you will receive bipartisan requests throughout the year to make contributions to national political party committees and/or federal candidates selected by the RPAC Trustees. To join the program, you must:
- Be an RPAC Major Donor of Golden, Crystal or Sterling R level; AND
- Contribute a total of \$2,000 in personal contributions, in addition to your RPAC contribution, each calendar year.

NYSAR New York Life Member Program

- The membership requirement for the NYSAR New York Life Member Program is \$1,000 in total RPAC contributions over a two or four year period. NYSAR New York Life members receive a commemorative pin.

NYSAR Presidents Club

- The membership requirement for the NYSAR Presidents Club is an annual \$500 to \$999 RPAC contribution. Two consecutive Presidents Club contributions qualify the contributor for New York Life designation and recognition. NYSAR Presidents Club members receive a commemorative pin from their local board.

NYSAR Capitol Club

- The membership requirement for the NYSAR Capitol Club is a \$250 to \$499 RPAC contribution annually. Full Capitol Club benefits will be conveyed upon pledging a qualifying contribution. Four consecutive Capitol Club contributions qualify the contributor for New York Life designation and recognition. NYSAR Capitol Club members receive a commemorative pin from their local board.

NYSAR 10X Major Donor Club

- The membership requirement for the NYSAR 10X Major Donor Club is an annual RPAC contribution of at least \$250 for ten consecutive years. NYSAR 10X Major Donor Club members receive a commemorative pin from their local board.

NYSAR 99 Club

- The membership requirement for the NYSAR 99 Club is an annual \$99 to \$249 RPAC contribution. NYSAR 99 Club members receive a commemorative pin from their local board.

8. NYSAR LOCAL REVENUE SHARING PROGRAM

The RPAC of New York State Local Revenue Sharing program (LRS) permits local boards to retain up to 25 percent of the RPAC dollars contributed by members of the board. RPAC contributions are deposited into the local board's LRS account no matter who (NAR, NYSAR or the local board) actually collects the contribution. The LRS program is a great resource for politically active local boards. Each local board is strongly urged to adopt a policy for the determination and distribution of LRS contributions.

LRS Contributions and Uses

Approved Uses for LRS Funds

Local boards may use LRS funds, up to the legal limit, for contributions to any local public official or candidate for local public office (including but not limited to mayors, county supervisors and county legislators) or local political party campaign committees (i.e. the Broome County Republican or Democratic Committee). A local board(s) may also use LRS funds to support state Trustee approved candidates for state Senate and Assembly up to the legal contribution limit. LRS funds will also be used to underwrite a portion of the costs of an RPAC fundraiser.

LRS Funds May Not Be Used For

Local boards may **NOT** contribute LRS funds, per RPAC of New York by laws, to a statewide public office holder or candidate for statewide public office (governor, attorney general and comptroller)

Local boards may **NOT** contribute LRS funds, per federal law, to any federal public office holder or any candidate for federal public office (president and vice president of the United States, U.S. House of Representatives and U.S. Senate).

Local Boards may **NOT** use LRS funds to do political advocacy letters that read (i.e. "vote for Assemblyman Jones") on behalf of a public official or candidate for public office including, but not limited to, mailings, newspaper advertisements and electronic media.

For guidelines on how to select who will receive your LRS funds, please refer to Chapter 9, entitled "Selecting RPAC LRS Candidates".

PLEASE NOTE: The tax status of a local board (i.e. 501 (C)(6)) may restrict its political activity including non-RPAC, board funded expenditures for political advocacy purposes, or may impose tax liabilities on such expenditures. *Local boards are urged to consult NYSAR Government Affairs and their board attorney before engaging in any political advocacy.*

LRS Request and Approval

Funding requests shall be delivered to RPAC c/o NYSAR in writing, and on a form prescribed by the Board of Trustees, via email, mail or facsimile at least two (2) weeks in advance of the proposed expenditure (see appendix). Approved RPAC LRS checks will be issued within seven (7) working days of RPAC receiving all required paperwork. Local boards are advised to consult with their respective county board of elections for information on contribution limits for local candidates.

Funds requested retroactively, on an emergency basis or for purposes not clearly within policy guidelines are subject to review by the Board of Trustees who will make a final determination on funding within 30 days. The seven day turn-around period does not apply to requests for more than five (5) checks.

Division of Funds

Local revenue sharing shall be apportioned from RPAC of New York contributions pursuant to the following schedule:

<u>Percentage of NAR Goal Raised</u>	<u>Credit to LRS Account</u>
- Up to 70%	15%
- From 70% to 79%	17.5%
- From 80% to 89%	20%
- From 90% to 99%	22.5%
- 100% of Goal and above	25%

When a percentage threshold has been reached, the appropriate percentage of funds will be credited retroactively to the board's revenue sharing account. Accounts will be divided on an annual basis. Annual Funds will be available for three years, after which any remaining dollars from the first of the three-year cycle will be credited to the non-local revenue sharing account.

IMPORTANT: Every contribution deposited into the local board's LRS account will be available to the local board for three years beginning with the year the contribution was made. LRS funds unused by the local board for three years will be deposited into the RPAC of New York general account. For example, the LRS portion of a contribution made at any time in 2010 will be available to the local board until December 31, 2012. Any unused portion of that LRS contribution will be deposited into the RPAC of New York general account on or after January 1, 2013.

Contribution Limits

Contributions made by RPAC of New York and from the LRS account must be combined when calculating overall contributions subject to campaign finance limitations.

For most elected local public officials, the limit is at least \$1,000 during the official's term. For the state Senate and Assembly, whose terms in office are two years, primary and general election contributions are \$6,000/\$9,500 and \$3,800/\$3,800 respectively. NYSAR government affairs department staff will work with local boards to determine if an LRS contribution is compliant with state election laws.

9. SELECTING RPAC LRS CANDIDATES

Local REALTOR® boards/associations select which local candidates shall receive RPAC LRS funding. The NYSAR RPAC Trustees select state candidates and NAR RPAC Trustees make the final determination on candidates for federal offices. Often, NYSAR and NAR look to local REALTORS® for guidance in making decisions on state and federal candidates. Rarely does NYSAR or NAR make an RPAC decision that is contrary to a local REALTOR® organization, but it can happen. If a board takes no position on a state or federal race, NYSAR and NAR RPAC Trustees can choose to support a candidate.

Local REALTOR® organizations will want to carefully consider which elected official or candidate for elective office will receive LRS contributions. The following is a list of some of the important points to consider during the selection process.

Stick to REALTOR Issues

Give preeminent weight to each candidate's record on REALTOR® issues.

A Voting Record Beats a Promise Every Time

Ignoring or discounting a proven pro-REALTOR record for one candidate in favor of promises from his or her opponent is a slap in the face to the individual who has provided support in the past. Don't let personalities interfere with an objective REALTOR®-only analysis of facts.

Don't Let Partisanship Enter Into an RPAC Recommendation

It is important to remember that REALTOR® organizations are not partisan. RPAC provides support to candidates from candidates from any political party. There is no room for consideration of party affiliation in a REALTOR® RPAC recommendation.

Backing a Loser for the Right Reason is Better than Backing a Winner for the Wrong Reasons

If your decision to back a candidate is justified by the record, his or her opponent will respect your organization. In most cases, a winner who you have not given RPAC funds to will understand that your support was based upon certain objective facts. All winners will look to expand their base of support after the election and will more often than not welcome your thoughts on REALTOR® related issues.

An RPAC Contribution Isn't Necessarily an Endorsement

RPAC provides financial support to elected officials and candidates for elective, but does not "endorse" them. Local boards, however, are free to make endorsements in the name of the local board, not on behalf of NYSAR or RPAC.

APPENDIX

BYLAWS

Of the REALTORS POLITICAL ACTION COMMITTEE OF NEW YORK

Last Amended February 2, 2009

ARTICLE I - NAME AND DEFINITION

The name of this committee is the REALTORS® Political Action Committee of New York, hereinafter RPAC of New York. It is a voluntary, non-partisan political action committee of the New York State Association of REALTORS®, Inc.

ARTICLE II - PURPOSES

The purposes of RPAC of New York are:

To encourage REALTORS® to become politically aware and involved in government at every level.

To organize REALTORS® for effective political action.

To financially support public officials, candidates for public office and political committees who demonstrate support for the principals contained in the New York State Association of REALTORS®, Inc. Statement of Policy.

To act within the best interest of the association and within the law to do those things necessary or desirable for the attainment of the purposes stated above.

ARTICLE III - MEMBERSHIP

Membership shall be open to members of the New York State Association of REALTORS®, Inc. and any others permitted by law. Contributions made to RPAC of New York are voluntary and are used for political purposes. Members of the New York State Association of REALTORS®, Inc. may refuse to contribute without reprisal or otherwise affecting their membership rights or entry into any sweepstakes.

Membership in RPAC of New York shall be subject to the approval of the Board of Trustees.

ARTICLE IV - BOARD OF TRUSTEES

Section 1 – Composition

The Board of Trustees shall consist of sixteen members plus a chair and vice-chair. There shall be eight regional trustees and four at-large trustees. The Chair and Vice Chair of the Legislative Steering Committee, the chair of the Issues Mobilization Committee and a representative selected by the Association Executive Forum shall serve as ex-officio members.

Section 2 – Duties

The Board of Trustees shall have general supervision and control over the affairs and funds of RPAC of New York and shall establish and carry out all policies and activities. The members shall serve without compensation.

Section 3 – Selection and Terms – Quorum

Trustees are appointed to staggered three-year terms by the NYSAR President. The NYSAR President shall consider appointing at least one person to the Board of Trustees who has not served as a trustee in any of the preceding three (3) years.

RPAC Trustees appointed by the NYSAR President shall not serve on the Issues Mobilization Committee.

The chair and vice-chair are selected by the NYSAR president.

The NYSAR President shall appoint a successor to the chair, vice-chair or trustees whenever a vacancy exists or is about to occur.

ARTICLE V - MEETINGS

Section 1 – Regular Meetings

The Board of Trustees shall meet during every regularly scheduled NYSAR business meeting. Ten members of the board shall constitute a quorum.

Section 2 – Special Meetings

Special meetings of the Board of Trustees may be called by the chair of his/her own initiative or upon the request of six members of the Board of Trustees.

Special meetings may be conducted via electronic mail, facsimile and/or teleconference.

ARTICLE VI - COMMITTEES

RPAC of New York State shall have such committees as the Board of Trustees determines are necessary and desirable for carrying out its purposes and objectives. The chair of the Board of Trustees, subject to the approval of the Board of Trustees, shall appoint the committee chair and committee members.

ARTICLE VII - FINANCES

Section I – Maintenance of Funds

RPAC of New York must deposit all contributions in a federally insured bank. RPAC of New York shall keep correct and complete books and records of account. The Board of Trustees may arrange for audits, as it finds necessary.

Section 2 – Fiscal Year

The fiscal year of RPAC of New York shall begin on January 1st and end on December 31st.

Section 3 – Budget

Passage of an annual budget by the Board of Trustees is authorization to expend RPAC funds in accordance with the approved budget and any amendments thereto.

Section 4 – Contributions

A. National Public Official and National Campaign Committee

“National public official” means United States President, United States Vice President, United States Senator and Member of United States House of Representatives. “National Campaign Committee” means the national campaign committees for any political party.

RPAC of New York may not make a contribution to a national public official or a candidate seeking the office of a national public official, or a national campaign committee.

B. Statewide Public Official and Statewide Campaign Committee

“Statewide public official” means New York State Governor, New York State Lieutenant Governor, New York State Attorney General and New York State Comptroller. “Statewide Campaign Committee” means the statewide campaign committees for any political party.

RPAC of New York may contribute up to the legal limit to an incumbent statewide public official a statewide campaign committee.

RPAC of New York may contribute up to the legal limit in primary and general elections to a non-incumbent candidate or candidates for statewide public official only upon an affirmative vote of two-thirds of the Board of Trustees.

No local board may use local revenue sharing funds to contribute directly to a statewide public official, candidate for statewide public official or statewide campaign committee. However, the Board of Trustees shall consider any recommendation for such contributions that is presented by local boards.

C. State District Public Official and State Legislature Campaign Committee

“State district public official” means State Senator and Member of the State Assembly. “State Legislature Campaign Committee” means the Senate Republican Campaign Committee, the

Senate Democratic Campaign Committee, the Democratic Assembly Campaign Committee and the Republican Assembly Campaign Committee.

RPAC of New York may contribute up to the legal limit to a state district public official, a candidate seeking the office of a state district public official or state legislature campaign committee.

RPAC of New York may contribute in primary elections up to the legal limit to a non-incumbent candidate or candidates for state district public official only upon an affirmative vote of two-thirds of the Board of Trustees.

Local Boards may request the expenditure of local revenue sharing funds to support state district public officials and candidates for state district public official. The Board of Trustees may not consider a request from a local board unless the request is in accordance with Article VIII of these bylaws. The Board of Trustees reserves the right to deny any or all of a local board's request for the expenditure of local revenue sharing funds to support a state district public official, candidate for state district public official or state legislature campaign committee for any reason.

D. Local Public Official and Local Campaign Committee

"Local public official" means any elected public official that is not a statewide public official or state district public official. "Local Campaign Committee" means a political party campaign committee that is not a statewide or state legislature campaign committee.

RPAC of New York will make contributions to local public officials, candidates seeking the office of local public official and local campaign committees only from a local board's local revenue sharing account in accordance with Article VIII of these bylaws.

A local board may request local revenue sharing funds for any local public official or candidate seeking the office of public official whose authority rests at least in part within the requesting local board's jurisdiction. A local board may also request funds if the official's or candidate's authority rests wholly or partially within the jurisdiction the requesting board and any another local board in whole or in part. (Note: This is intended to permit a local board in NYC to fund a City-wide candidate of its choice but may apply elsewhere)

E. Miscellaneous

No contribution to a public official, candidate for public office or campaign committee above \$5,000, either individually or in the aggregate, may be expended in a calendar year without prior approval by the Board of Trustees.

The Board of Trustees may not consider a recommendation from a local association of REALTORS[®] unless the recommendation is in accordance with Article VIII of these bylaws.

Section 5 – Fundraising

All costs associated with RPAC fundraising must be paid directly by RPAC including all costs associated with local board RPAC fundraising events. Local boards who conduct RPAC fundraising events must submit all bills directly to RPAC of New York in a timely fashion and using the prescribed form. Local board fundraising events will be paid 75 percent by RPAC of New York general account and 25 percent by the sponsoring board's LRS account.

ARTICLE VIII - LOCAL REVENUE SHARING PROGRAM

Section 1 – Division of Funds

Local revenue sharing shall be apportioned from RPAC of New York contributions pursuant to the following schedule:

<u>Percentage of NAR Goal Raised</u>	<u>Credit to LRS Account</u>
- Up to 70%	15%
- From 70% to 79%	17.5%
- From 80% to 89%	20%
- From 90% to 99%	22.5%
- 100% of Goal and above	25%

When a percentage threshold has been reached, the appropriate percentage of funds will be credited retroactively to the board's revenue sharing account. Accounts will be divided on an annual basis. Annual Funds will be available for three years, after which any remaining dollars from the first of the three-year cycle will be credited to the non-local revenue sharing account.

Section 2 - Disbursing Local Revenue Sharing Funds

Funding requests shall be made in writing on a form prescribed by the Board of Trustees at least two (2) weeks in advance of the expenditure.

Requests received by NYSAR that are in conformity with these bylaws will be approved and a check issued within seven (7) working days.

Funds requested retroactively, on an emergency basis or for purposes not clearly within policy guidelines are subject to review by the Board of Trustees who will make a final determination on funding within 30 days.

Article IX – TREASURER

Beginning January 1, 2009 and each year thereafter, the Government Affairs Director for the New York State Association of REALTORS® shall serve as "Treasurer" for the REALTORS® Political Action Committee of New York when registering before the New York State Board of Elections, the New York City Campaign Finance Board and other state and local political committee registration boards as they may arise.

ARTICLE X - AMENDMENTS TO BYLAWS

These bylaws may be amended or repealed and new bylaws may be adopted at any meeting of the Board of Trustees by affirmative vote of two-thirds of the members of the Board of Trustees, provided that at least 30 days prior written notice of the substance of the proposed amendments, or of intent to repeal and adopt new bylaws, shall have been given to each member of the Board of Trustees.

“Yes, I want to make an investment in real estate”

RPAC Membership Levels

(Installment payments are available for each option)

Please check one:

- | | |
|---|------------------------|
| <input type="checkbox"/> GOLDEN R – (\$5000) | Pledge amount: \$_____ |
| <input type="checkbox"/> CRYSTAL R – (\$2500 - \$4999) | Pledge amount: \$_____ |
| <input type="checkbox"/> STERLING R - (\$1000 to \$2499) | Pledge amount: \$_____ |
| <input type="checkbox"/> PRESIDENTS CLUB - (\$500 to \$999) | Pledge amount: \$_____ |
| <input type="checkbox"/> CAPITOL CLUB – (\$250 to \$499) | Pledge amount: \$_____ |
| <input type="checkbox"/> 99 CLUB – (\$99 to \$249) | Pledge amount: \$_____ |
| <input type="checkbox"/> OTHER | Pledge amount: \$_____ |

Please include the following required information along with your RPAC contribution:

Name: _____
Home Address: _____
City: _____ State: _____ Zip: _____
Local Board: _____ 9 Digit NRDS ID: _____
Date: ____/____/____

Please make checks payable to RPAC or charge your contribution to:

Credit Card Number (please specify card):

Expiration Date: ____/____/____ Billing zip code: _____ 3 Digit security code: _____
Signature: _____

Please fax this sheet to NYSAR at (518) 462-5474 or mail contributions to: NYSAR, 130 Washington Ave, Albany, NY 12210. For questions regarding RPAC, call NYSAR's Government Affairs Department at (518) 463-0300 or by email at RPAC@nysar.com

Contributions are not deductible for income tax purposes. Contributions to RPAC are voluntary and are used for political purposes. You may contribute more or less than the suggested amount. You may refuse to contribute without reprisal and the National Association of REALTORS®, the New York State Association of REALTORS® or any of its local boards or associations will not favor or disfavor any member because of the amount contributed. 70% of each contribution is used by your state PAC to support state and local political candidates. Until your NYSAR PAC reaches its RPAC goal 30% is sent to National RPAC to support federal candidates and is charged against your limits under 2 U.S.C. 441a; after NYSAR PAC reaches its RPAC goal it may elect to retain your entire contribution for use in supporting state and local candidates.”

“Yes, I want to make an investment in real estate”

by purchasing an RPAC of New York Patriotic Pin for \$20

RPAC Membership Levels

(Installment payments are available for each option)

Please check one:

- | | |
|---|-------------------------|
| <input type="checkbox"/> GOLDEN R – (\$5000) | Pledge amount: \$ _____ |
| <input type="checkbox"/> CRYSTAL R – (\$2500 - \$4999) | Pledge amount: \$ _____ |
| <input type="checkbox"/> STERLING R - (\$1000 to \$2499) | Pledge amount: \$ _____ |
| <input type="checkbox"/> PRESIDENTS CLUB - (\$500 to \$999) | Pledge amount: \$ _____ |
| <input type="checkbox"/> CAPITOL CLUB – (\$250 to \$499) | Pledge amount: \$ _____ |
| <input type="checkbox"/> 99 CLUB – (\$99 to \$249) | Pledge amount: \$ _____ |
| <input type="checkbox"/> OTHER | Pledge amount: \$ _____ |

Please include the following required information along with your RPAC contribution:

Name: _____

Home Address: _____

City: _____ State: _____ Zip: _____

Local Board: _____ 9 Digit NRDS ID: _____

Date: ____/____/____

Please make checks payable to RPAC or charge your contribution to:

Credit Card Number (please specify card):

Expiration Date: ____/____/____ Billing zip code: _____ 3 Digit security code: _____

Signature: _____

Please fax this sheet to NYSAR at (518) 462-5474 or mail contributions to: NYSAR, 130 Washington Ave, Albany, NY 12210. For questions regarding RPAC, call NYSAR's Government Affairs Department at (518) 463-0300 or by email at RPAC@nysar.com

Contributions are not deductible for income tax purposes. Contributions to RPAC are voluntary and are used for political purposes. You may contribute more or less than the suggested amount. You may refuse to contribute without reprisal and the National Association of REALTORS®, the New York State Association of REALTORS® or any of its local boards or associations will not favor or disfavor any member because of the amount contributed. 70% of each contribution is used by your state PAC to support state and local political candidates. Until your NYSAR PAC reaches its RPAC goal 30% is sent to National RPAC to support federal candidates and is charged against your limits under 2 U.S.C. 441a; after NYSAR PAC reaches its RPAC goal it may elect to retain your entire contribution for use in supporting state and local candidates.

RPAC of New York

LOCAL REVENUE SHARING REQUEST FORM

Note:

- 1.) This form must be fully completed and signed before funds will be released – e-signatures accepted.
- 2.) Please submit completed forms to NYSAR at least two (2) weeks in advance of the event.

Local Board/Association: _____ Date: _____

Candidate/Political Committee to receive funds: _____

Date of Fundraising Event: _____

Amount Requested: \$ _____

Office Candidate Seeks: _____ Incumbent: Yes ___ No ___

Candidate/Committee Campaign Name & Address:

Reason(s) for Supporting Candidate/Committee:

Person to Receive Check for Presentation:

Address: _____

Phone: _____

I, the undersigned, certify that I am authorized by the _____
Board/Association of REALTORS® to receive the above requested RPAC Local Revenue
Sharing funds.

Signed: _____ Print Name: _____

Please return to:
New York State Association of REALTORS®
130 Washington Avenue
Albany, New York 12210-2220
Fax: (518) 462-5474
Email: govt@nysar.com

RPAC of New York

Funding Request Form - Local Board RPAC Fundraising Event

Note:

- 1.) Please submit completed forms to NYSAR as early as possible in order to ensure funds will be secured prior to event planning process.
- 2.) If funding is approved, NYSAR RPAC will pay for 75% of the event cost and the remaining 25% will come from the Local Board RPAC Local Revenue Sharing (LRS) account.

Local Board/Association: _____

Address: _____

Phone: _____ E-Mail: _____

Date of Fundraising Event: _____

Total Anticipated Cost of Event*: _____

Total Amount of Money Expected to Raise from Event: _____

Description of RPAC Fundraiser:

If additional space is needed, please attach.

I, the undersigned, certify that I am authorized by the _____
Board/Association of REALTORS® to request funding for RPAC events from RPAC of
New York's general account and my board's LRS account.

Signed: _____ Title: _____

Print Name: _____ Date: _____

***New York State election law states that a local board must register with the State Board of Elections as a political committee if the local board expends corporate funds in support of an RPAC fundraiser. As a result, all costs associated with an RPAC fundraiser MUST be paid directly by RPAC and never from the local board's corporate funds.**

Please return completed form to:

**RPAC of New York
130 Washington Avenue
Albany, New York 12210-2220
Fax: (518) 462-5474
Email: govt@nysar.com**

NYSAR Approval: _____

Date: _____

**Estimated Local Board Local Revenue
Sharing Balance After Event:**

Top Ten Legal Questions About RPAC Fundraising

(In no particular order)

1. May we do “above the line” dues billing for RPAC contributions?

Yes! You may include a request for an RPAC contribution on the dues statement that is “above the line” – that is, a request for a specified amount included in the “total due” of the dues shown on the statement. You must, however include a proper “solicitation notice” (also called a disclaimer) explaining the voluntary political nature of the contribution requested, and members must be permitted to deduct the amount of the requested RPAC contribution. You may not “reverse dues bill” – that is, require payment of a total amount and offer to provide refund to anyone who does not want to make an RPAC contribution. Dues billing, including “above the line” dues billing, is subject to state law also, since a portion of the contributions made are provided to the State PAC. Thus, you must also comply with any requirements of state law applicable to dues billing.

The solicitation notice to be used is the following:

“Contributions are not deductible for income tax purposes. Contributions to RPAC are voluntary and are used for political purposes. You may contribute more or less than the suggested amount. You may refuse to contribute without reprisal and the National Association of REALTORS®, the New York State Association of REALTORS®, and their local associations and boards will not favor or disfavor any member because of the amount contributed. 70% of each contribution is used by your state PAC to support state and local political candidates. Until your state reaches its RPAC goal 30% is sent to National RPAC to support federal candidates and is charges against your limits under 2 U.S.C. 441a; after NYSAR RPAC reaches its RPAC goal it may elect to retain your entire contribution for use in supporting state and local candidates.”

This notice must be on the dues statement, though it may appear on the reverse side if there is a clear reference to it (such as an asterisk) where the contribution is requested/suggested. Similar language should also be included on any other written or electronic solicitation for RPAC contributions.

Note also that while the above notice must appear on all written solicitations for RPAC, federal law requires that whenever a member is solicited to make an RPAC contribution he or she must be advised of the (i) political purpose of RPAC and (ii) that he or she “may refuse to contribute without reprisal.”

2. What is the difference between “hard” and “soft” money?

“Hard” money is that which is acceptable for purpose of making contributions to Federal candidates. “Soft” money is that which cannot be used to make contributions of other forms of direct support (such as in-kind contributions) to Federal candidates. The distinction is generally between individual (hard) and corporate (soft) monies, but there are other forms of soft money as well. For example, foreign nationals may not contribute to Federal candidates, and an individual who has contributed \$25,000 to Federal candidates or committees in a calendar year is prohibited from making any further contributions to Federal candidates or committees, including Federal PAC’s.

Thus, a contribution by either would be “soft” money even though not made by a corporation. “Soft” money is generally prohibited for use in connection with Federal elections, although some important uses of it still remain lawful. It may be used in connection with solicitation of hard money contributions to RPAC, and may be used to communicate with members about specific candidates for election to Federal office.

3. If contributions are deposited into the local board’s corporate account, do they become tainted corporate monies that are unacceptable to RPAC? Is the local board required, or permitted to use a separate account to transmit contributions collected to the state association?

Contributions received by a local board and deposited into the local board’s account do not thereby become corporate monies that RPAC may not accept as long as (a) they are transmitted to the State Association within the application time limits (see #3, above), and (b) “separate and specific” records are maintained that clearly indicate the RPAC contributions deposited into the local board’s account, and subsequently transferred to RPAC.

The local board may, but is not required to use a separate “transmittal” account for purpose of receiving, depositing and then transferring RPAC contributions to the state association. It is recommended that such a separate account be used for this purpose because it makes the record keeping for RPAC contributions deposited into and transferred out of the local board’s account (to the state PAC) considerably easier and more convenient, but the local board may elect to use its regular operating account for this purpose so long as adequate records are maintained.

4. If a broker collects from their salespeople for local board dues and some sales associates include an RPAC contribution in that payment, may the broker deposit that money in the firm’s account and transmit it to the local board using a corporate firm check? Can the broker hold the money until they have collected from all salespeople?

The broker may collect dues from sales associates, including dues billing RPAC contributions made by the sales associates, deposit the monies so collected in the broker’s account, and forward to the local board such monies using a single check drawn by the broker on the firm’s (corporate) account. In doing so, however, it is essential that the broker keep clear, unambiguous records regarding the RPAC contributions received from the associates. It is likely that the FEC would consider the transmittal time limits to begin when the associate gives a check includes an RPAC contribution to the broker. For that reason those contributions need to be sent to the local board sufficiently promptly to allow the local board to, in turn, transmit them to the state association within the time limits. The broker also should not “hold” amounts collected from sales associates until having collected from all of them. If the broker wants to hold the amounts paid to them for local board dues until dues payments are collected from all sales associates, the best practice is to ask sales associates to write separate checks for the RPAC contribution portion and forward those checks to the local board immediately upon receipt.

5. Are RPAC contributions tax deductible?

No. There is presently no Federal tax deduction or credit provided for political contributions, including contributions to RPAC. Previously a Federal income tax deduction, and later a partial Federal income tax credit, was available, but both have been eliminated. For that reason, unlike in the case of making a charitable contribution, there is no financial benefit to a contributor making a contribution to RPAC in the form of appreciated property, such as shares of appreciated stock. Contributors should check state law to determine if there are any state income tax benefits provided to those who make political contributions.

6. Can affiliate members of a local board contribute to RPAC?

Yes, so long as they are active NRDS-holding members and otherwise permitted to contribute to RPAC.

7. From whom may the local board solicit and accept donations or merchandise to be sold/auctioned or otherwise used to defray the costs of a local board RPAC fundraising event?

The only persons or entities that may contribute to or otherwise donate money or items to be used in an RPAC fundraising event are active NRDS-holding members of the local board. Thus, the local car dealer, insurance agency, bank or print shop that are not NRDS-holding members of the local board may not donate items to be auctioned off, nor may they provide money to be used to offset the costs of an RPAC fundraising event.

8. What must be done with contributions returned to a state PAC because they were not transmitted to RPAC in a timely manner?

RPAC contributions not delivered to the state PAC and to RPAC in a timely fashion must be returned to the contributor. Those contributions may not be simply diverted to and deposited into a corporate contribution account, such as the NAR Political Advocacy Fund or a state corporate political account by a state association where that is permitted by law. The contribution must be refunded to the contributor or the contributor must be offered a refund and given the choice to receive that refund or expressly agree that the contribution may be used elsewhere, such as the corporate political fund. If the contributor so agrees, that consent should be documented.

9. Our board wants to hold a fundraiser for our Congressman, who we really like and who already received a maximum contribution from RPAC, may we do that?

No the board (a corporation, in most cases) may not hold a typical “fundraiser” for a federal candidate. But the board may invite a federal candidate to address the members at a board-sponsored event to which only board members and their families are invited and permitted to attend. At that event, representatives of the board may if desired, expressly encourage members in attendance to vote for the candidate or contribute to or volunteer for the candidate’s campaign. Contributions to the candidate may also be made at the event as long as (i) contributions are not required as a condition of admission to the event, and (ii) the board and its employees, officers

and other “official” representatives, are not involved in collecting any contributions made. More specifically, only the candidate or members of the candidate’s campaign staff may “touch the money.”

10. We would like our firm to have 100% RPAC participation. We are almost there, but a few agents are not yet RPAC believers. Can other agents take up a collection to make a modest RPAC contribution “in the name of” those agents, so that we can achieve 100% participation distinction?

No! The Federal Election Campaign Act and Regulations explicitly prohibit contributions being made “in the name of” another individual. The person indicated as the contributor to RPAC must be the person who actually donates the funds comprising that contribution.

NYSAR GOVERNMENT AFFAIRS DEPARTMENT

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