



Nevada REALTORS® Use Grant and Grassroots Power to Soundly Defeat Proposed Tax on Businesses – February 2015

It's no fun mounting a campaign against a tax being promoted as "The Education Initiative," with an emphasis on its supposed benefit for school children. But the Nevada Association of REALTORS® (NVAR) did just that last year, soundly defeating a proposed Margin Tax that would have imposed new duties on Nevada businesses and threatened to hit the real estate industry especially hard.

"Members were absolutely scared by the prospect of this tax," says Jenny Reese, NVAR's Public Policy and Government Affairs Director, of the complex proposal that promised a new 2 percent tax on any business that grossed over \$1 million annually, regardless of whether or not it was profitable. "Many of them knew they'd have to figure out completely new business models, or be forced out of business." Joe Brezny, the association's Director of Political Operations and Campaigns, adds that the proposal was deeply flawed on a broader level, in that the tax would have seriously damaged the state's fragile economy, sacrificing jobs and driving up consumer costs without necessarily benefiting the state's education system at all.

NVAR knew a thing or two about Issues Mobilization campaigns, having had success with several in the past. It joined a coalition of like-minded pro-business organizations and secured two seats on its steering committee. It applied for an Issues Mobilization Grant from the NATIONAL ASSOCIATION OF REALTORS®, and committed its own Issues Funds to the campaign.

While the coalition focused its resources on message development and an aggressive television and radio campaign, NVAR concentrated on direct advocacy through an energetic field campaign, both internal, among its members, and on a much broader scale as election day approached. Over the course of about eight months early in the year, state and local Government Affairs staff met in person with over 6,000 members, explaining the complex tax issue and laying the groundwork for the persuasive campaign that followed. This effort involved reaching not only REALTOR® members, but five other strategic "universes" of Nevada voters identified by NAR's Campaign Services team. Each of these groups contained additional tens of thousands of individuals likely to oppose the proposed Margin Tax.

Using direct mail, phone banks, email and online advertising, NVAR got the coalition's message out. The online effort was key. "It rocked!" says Reese, and Brezny, a veteran campaign operative with 25 years' experience, notes that the campaign run through the Nevada Association's Facebook page was "hands-down the most impressive thing I've ever seen." Consider the fact, he explains, that Nevada's population is less than 3 million. "The Facebook ad received 11.7 million impressions and 1.2 million video plays! Voters were paying attention to the message about lost jobs and more expensive groceries." NVAR's door-to-door get-out-the-vote operatives were out in droves with the same message. During the early voting period, Brezny and his team were able to track the numbers released on a daily basis, and use that information in targeted messages to the membership. "We could let individual offices know what their voting rates were, and



how they compared to others. This real-time voting data allows us to react to a crisis, or coax members to 'join in the fun' when things are going well. This is Nevada," he adds, with a laugh, "and if there's a way to 'game-ify' the system, we're going to be the ones who figure that out!"

Joking aside, the effort paid off: the Margin Tax was soundly defeated, with 78 percent of voters against it. Notably, NVAR's members went to the polls at a rate of 61 percent, far above the 41 percent among the general public. "The fact that our membership is clearly an engaged, educated group of voters will help our lobbying team immeasurably in future efforts -- which may be just around the corner," says Reese.

Brezny points out that NVAR was the only entity within the coalition with the capability to get so 'deep' in a grass roots campaign. By operating with its own funding within the coalition, NVAR was able to control and retain the valuable data provided by NAR. "We had been keeping these tools very quiet," he says, "but the power of the REALTORS® in Nevada is no longer a secret."

To learn more about the Nevada REALTORS®' use of REALTOR® Party Campaign Services to defeat the Margin Tax, contact Jenny Reese, NVAR's Director of Public Policy and Government Affairs, at jenny@carraranv.com or 775-762-2966.

Campaign Mailers



Question 3 Puts Our Jobs on the Line

Vote No on Question 3

- Massive Tax Increase on Small Businesses¹
- Pink Slips for Thousands of Working Nevadans²
- No Guarantee that Our Schools Will Benefit³

Paid for by REALTORS® Against Question 3
760 Margrave Dr.
Reno, NV 89502

1 Source: The Fiscal and Economic Impacts of Nevada Ballot Question #3, Applied Analysis, February 2014
2 Source: Applied Analysis, April 1, 2014
3 Source: State Question 3, Explanation & Digest

Using direct mail, phone banks, email and online advertising, NVAR got the coalition's message out.

Our Jobs are on the Line

Massive Tax Increase

- Question 3 imposes a 450% tax increase on Nevada's small businesses.¹
- Question 3 creates a tax on Nevada small businesses that is nearly double California's corporate tax rate.²
- Question 3 will force many small grocery stores and restaurants to go out of business.³

Pink Slips for Workers

- Question 3 will eliminate 9,000 private sector jobs.⁴
- Question 3 will stop new jobs from coming to Nevada.⁵
- Question 3 threatens to derail our economic recovery.⁶

Funds Not Dedicated to Education

- Question 3 allocates tax revenue to Nevada's general fund.⁷
- Question 3 does not guarantee that funds from the tax will go to education.⁸
- Question 3 allows politicians to spend the tax on pork-barrel projects.⁹

1 Source: The Fiscal and Economic Impacts of Nevada Ballot Question #3, Applied Analysis, February 2014
2 Source: Applied Analysis, February 2014
3 Source: Applied Analysis, April 1, 2014 "a significant number of businesses... will close their doors."
4 Source: Applied Analysis, April 1, 2014
5 Source: Applied Analysis, April 1, 2014: "It is hard to imagine a climate less conducive to economic growth."
6 Source: Coalition to Defeat the Margin Tax
7 Source: State Question 3, Explanation & Digest
8 Source: Question 3 attorney, Nevada Supreme Court: "the legislature could decrease funding for education."
9 Source: Question 3 attorney, Nevada Supreme Court: "the legislature could decrease funding for education."

**SAVE OUR JOBS
VOTE "NO" ON 3**



**Question 3 Delivers...
9,000 Jobs Lost¹**

Paid for by REALTORS' Against Question 3
760 Margrave Dr.
Reno, NV 89502

Source: Applied Analysis, April 1, 2014

The tax would have damaged the state's fragile economy, sacrificing jobs and driving up consumer costs without benefiting the state's education system.

**QUESTION 3
Eliminates 9,000 Jobs**

LAS VEGAS SUN

April 9, 2014

How Many Jobs Would be Lost?

If Nevada voters approve a new business tax in November, the state would lose nearly 9,000 private sector jobs and \$413 million in employee wages, according to new research funded by the Coalition to Defeat the Margin Tax Initiative.



**Vote "NO"
on Question 3**