



KENTUCKY HOMES MATTER

Advocacy Toolkit

2013



Dear Members,

Home ownership is critical to our communities, economy and the quality of life in Kentucky. We need to keep the American Dream of home ownership accessible and affordable for all Kentuckians. Unfortunately, some in Frankfort are talking about increasing taxes on our homes, new taxes on home sales and putting home ownership out of reach by eliminating the mortgage interest and property tax deductions.

During the 2013 General Assembly, legislators began the debate on tax reform ultimately choosing the least controversial options from the Governor's Blue Ribbon Tax Reform Commission. When legislators return to Frankfort in January, we know that tax reform discussions will likely continue as they consider new revenue measures to address the state budget.

As leaders in your community, I am asking for your help. We have a strong team in place to carry our message to Frankfort, but nothing is more important to a legislator than hearing from their own constituents. In order to effectively demonstrate the importance of protecting home ownership during tax reform discussions, we must unite in support of our legislative goals and speak with one voice and one message.

The entire real estate industry in Kentucky, including licensees, your vendors, your clients, and the local business community of which you are a part, must help share the importance of protecting home ownership. Unifying behind the theme of "**Kentucky Homes Matter**" is critical to our success. This theme will form the basis of all internal and external communications about our industry's legislative goals.

How do you use this toolkit?

This toolkit contains helpful resources that will aide in your outreach to legislators, your community and the media in your local market. We encourage you first to become familiar with "Kentucky Homes Matter" key messaging document in the beginning of this document. From there, look at the legislative and community outreach checklists that provide an idea of the activity we recommend. Finally, please review the sample letters, issue support materials and visit www.kentuckyhomesmatter.com. As you become familiar with our message, the support materials and our new website, we encourage you to use them in your discussions with legislators, local community leaders and the media in your area.

Keep us informed and let us know if you have any questions or need more information.

It is important that you keep KAR informed about your interactions with legislators. Please let us know when you meet with them and what sort of feedback they provide you about Kentucky Homes Matter and any other issues related to our profession. Anetha Sanford, KAR's Director of Government Relations, is the primary point of contact and is also available to help with any questions or provide further information. She can be reached at ASanford@kar.com or (859) 263-7377.

Thank you,
Joe McClary, CEO
KY Association of REALTORS®

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OUR MESSAGE: KENTUCKY HOMES MATTER

One element that is imperative to achieve legislative success is a unified message. KAR along with the local boards and associations must band together and speak with one voice and one message to lawmakers, media and the public. The goal of the unified message will be to communicate the following:

1. Demonstrate the strength and impact of KAR
2. Protect the Mortgage Interest Deduction (MID) and Oppose a sales tax on services
3. Prove that homeownership matters

MESSAGE #1: KAR is the “Voice for Real Estate”

- KAR represents the interests of nearly 10,000 real estate professionals and over 1.2 million homeowners across the Commonwealth.
- KAR’s strong membership translates to about 72 REALTORS® for every Senator and Representative in the KY General Assembly.
- Voter registration among KAR members is 88% - 21 points higher than the KY average of 67%.
- As "The Voice for Real Estate" a primary value of KAR is to serve and represent its members in regulatory and legislative matters; to keep the REALTOR® central to the real estate transaction; to promote member integrity, competency and responsible citizenship; and to advocate and protect private property rights and equal housing opportunity.

MESSAGE #2: Tax reform should encourage home ownership, not discourage it.

- If tax reform does not protect home ownership, the average homeowner will pay \$5,000 in more taxes.
- 70% of Kentucky voters support state income tax deductions for the interest paid on home mortgages and property taxes.
- 65% of voters oppose the expansion of a sales tax to include real estate and other professional services.

MESSAGE #3: Home ownership is critical to our communities and economy.

- For every 2 homes sold, one job is created.
- Every home purchase generates as much as \$60,000 in economic activity.
- 62% of voters say that eliminating the state MID would have a negative impact on the KY housing market.
- As we see the economy and housing industry recover, we must make sure that tax reform efforts do not adversely affect the accessibility and affordability of the American Dream.

LEGISLATIVE OUTREACH

Legislators want to hear from YOU – their constituents. Meeting with a legislator is the best way to educate them about issues that are important to the real estate industry and, ideally, influence their decisions. Two rules to remember: Do not feel like you are imposing; Do not feel intimidated. Legislators meet with constituents on a regular basis. Remember that legislators depend on their constituents (you) for support just as you depend on them.

Three points to remember as you begin communicating with your legislator:

- All politics is local (*the legislator cares about how the issue affects his/her district*)
- Quality of communication is important (*be prepared, concise and focused*)
- Building a long-term relationship with a legislator is the most valuable thing you can do for KAR (*communicate often, not just when you need something from them*)

Goals:

- ✓ Educate the legislator about the strength of KAR and the positive impact of the real estate industry in KY.
- ✓ Ask the legislator commit to protecting the MID and oppose any sales tax on services related to the real estate and housing industry during tax reform efforts in the 2014 legislative session.

TO DO

Legislators are deluged with information on a daily basis, so the more effectively and more often you communicate with your legislator the more impact you will have. We understand that building a long term relationship with a legislator does not happen overnight, but consistently communicating in an effective manner is the first step in the process. In general, it takes five contacts with a legislator to solidify their support for an issue. Here are some suggestions on how you can make these contacts leading up to the 2014 legislative session.

- Get to know your legislator – research their interests, biography, family, and past involvement on real estate and tax issues. If you don't know your legislator, find a friend who does and ask them to make an introduction so there is a personal localized connection.
- Schedule a one-on-one meeting with your legislator in the district.
- Invite your legislator for a reception or other events you are already planning.
- Attend at least 2 candidate fundraisers, picnics and campaign events.
- Visit Frankfort when your legislator will be in town.
- Attend civic and community events where legislators will be present (ribbon cuttings, Chamber of Commerce events, Rotary, etc.)

COMMUNITY & MEDIA OUTREACH

Although the primary focus of our education and advocacy effort is directed at legislators, it is critical that we also engage those in your local community who might lend their support. Remember: Every home owner and potential home owner will be affected by tax reform. As business leaders in your communities take this opportunity to educate your peers, colleagues and clients about our campaign: Kentucky Homes Matter.

Here are some primary points to remember as you continue to build strong relationships in your community:

- Educate, Educate, Educate...take every opportunity to educate those in your community
- Educate other business leaders about the industry's issues—they probably share many concerns
- Ensure that your side of the story is always heard in both media and community meetings
- Maintain a relationship with local media and be a valuable resource

TO DO

- Offer to present the Kentucky Homes Matter campaign to local political and business leaders through your chamber of commerce.
- Look for opportunities to speak to local civic groups and organizations including Rotary Clubs, Kiwanis Clubs, Local political parties, etc.
- Host a community open house for business leaders, media, local officials and legislators.
- Maintain regular contact with your local media outlets (Newspaper, Radio, and Television) and be a resource when they are looking for story opportunities. This will pay off when we need to reach them with our legislative messages.
- Meet with the publisher and/or editor of your local newspaper and educate them on the importance of protecting home ownership and KAR's strength in Kentucky.
- Respond to newspaper stories about the industry and/or our legislative goals through a letter to the editor (LTE): Short (150 words or less) and great for offering quick responses to editorials or stories.
- Working with KAR, submit opinion-editorial (Op-Ed) to your local newspaper: Longer piece (usually 500-750 words) and great for presenting data and facts.

TEMPLATES

SAMPLE LETTER TO LEGISLTOR

Honorable Senator/Representative [Last Name]
[Address line 1]
[Address line 2]
Frankfort, KY 40601

Dear Representative / Senator [Last Name]:

As a member of the Kentucky Association of REALTORS® and your constituent, I ask for your support to **protect home ownership** in Kentucky. Home ownership is critical to our communities, economy and the quality of life in Kentucky. We need to keep the American Dream of home ownership accessible and affordable for all Kentuckians.

As tax reform discussions continue, we hope you will keep home ownership in mind. The mortgage interest deduction (MID) is an important tool that allows 1.2 million Kentuckians the opportunity to own their own home. Placing a cap on or eliminating this deduction would have a significant negative impact on our housing industry. Studies show that if home ownership is not protected during tax reform, the average homeowner will pay \$5,000 in more taxes. Implementing a sales tax on services related to the housing industry would only drive up the cost of purchasing a home. As our economy begins to recover, please consider these facts and protect current and future home owners across the Commonwealth.

The Kentucky Association of REALTORS® represents the interests of more than 10,000 real estate professionals. REALTORS® are committed to advancing home ownership and helping build strong communities here in Kentucky. As you return to Frankfort in January, we hope that you will **protect the MID and oppose any sales tax on services** related to the housing industry.

Learn more about **Kentucky Homes Matter** – www.kentuckyhomesmatter.com.

Please do not hesitate to contact me if you have any questions or if I can be of assistance.

Sincerely,

<Name>
REALTOR®
<Address>
<CSZ>
<Email>

SAMPLE LETTER-TO-THE-EDITOR

To the Editor:

Like most Kentuckians, my biggest and most important investment is my home. The tax benefits of owning a home are a major part of that investment and helps make homeownership more affordable.

During the 2013 General Assembly, legislators began the debate on tax reform ultimately choosing the least controversial options from the Governor's Blue Ribbon Tax Reform Commission. When legislators return to Frankfort in January, we know that tax reform discussions will likely continue as they consider new revenue measures to address the state budget.

With this recovering economy and challenging housing market, now is not the time to increase the tax burden on homeowners. The loss of the mortgage interest deduction or a tax on services could severely harm the Kentucky housing market and Kentucky economy, which could cause major harm to the investments of many Kentucky homeowners like me.

I hope all homeowners will call their respective members of the Kentucky Legislature to voice their concerns about this proposal. If you are a homeowner, the value of your investment in your home is at stake.

Sincerely,

(Insert First and Last Name)

(Insert Mailing Address)

(Insert City and State)

KENTUCKY HOMES MATTER

Home ownership is critical to our communities, economy and the quality of life in Kentucky. We need to keep the American Dream of home ownership accessible and affordable for all Kentuckians.

Unfortunately, some in Frankfort are talking about increasing taxes on our homes, new taxes on home sales and putting home ownership out of reach by eliminating the mortgage interest and property tax deductions.

Here's why home ownership matters in Kentucky:

A family's most important investment

Home ownership helps build long-term wealth and net-worth. The money you spend builds personal equity and provides the opportunity to own a home free and clear by the time you retire.

Home ownership benefits Kentucky's economy

71% of Kentuckians own homes. That translates to 1.2 million home owners.¹



For every two homes sold, one job is created, and each purchase generates as much as \$60,000 in economic activity.



If tax reform detrimental to home ownership is enacted, the average home owner will pay \$5,000 more in taxes.⁴

For more info, visit KentuckyHomesMatter.com

Home ownership helps Kentucky communities

Home owners create safe, strong and stable neighborhoods for their families. Home owners are more likely to get involved in community groups and to vote. Children of homeowners do 23% better in school.²

Kentucky voters support state programs that make home ownership more accessible and affordable



70% support state income tax deductions for the interest paid on home mortgages and property taxes.

65% oppose the expansion of a sales tax to include select real estate and other professional services.

62% say that eliminating the state mortgage interest deduction would have a negative impact on the housing market in Kentucky.³

1. According to the 2000 U.S. Census.
2. According to a 2001 study by Harvard's Joint Center for Housing Studies.
3. Results are taken from a survey conducted by American Strategies on behalf of the Kentucky Association of REALTORS® January 14-16, 2013. The survey polled 600 registered voters in Kentucky.
4. Based on a \$150,000 home according to a 2012 study by the UK Center for Business and Economic Research.