

October 30, 2023

Peter Frey Lavalley  
Executive Director  
Public Disclosure Commission  
711 Capitol Way S #206  
Olympia, WA 98504

Re: Reply to "Tacoma for All" Complaint - PDC Case Number 143848

Dear Director Lavalley:

This letter is in response to the complaint filed with the Public Disclosure Commission (PDC) by Tacoma for All. The complaint alleges that the National Association of REALTORS® (NAR) was required to register and report as an incidental committee per the Revised Code of Washington (RCW) 42.17A.207 and 42.17A.240. Put simply, NAR was not required to register because it does not meet the definition of an "incidental committee" under the statute. Tacoma for All's complaint is nothing more than a politically motivated attack against an opponent.

NAR was not required to register as an incidental committee solely by making a one-time payment to a registered ballot measure committee. In defining "incidental committee," RCW 42.17A.005(28) provides an exception stating that "[a]ny nonprofit is not an incidental committee if it is only remitting payments through the nonprofit organization in an aggregated form." We understood this exception to apply to NAR when making a payment to No on Tacoma Measure 1. It should be noted that this exception and many parts of this law - which took effect relatively recently in 2019 - have not been clearly defined. Specifically, there have been no regulations promulgated by the PDC on this specific exception and there is little publicly available guidance from the PDC on this issue.

NAR rigidly complies with all local, state, and federal campaign finance laws. Because of this, we take issue with the complaint's allegation of a "shadow campaign" and accusations that NAR seeks to hide its activity. Nothing could be further from the truth. NAR always understood that the payment would be reported in No on Tacoma Measure 1's C-4 form covering the period between 9/25/2023 to 10/16/2023. An invoice was sent to us on 10/05/2023, and a payment was processed on 10/17/2023. There is no harm to the public here. There is complete transparency in this process, and registering as an incidental committee is simply redundant. NAR is a 501(c)(6) trade association and not a "dark money" organization. Much of the information requested in the PDC's C-1IC and C-8 forms is already readily available in NAR's IRS Form 990, such as information about our officers.

As stated above, NAR diligently complies with all campaign finance disclosure obligations and will continue to do so. We relied on the exception provided in the statute and believe it still applies. Should the PDC require further information or want to discuss this matter, please do not hesitate to contact me.

Sincerely,

Darby Thorne  
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Director, Political Compliance  
National Association of REALTORS®