



**State of Washington
PUBLIC DISCLOSURE COMMISSION**

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908
(360) 753-1111 • FAX (360) 753-1112

Toll Free 1-877-601-2828 • E-mail: pdcc@pdcc.wa.gov • Website: www.pdcc.wa.gov

February 13, 2025

Delivered electronically to dthorne@nar.realtor

Subject: Complaint filed by Tacoma for All, PDC Case 143848

Dear National Association of Realtors:

Below is a copy of an electronic letter sent to Tacoma for All concerning a complaint filed with the Public Disclosure Commission (PDC).

National Association of Realtors signed a *Statement of Understanding* (SOU) on January 8, 2025 and paid a \$300 civil penalty in accordance with [WAC 390-37-143](#) (Brief Enforcement Penalty Schedule), acknowledging violations of RCW 42.17A.207, .235 and .240 for: (1) failing to timely register and report as an incidental committee in 2023. The \$300 penalty assessed resolves the allegations listed in this complaint.

Based on this information, the PDC finds that no further action is warranted and has dismissed this matter in accordance with RCW 42.17A.755(1).

If you have questions, you may contact Tabatha Blacksmith at 1-360-586-8929, toll-free at 1-877-601-2828 or by e-mail at pdcc@pdcc.wa.gov.

Sincerely,

Electronically signed Tabatha Blacksmith
Tabatha Blacksmith
Compliance Officer

Endorsed by,

Electronically signed Peter Frey Lavallee
Peter Frey Lavallee
Executive Director



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Toll Free 1-877-601-2828 • E-mail: pdc@pdc.wa.gov • Website: www.pdc.wa.gov

February 13, 2025

Delivered electronically to lawlor@workerlaw.com

Subject: Complaint regarding National Association of Realtors, PDC Case 143848

Dear Tacoma for All (Abigail Lawlor):

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on October 18, 2023. The complaint alleged that National Association of Realtors (“NAR”), a non-profit trade association, may have violated RCW 42.17A.207, .235 and .240 by failing to timely and accurately register and report as an incidental committee in 2023.

PDC staff reviewed the allegations and evidence you submitted; the applicable statutes, rules, and reporting requirements; the responses provided by National Association of Realtors (the “Respondent”); and other relevant information to determine whether the record supports a finding of one or more violations.

Applicable Laws & Rules

[RCW 42.17A.005\(28\)](#) defines an “incidental committee” to mean any nonprofit organization not otherwise defined as a political committee but that may incidentally make a contribution or an expenditure in excess of the reporting thresholds in RCW 42.17A.235, directly or through a political committee. A nonprofit that only remits payments¹ through their organization in an aggregated form is not an incidental committee or required to report such payments. The latter exception refers to payment aggregators or third-party intermediaries that provide payment processing services.

[RCW 42.17A.207](#) requires an incidental committee to register with the PDC by filing an *Incidental Committee Registration* (C-1ic report) within two weeks after the date the committee first 1) has the expectation of making any aggregate expenditures of at least \$35,000² in a calendar year to any election campaign or political committee; and 2) is required to disclose receipt of a payment of \$15,000³ or greater from a single source.

¹ [WAC 390-05-521](#) defines payments received by incidental committees to include any monetary transfer or in-kind value accepted by the incidental committee regardless of donative intent or benefit received by the payment’s source.

² Per [WAC 390-05-400](#), this dollar amount increased from \$25,000 to \$35,000 effective April 1, 2023.

³ Pursuant to [WAC 390-05-400](#), this dollar amount increased from \$10,000 to \$15,000 effective April 1, 2023.

Pursuant to [RCW 42.17A.235](#) and [RCW 42.17A.240](#) and upon registering with the PDC, an incidental committee is required to report the following information on an *Incidental Committee Payments and Political Expenditures Report* (C-8 report): 1) the ten largest single source cumulative payments of \$15,000 or more they received during the current calendar year; and 2) monetary or in-kind contributions made to a candidate or political committee. The due dates for subsequent C-8 reports are based upon the incidental committee's election participation and financial activity.

[WAC 390-16-013](#) contains additional information regarding incidental committee registration and reporting requirements.

Background & Findings

- The Respondent is a 501(c)(6) tax-exempt non-profit organization whose members include residential and commercial brokers, salespeople, property managers, appraisers, counselors, and other people engaged in the real estate industry. Members belong to one or more of approximately 1,200 local associations or boards and 54 state and territory associations of realtors.
- The Respondent's mission includes providing educational and member-orientated products and services, identifying and analyzing emerging public policy issues, and taking action with respect to legal issues for the benefit of their members throughout the U.S. and its territories.
- The Respondent's [website](#) states that they provide funding to state and local realtor associations via their Issues Mobilization Grant Program in furtherance of realtor and real estate-related state and local advocacy campaigns. The program allows state and local realtor associations to request grant funding from NAR and provides these associations with issue advocacy resources.
- An initiative petition to enact rental requirements for landlords and rental rights for tenants (which later became known as Resolution 41237) was submitted to the Tacoma City Clerk's Office on June 16, 2023, and the Pierce County Auditor verified the petition obtained the requisite number of signatures⁴ on June 23, 2023.
- On July 11, 2023, the City of Tacoma passed the following two resolutions regarding rental housing to be placed on the November 7, 2023 General Election ballot:
 - [Resolution 41237](#) for "City of Tacoma Citizens' Initiative Measure No. 1" (also known as the [2023 Landlord Fairness Code Initiative](#) or Tenant Bill of Rights), a ballot measure regarding rental requirements for landlords and rental rights for tenants.
 - [Resolution 41238](#) for Tacoma Measure 2, which also concerns rental requirements for landlords and rental rights for tenants. Measure 2 was proposed as an alternative to Measure 1 and would repeal and reenact portions of the city's housing code (Ordinance No. 28894).

⁴ Once the signature requirement is met, a local measure is de facto slated for ballot placement pending the city's transmission of the ballot measure to the county elections office.

- Both resolutions were transmitted to Pierce County Elections, which [received](#) them on July 13, 2023.
- Sometime prior to August 9, 2023, the Respondent received a grant request for their Issues Mobilization Grant Program to fund a local advocacy effort which initially included support for Tacoma Measure 2 but later shifted to oppose Tacoma Measure 1. The grant application appears to have been submitted by Tacoma-Pierce County Association of Realtors (“TPCAR”).
- The Complainant initiated court proceedings in Pierce County Superior Court on August 2, 2023 against the City of Tacoma challenging Tacoma Measure 2 (*Tacoma for All v. City of Tacoma* [case 23-2-08684-3](#)).
- On August 9, 2023, the Respondent notified Sean Martin, CEO of TPCAR, by email that their Issues Mobilization Grant of \$200,000 had been approved. Our research shows TPCAR did not receive the funds, once disbursed, or serve as a pass-through for the grant recipient.
- On August 30, 2023, the Pierce County Superior Court ruled that the alternative second ballot measure (Tacoma Measure 2) be stricken from the 2023 General Election ballot.
- The Respondent indicated that, after the court ruling, there was an informal strategy/administrative change concerning the purpose of the grant funding (e.g. from supporting Tacoma Measure 2 to opposing Tacoma Measure 1). Our research suggests this change in strategy occurred sometime between August 30, 2023 and October 5, 2023.
- No on Tacoma Measure 1 (“NOTMOC”) registered with the PDC as a local ballot measure committee on September 25, 2023 and indicated their opposition to Measure 1. Sean Martin is listed as NOTMOC’s Campaign Manager/Media Contact on the committee’s C-1pc report (*Political Committee Registration*).
- NOTMOC invoiced the Respondent for the \$200,000 Issues Mobilization Grant (contribution) on October 5, 2023.
- On October 10, 2023, TPCAR distributed an Advocacy Alert notifying their members that Tacoma Measure 1 would appear on the ballot for the 2023 General Election. In the alert, TPCAR said they had leveraged their memberships with the Respondent and another realtor organization (Washington Realtors) “successfully receiving \$200,000 and \$25,000 respectively, to oppose Tacoma Measure 1.”
- NOTMOC reported they received the \$200,000 contribution (grant) directly from the Respondent on October 17, 2023.
- On October 30, 2023, the Respondent provided a written response to the complaint allegations indicating their belief they 1) do not meet the definition of an incidental committee; and 2) are not required to register as an incidental committee based solely on making a one-time payment to a registered ballot measure committee.

- The Respondent cited the definition of an incidental committee set forth in RCW 42.17A.005(28), which contains an exception for non-profit organizations that only remit payments in an aggregated form (payment aggregators), and said they understood this exception to apply to them when they made the payment to NOTMOC.
 - The Respondent said the exception for payment aggregators and other parts of the incidental committee law are not clearly defined, no regulations have been promulgated, and there is little guidance from the PDC on this issue.
 - The Respondent denied the Complainant's accusation they were involved in a "shadow campaign." The Respondent stated they did not seek to conceal their activities and always understood that the payment would be disclosed on NOTMOC's reports. The Respondent also indicated their belief that there was no harm to the public, said the process is completely transparent, and that registering as an incidental committee would be redundant, adding that much of the information requested for an incidental committee is readily available on their IRS Form 990 federal informational return.
- The November 7, 2023 General Election [results](#) show City of Tacoma Citizens' Initiative Measure 1 passed with 50.43% of the vote.
 - An Initial Hearing (Case Status Review) was held for this case on January 11, 2024. Darby Thorne, Director of Political Compliance, and Jon Wacławski attended remotely.
 - The PDC received the Respondent's *Incidental Committee Registration* (C-1ic report) and C-8 report for 2023 on December 31, 2024.
 - The Respondent reached out to PDC staff on multiple occasions to check on the progress of their case and was cooperative throughout the investigation.
 - The Respondent does not have previous warnings/violations of PDC requirements.

Summary and Resolution

It appears the Respondent met the requirement to register as an incidental committee in 2023 based upon their 1) receipt of one or more single source payments of \$15,000 or more; and 2) expenditure of at least \$35,000 made to the political committee No on Tacoma Measure 1. The Respondent's good faith misunderstanding regarding the factors that trigger the incidental committee registration requirement is a mitigating factor.

National Association of Realtors signed a *Statement of Understanding* (SOU) on January 8, 2025 and paid a \$300 civil penalty in accordance with [WAC 390-37-143](#) (Brief Enforcement Penalty Schedule), acknowledging violations of RCW 42.17A.207, .235 and .240 for failing to timely register and report as an incidental committee in election year 2023. The \$300 penalty assessed resolves the allegations listed in your complaint.

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Endorsed by,

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Peter Frey Lavalley
Executive Director

cc: National Association of Realtors