

6/5/07

Fitzsimon File

Profits or progress?

by [Chris Fitzsimon](#)

One of the most heated debates this legislative session has not yet come up in any committee discussion or floor debate in the House or Senate. Instead, it's being fought with television commercials, slick and misleading direct mail, and preposterous claims on television talk shows.

The issue is how to pay for the new schools, parks and open space, affordable housing, and transportation improvements needed to keep up with the state's exploding growth.

No one disputes growth projections recently released by the Partnership for North Carolina's Future. The state's population will increase by 50 percent by 2030. The state needs to build a new school every week for the next five years just to keep up and 178,000 students now spend their school day in trailers because the classrooms are full.

More than two million people already facing a housing crisis, either living in substandard housing or homes they can't afford. More than 100,000 acres of forests, farmland and natural areas are lost to development every year.

Those are the facts and all but the do-nothing free market fundamentalists agree that state leaders should do something about it by making major investments in the state's infrastructure to preserve the quality of life that has everybody moving here.

Most interest groups and advocates also agree that a massive statewide bond issue that builds schools, preserves open space, invests in affordable housing and helps local government with water and sewer projects must be part of the solution. But paying off the debt of as much as \$5 billion will also take a dedicated source of revenue and that's where the wheels come off in the debate and the misinformation begins.

The Partnership and other supporters of making the investments believe that all possible revenue sources should be considered, including a one percent real estate transfer tax that local governments could raise if the people approved it in a referendum.

Merely the suggestion of the transfer tax ignited a fierce propaganda campaign by the N.C. Association of Realtors. The group is apparently worried that the \$600,000 realtors contributed to legislative campaigns in 2006 may not be enough to convince lawmakers to exempt the real estate industry from paying its share of the costs associated with the state's growth.

The several hundred thousand dollar campaign comes complete with television ads, a website— itsabadidea.org, and slick direct mail that brings to mind negative political

campaigns with offensive claims and twisted language.

The first television ad said the transfer tax was a “tax on the American dream,” forgetting that the American dream also includes quality schools, parks, and an adequate transportation system. And that the reason homes increase in value is that people want to live in North Carolina because of the schools and other services that governments provide.

The realtors’ rhetoric went from talking about the American dream to attacking the motives of people who want to preserve it. The latest direct mail piece says that the Partnership for North Carolina’s Future should be called “The Coalition to Raise Your Taxes,” and that everyone involved with the Partnership has “something to gain when the Legislature raises our taxes. It’s just that simple.”

That’s true. It is simple. Groups in the Partnership do have something to gain. Enough schools to educate the state’s children, more affordable places for families to live, more parks and open spaces for the state’s citizens to enjoy. That petty, selfish Partnership.

The Realtor’s have but one objective, to protect their profits that in 2006 added up to at least \$1.72 billion. That figure is just from sales on existing homes. The actual number is certainly much higher. Improving the state’s quality of life or protecting billions in profits? That’s what the debate really comes down to.

That’s why the realtors even oppose the right of people to vote on the transfer tax. Asked on a recent television show why he is opposed to allowing people to vote on how to pay for schools, Tim Kent of the Realtors Association said that it would be an “exercise in futility,” because a poll conducted by the Realtors shows that the majority of people in the state oppose the transfer tax.

Interesting idea, to replace actual elections and popular votes with polls conducted by special interest groups. Might be a perversion of democracy, but it would save the state a lot of money.

No matter how hard the realtors try to spin it, a transfer tax makes sense to help pay for the costs associated with the growth that brings the realtors their massive profits, the money they are now using to mislead the public and the General Assembly.

It might be time for the realtors to launch a new website to set the record straight.

Its-about-protecting-our-billions.org.