

## LOCAL CANDIDATE RECOMMENDATION COMMITTEE (LCRC) – FAQ’s

**What is LCRC?** LCRC stands for Local Candidate Recommendation Committee. LCRC is part of CREPAC (the California Real Estate PAC which is the state version). LCRC funds are used to contribute to candidates for local office.

**Who May Our LCRC Contribute To?** The LCRC makes contributions to local candidates such as mayors, city council members, sheriffs, county supervisors, school and water board members, and other local elected officials. CREPAC makes contributions to state candidates for Governor, constitutional offices, State Senate, Assembly, and other statewide higher offices. These decisions are solely determined by the state CREPAC Trustees. Local associations are urged to work with state trustees and staff throughout the state candidate selection process. Local associations are also asked to provide the CREPAC Trustees with formal recommendations on candidates running for state office in their local jurisdiction. CREPAC trustees make recommendations to the RPAC trustees who are the sole decision maker on federal candidates.

**What legal issues are involved?** CREPAC retains an outside legal firm to handle all political legal questions relating to political law. The firm reviews EVERY request, local and state, for legality and adherence to applicable local and state contribution limitations. All questions on LCRC legal matters go through CREPAC staff, who consults with the attorneys on all issues.

**Does our local association have its Own PAC?** No. LCRC accounts are not separate legal organizations; they are subcommittees of CREPAC using the same tax identification entity for purposes of state and federal political laws and the LCRC are governed under the CREPAC State Bylaws. Local association’s financial and account balances are kept on spread sheets in a financial system. C.A.R. takes care of all government required reporting responsibilities as well as insuring compliance with established reporting regulations on the state and local level.

**How do I find out what our balance is in our LCRC account?** Please contact Alan Atienza at 213-739-8254 or Lisa Edwards at 916-492-5211 for your BORPAC balance. Balances may also be obtained by visiting the CAR website: [www.car.org](http://www.car.org) > Governmental Affairs > CREPAC\LCRC or: <http://www.car.org/governmentalaffairs/crepac/lcrc/>

**Can our association exchange funds between LCRC and IMPAC accounts?** Yes, we have the **Exchanging LCRC Funds and IMPAC Funds** program. This program permits a dollar-for-dollar exchange from one PAC fund to another. If your association does not have enough funds in either their LCRC or IMPAC transfers of funds cannot be done within your own association.

For Example: Association X’s local IMPAC dollars for association Z’s LCRC dollars)

LCRC Dollars = Candidate Support and IMPAC Dollars = Issue Advocacy

Ø Note: While AORs may exchange LCRC funds for IMPAC funds, AOR’s cannot use IMPAC funds for candidate contributions or IE purposes. AORs willing to exchange local IMPAC and LCRC funds must appear on a C.A.R. registry. To appear on the registry Boards must: a) Obtain approval from local association; b) Send a letter to C.A.R.’s Accounting Staff that includes the amount and type of funds requested with a copy of the minutes authorizing the exchange and c) Include the appropriate funding request form to release the monies that will be exchanged (i.e. Use the “LCRC Funding Request Form” to exchange LCRC funds for IMPAC funds and vice and versa.)

**What is a “Cooperative Agreement?”** A CREPAC\LCRC Cooperative Agreement is a contract that the LCT (Local Candidate Trustees) and Board President signed every year agreeing to the policies and uses of LCRC funds. Before you can receive requested LCRC funds, each year a new Cooperative Agreement must be signed and submitted to C.A.R. These forms can be found online at the website. This agreement protects you, the AE, the Trustees and the C.A.R. staff by ensuring that the persons signing the funding request form is a legal signer.

**What is an “Allocation Formula?”** Every year the LCRC should review their 30% allocation to the PACs. The majority of the Associations split their RAF funds evenly, but not all do. Some associations send 100% to LCRC one year and switch the allocation to IMPAC the next year. The allocation may not be changed after RAF funds from the dues billing statements have come in. It is recommended that this is done in January or February of each year.

**How do we maintain a bipartisan posture?** One common source of problems is the clash of different political ideologies between LCRC members. LCRC decisions, on which local candidates to fund, should always be based on who will best represent REALTOR® interests, not on membership in one political party or the other. On the state level, CREPAC has a long, bipartisan history of contributing to members of both parties who support organized real estate.

**How many Trustees should there be?** Depending upon the average size of your membership, this may be anywhere from 3 – 10 persons. There are many different combinations of committee makeup.

**How are Local Candidate Trustees chosen?** How the committee structure is set up is completely at the local association’s discretion. Local associations may choose to keep the same structure as they maintained previously for BORPAC. Local associations may also use their local government relations or political affairs committee to serve as LCRC Trustees. However, it is suggested that depending upon the size of a local association of REALTORS® membership, the committee should have a minimum of 3 and no more than 13 Trustees. The Trustees are either elected by the local association of REALTORS® or they can be appointed by the leadership of the local association of REALTORS®. To retain continuity, it is recommended that each Trustee serve a 2 or 3 year staggered term. The LCRC (or the local association) must keep minutes of its meetings, including decisions to recommend support for candidates.

**How does our LCRC interview and meet the candidates?** Contact potential candidates for local office to interview with your Local Candidate Trustees after they have completed a local candidate questionnaire. Be sure and only ask real estate related questions. Find out who their campaign manager is, how much money they have raised and who they hope to solicit contributions from.

Be sure to invite your local association leadership to all interviews. Not only may they have a different insight into the candidate, but keeping the leadership in the loop helps avoid future potential conflicts.

**How does our association use candidate questionnaires?** CREPAC sends out questionnaires each election cycle to those running for state office. Your LCRC may use this questionnaire or craft one that fits the needs of your individual association to help interview local candidates for office. Remember: stick to real estate issues only. The State Candidate Questionnaire can be found on our website: <http://www.car.org/governmentalaffairs/crepac/lcrc/>

**What is the difference between “endorsing” and “supporting” candidates?**

**Endorsing vs. Supporting Candidates:**

The CREPAC Trustees may provide monetary support to candidates but that is not the same as C.A.R. endorsing candidates. LCRC recommendations for funding are similarly requests for monetary support but do not constitute an Association endorsement of a candidate. An endorsement requires a separate vote by the local association board. Your local association and LCRC should carefully consider the implications of providing anything other than financial support to local candidates.

Ø Support: It is a financial contribution to a candidate.

Ø Local association endorsement: Indicates that the AOR supports this candidate as an organization and that the candidate can publicize such endorsement.

**What are “Independent Expenditures?” Independent Expenditures (IE)** Another way to use your local LCRC funds may be an independent expenditure (IE). **An IE campaign may not coordinate, in any form or fashion, with the candidate and/or the campaign for which the independent support is being provided.** Independent expenditures mean that there is no coordination, consultation or communications with the candidate. Non-compliance will result in significant political law violations and corresponding penalties. All independent expenditures have to be approved in advance through staff and through outside political legal counsel first.

**Confidentiality Agreement: To help facilitate “no coordination” with candidates on Independent Expenditure Campaigns, it is suggested that the LCRC Trustees sign a Confidentiality Agreement, which can be used at the local level.**

**How can we obtain contribution information from our local governments?** Develop political networks in each local government area. Basic information is usually available from your local city clerk’s office. If you have multiple cities in your area you will need to contact each city. Different cities have different contribution limits while some have no limits at all. You will also be able to get a list of who is running and what term they have. Call school boards, water boards, county supervisors’ offices, and others within your area. etc.

**QUESTIONS?** Please contact Lisa Edwards, CREPAC\LCRC Coordinator at [lisae@car.org](mailto:lisae@car.org); 916-492-5211. Questions about account balances: Alan Atienza at 213-739-8254