



## How to form your own appraiser coalition

***The past two years has seen a raft of legislation at the state and federal level that affects appraisers. Instead of sitting passively on the sidelines, many appraisers are working to effect change in their home states by forming appraiser coalitions and political action committees. This is a step-by-step guide to what you need to know to form your own coalition of appraisers.***

Ever since licensing was introduced into the appraisal industry, there have been several grass-roots movements to unify appraisers at a state level beyond the trade groups and professional associations. These calls for unity have come in the form of appraiser coalitions or political action committees, growing from informal get-togethers of appraisers with a common goal into sophisticated incorporated bodies that can effect real legislative change for appraisers.

Estimates suggest there are a dozen political action committees and state coalitions across the country, although no official tally exists. Two of the oldest and biggest are the Appraisers Coalition of Washington (ACOW) and the Illinois Coalition of Appraisal Professionals (ICAP). Both came into being more than a decade ago. Other states with political action committees include Arizona, North Carolina, Nevada and South Carolina.

Having a lasting effect on legislation and determining the course of their own destiny is the driving force behind the formation of political action committees (PACs) and appraiser coalitions. The difference between the two terms is in their scope of purpose — whereas both are associations of professionals, a PAC exists solely to affect change at a legislative level, while a coalition can, and often does, have alternate goals of education and raising awareness of issues that impact appraisers.

Whichever group you are looking to form, though, there are a number of steps that need to be taken in order to be an effective unit. Valuation Review spoke to representatives from three coalitions, in Illinois, Nevada and Washington respectively, to learn how they did it and what you need to know if you're thinking of starting your own coalition in your home state.

### **Set your goals**

Before setting out to form a coalition, you need to ask yourself what you want to achieve. What issues are you most passionate about? What legislation is pending in your state that could have an impact on the way you do business? Do you want your coalition to be involved in raising the awareness of appraisal issues in your state or to concentrate solely on having a say in legislation? Will your coalition offer educational opportunities for its members? All of these questions need to be answered before any steps can be taken to establish a coalition.

The Coalition of Appraisers in Nevada (CAN) came into being as a result of a task force set up by the state's Real Estate Commission to look into broker price opinions. In the course of its investigation, the task force learned of legislation coming up that would address exactly that issue. "Once we knew that the issue was going to be decided legislatively, our group began discussing the idea of forming a PAC so that



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we would have a ‘seat at the table,’” said **Michael L. Brunson**, the president of CAN. “Our discussions quickly expanded to include other issues facing the valuation profession. At that point we realized that in order to have any kind of effective voice, we needed to organize.”

### Fill out the paperwork

Each state has its own particular requirements for the registration of a coalition or PAC. The most important issue is to decide the legal status of your organization, as this will determine its taxable status and if members are able to write off any donations they make.

Once you’ve made that determination, you need to set up a board and a series of bylaws and articles. The president of ACOW, **Stan Sidor**, is the vice president and branch manager for Valuation Advisory Group at GVA Kidder Matthews. He explained the need for a coalition to have internal policies. “The bylaws are set up to clarify the structure of the organization and the authority of the board, as well as the member officers of the board and how they’re elected and what their basic duties are.”

But it’s important to check the laws in your state that relate to forming coalitions. “We were required to register any member of CAN that was going to meet with the legislators during the session as a lobbyist,” said Brunson.

### Get members

A number of coalitions begin from informal get-togethers of appraisers united by an interest in a specific issue, or from appraisers working together on another project, as in the case of CAN. Once formed, though, it is important to get as many appraisers on board as possible to add credibility and weight to the coalition.

“We’re always trying to get new members to sign up,” said Sidor. “We want all the appraisers in the state to sign up.” He estimated that ACOW membership covers roughly a quarter of all appraisers in the state. Word of mouth can help grow the membership from a grassroots level. But there are other methods of recruitment drives.

“One of the most effective ways we got membership right off the bat, was that since we had the sponsoring organizations or members from the sponsoring organizations on our board, we just went right to their

membership,” said **Randy Neff**, chairman of the coalition development committee at ICAP and a partner in the Neff Valuation Group in Peoria, Ill.

As ICAP was originally formed before the Internet took off, they used direct mail campaigns. “We got the list of licensees from the state of Illinois and sent out mass mailings explaining who we are and what we’re doing,” Neff added. He also suggested contacting other professional organizations such as The Appraisal Foundation, the Appraisal Institute and the American Society of Appraisers.

Sidor uses frequent e-mail blasts to reach appraisers in Washington with information on what the coalition is doing and encouraging them to sign up as members. “For others we send out a hard mailing but that costs money so we have to be selective about when we send them out,” he added. “Unfortunately a lot of people consider unfamiliar mail to be junk mail. Or they read it but they are still unconvinced that ACOW is something that they need.”

### Reach out to everyone

To make a lasting change, appraisers need to present a unified front. “You don’t need several PACs, you just need one,” said Neff. “When we talk, we can say we represent the appraisal profession in Illinois and that gives us credibility.”

State lawmakers are used to being approached by professionals groups and unions who present a united front. The long-standing independent and fractured nature of the appraisal industry is not immediately understood by those outside the profession and can count against appraisers looking to get support or opposition for a particular piece of legislation. “Legislators only look at appraisers as an organization or a group, like firefighters or policemen or lawyers. ACOW was formed so we could speak with one voice to the legislature we can speak on behalf of all appraisers,” said Sidor.

Sidor gave an example of a piece of legislation that had appraisers divided in favor and opposition. It can be difficult, if not impossible, for legislators to know how to treat such a splintered industry. Without a formed bloc of professionals pulling in one direction or another, how would lawmakers know what legislation would be most effective for appraisers?

Coalitions are usually open to all appraisers regardless of



professional affiliations, but it's those without associations that can be the hardest to reach. "Unaffiliated appraisers, who tend to be more independent and don't belong to the professional organizations, don't seem to feel the need [to join]," said Sidor. "We're trying to reach out to these unaffiliated appraisers and get the message across why it's important we need their support."

### Raise funds

Having a united voice is one thing, but it is increasingly hard for that voice to be heard without any kind of financial backing. The actions a coalition needs to take in order to effect change, such as recruiting new members and hiring lobbyists, costs money. So where can this money come from?

One way is membership dues, although these are traditionally quite low. ACOW charges only \$25 for a year-long membership, ICAP only \$50. But if enough appraisers join, this can add up to a sizeable war chest. But membership dues aren't always necessary. "In our first year we decided that we would not charge dues, but instead ask our members to choose between donating their time or their money — some gave both," said Brunson. He added that CAN also received private donations from individuals and corporate sponsors, as well as other appraisal organizations.

Another good source of revenue can come from offering continuing education classes. ICAP holds seminars that have been approved by a state board. Neff indicated that the seminars are one of the main ways the coalition raises money. In addition to educational forums, ACOW also holds an annual summit for appraisers.

### Hire a lobbyist

The most important action a coalition can take is to hire a lobbyist. Everyone that Valuation Review spoke to for this article stressed the importance of having someone with connections to the state legislature. "It's critical," said Sidor. "Some appraisers have asked why we need this lobbyist as it's obviously the biggest expense in our budget. But who else is going to monitor all the legislation that's being introduced to find out if there's anything that would have an impact on our profession and our business?"

Sidor also pointed out the need for someone intimate with the legislative process at a state level and who is able to find potential sponsors for bills, representatives and senators who

are sympathetic to the appraisal cause. "You need someone who is there everyday while the legislature is in session, someone who can get the ear of legislators and solicit their support," he added.

Neff agreed that working to get change without a lobbyist would be tough. "There are so many things that happen every day at state government and having someone there who knows the ins and outs and can gain access to politicians is invaluable," he said. A lobbyist is also useful for helping educate a newly-formed coalition on the intricacies of local government.

When looking for a lobbyist, determine what criteria is most important for your coalition. "For us, we needed someone with the experience and the contacts," said Neff. "Our lobbyist understood how the state political process works and had a good reputation of working with both Democrats and Republicans."

Both Sidor and Neff said that they had relied on referrals for finding a lobbyist. Neff added, "As we went through the process, we talked to other professional organizations to find what's important in a lobbyist and what we should look for." ICAP has used the same lobbyist since its inception in the mid-90s.

Sidor also cautioned against hiring a lobbyist only for specific legislation. "You can't just find someone to come in and represent you on an as-needed basis, you need someone who stays up to speed on the issues," he said. "Otherwise, you'd have to start all over to get somebody to understand what it is that we do, how we do it and why it's important."

### Get a Web site

A Web site can be a vital communication and recruitment tool for any prospective coalition. When CAN was first started, it looked to other coalitions for guidance. "We called ICAP and were told that we needed two things — a web site for communication and a lobbyist for representation," said Brunson.

The ICAP Web site is a good example of an incentive for appraisers thinking about joining. "You get access to all the things on the Web site [as a member]," said Neff. "There are so many data sources on there, all kinds of information appraisers can use. It was built solely by appraisers in Illinois who would say, 'here's a link to a great site.'" The Web site also acts as a resource and education tool for



appraisers or legislators looking to learn more about the profession.

It can also be used to keep members in the loop about the progress of a particular piece of legislation. Newly-formed coalitions interested in creating their own Web site can look to other coalitions for examples of what works and what doesn't.

### **Be willing to compromise**

"You can't be an idealist in the political arena," said Neff. "You need to have some give and take." Sidor gave an example of recent appraisal management company legislation that passed the House in Washington's state legislature.

An initial draft of the AMC regulation bill came under heavy opposition from some of the larger national companies. State legislators who wanted more time to get up to speed on the issue were willing to postpone any legislation for a future session but ACOW wanted to a law onto the books this year.

So a compromise had to be reached. "Its political reality," said Sidor. "I felt it imperative that we at least get something on the books this year, so we agreed to eliminate certain provisions. But it's still enough of a bill that it's going to do something for appraisers. It was critical that we got something passed so we could build on it and amend it in later years, rather than just shoot for everything and not get anything."

### **Have patience**

A coalition is a voluntary effort, so expect to put in a lot of time without much immediate reward. It is not for those who cannot sacrifice their time and energy. "It takes a tremendous amount of volunteer time and effort," said Sidor. "You have to have people who are passionate about the issues and the legislative process." He noted that the time devoted to the coalition takes away time from appraising itself.

Don't expect quick results — ICAP recently got a bill for mandatory licensing process passed after working on it for five years. "We've evolved over these last 15 years and each year we've gotten a little bit stronger and stronger," added Neff. "It's been quite a process."

Forming a coalition remains the most effective way for appraisers to have a say in the direction of appraising. "It takes commitment and a lot of hard work, especially in the first few years," said Brunson. "But the alternative is to quit or continue in a profession where others determine our fate."



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