

February 25, 2020

Testimony on HB 953
Public Ethics – Issue Lobbying Communications -
Lobbyist Registration and Disclosure Requirements

House Environment and Transportation Committee

Position: Oppose

Maryland Nonprofits is a statewide association of more than 1100 nonprofit organizations and institutions. Protecting and strengthening the voice of nonprofits on behalf of their clients and missions is an important principle for our organization. Now more than ever their ability to educate the public about needs in their communities is an important role for these organizations.

We believe that the sponsors of HB 953 did not intend it to impede or burden that work. While foundations are not allowed under the Internal Revenue Code to directly fund lobbying, they can support organizations in their efforts to educate the public about their causes, and many nonprofits include that in their missions. In fact it is often critical to their efforts to generate public support, and to fundraise.

Regulations of the IRS recognize that public messaging on charities' issues is fully permissible as long as it does not become "grassroots lobbying" by including a "call to action". But for state ethics purposes, House Bill 953 would expand the definition of lobbying to include most of this public education, with a new term "issue lobbying" creating a dramatic difference in what is regulated.

We believe this difference would be harmful to nonprofits' ability to continue their education efforts, as many foundations still shy away from supporting "lobbying" in any way with their funding. Further, organizations that do research and use that in extensive public education work, may find that they now have become "organized and operated for the primary purpose of attempting to influence legislative or executive action" even though they stay well within the limited lobbying they are permitted under IRS rules. This would bring them under the extensive disclosure rules being expanded in the bill, regarding their donors and foundation or other supporters, and quite possibly silence them.

For these reasons we must oppose HB 953 as introduced, and in that form, ask you to give it an Unfavorable report.