



HB 25 - 1170 : LOBBYING BY NONPROFIT ENTITIES

CONCERNING LOBBYING ON BEHALF OF A CHARITABLE TAX- EXEMPT NONPROFIT ENTITY BILL SPONSORS: REP. ELIZA HAMRICK,
REP. ANDREW BOESENECKER & SEN. FAITH WINTER

THE PROPOSED LEGISLATION *as amended*

Permit leaders and staff members of 501(c)(3) nonprofit organizations to have limited contact with state elected and covered officials regarding legislation that impacts their missions and communities without having to register as a lobbyist.

THE CURRENT LAW

If a nonprofit leader or staff member, as part of their job, engages in (1) a single communication (direct or indirect), (2) with a state elected or covered official, (3) regarding a specific bill, the law requires that leader or staff member to register as a lobbyist with the Secretary of State (pay a \$40 registration fee, and file 72-hour disclosure statements and monthly reports for a minimum of one year).

WHY THIS LEGISLATION MATTERS

- Current state lobbying rules have a chilling effect on the ability of 501(c)(3) nonprofit organizations to engage elected officials on legislative affairs on behalf of their missions.
- 501(c)(3) nonprofits are subject to regulations on advocacy such as federal lobbying limits, prohibition on political campaign activities, and ethics and gift restrictions.
- Nonprofit leaders are already hesitant to engage in advocacy for fear of putting their organization's nonprofit status in jeopardy, having to first register as a lobbyist before making minimal contacts with state lawmakers is an excessive and undue burden.
- Nonprofits have the most experience with issues impacting their communities, often representing those with lived experience. Hampering nonprofit leaders and staff from discussing specific legislation with state elected and covered officials leaves critical expertise and voices behind in decision-making and legislative processes.
- Government works best when state legislators and public policy makers have access to unencumbered information and all perspectives and voices are represented.

WHY IS THIS IMPORTANT NOW?

- In 2024, legal precedent was established when the Secretary of State fined a nonprofit staff member and required that person to register as a lobbyist after they communicated with only six state lawmakers for a few hours over a two-day period during the 2024 legislative session. Due to this precedent, there is legitimate concern that competing interest groups will weaponize this rule and report the smallest infractions to stifle speech and punish nonprofit organizations.

CONTACTS

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HOW THE LAW WILL CHANGE

- This legislative proposal amends state statute to ensure nonprofits can spend a limited amount of time engaging elected officials on legislative affairs without having to first register as a professional lobbyist, while still ensuring the transparency of their communications.

Permit nonprofit leaders and staff members to meet with state

- elected and covered officials for no more than 30 days a year (with no more than 20 of those days falling in a legislative session) to engage on legislation relevant to their missions and communities they serve.

Whenever a nonprofit leader or staff member contacts a state elected or

- covered officials they are required to submit a disclosure statement to the Secretary of State within 72 hours.

When sending multiple staff members to meet with a state elected

- or covered official, only one day will count towards the 30-day

SUPPORT & ENDORSEMENTS

The Colorado Nonprofit Association is compiling a list of nonprofit organizations across the state that support this legislative effort. The list will be shared with other nonprofit leaders.

The Association is not sharing our list of supporters with Colorado lawmakers because that would be considered lobbying activity, and as a result, each organization would fall under the current rule that requires lobbyist registration and disclosure with the Secretary of State's office.

To join our growing list of support, please contact Jack Murphy at JMurphy@coloradononprofits.org

AMENDMENTS

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Amendments offered in committee will address input from our stakeholder work. These amendments add a legislative declaration for clarity, further narrow the time frame for activity from 30 days to 12 hours in a calendar year. Amendments also change the title “nonprofit lobbyist” to “nonprofit advocate,” and specify the reporting unit minimum of one hour.