



SB 1349 / HB 4266 – SUPPORT

Nonprofit Lobbying Registration Fee Waiver

Sens. Gillespie - Edly-Allen; Cervantes, Fine, Cunningham, Koehler, Halpin, Toro, Murphy
Reps. West – Stuart – Spain; Avelar, LaPointe, Blair-Sherlock, Moeller, Hanson, Benton, Mason, Olickal,
Croke, Chung, Gonzalez, Johnson, Gill, Burke, Cassidy

SUMMARY:

SB 1349 / HB 4266 directs the Secretary of State’s office to grant a waiver of the lobbyist registration fee for 501c3 nonprofits with an annual budget of less than \$5,000,000, including a waiver for any lobbyist that exclusively lobbies on behalf of such an entity.

EQUITY NOTE:

Smaller 501c3 nonprofit organizations have greater difficulty finding unrestricted revenue to use for lobbyist registration fees compared to the private sector. Additionally, multiple bodies of research show that **smaller nonprofits are more likely to be led by People of Color and/or serve Communities of Color**. Removing the fee barrier will support inclusion of their voices in the policymaking process.

RATIONALE & BACKGROUND:

- Only the fee is waived. 501c3 nonprofits that lobby will still be required to register.
- Illinois’ lobbyist registration fee is set in statute at \$300 per entity + \$300 per lobbyist; there are no exceptions. A statutory change is required to provide a nonprofit fee waiver.
- **Illinois’ fee is the highest in the nation.** 15 states have no fee in statute for any registrants (among those, 5 set fees by rule or Commission); 10 have fees \$25 or less; 15 have fees of \$100 or less; 8 have fees \$250 or less; 2 have fees above \$250 but both have spending thresholds before fees apply. Among those with fees, 4 reduce or waive fees for nonprofits.¹
- Many or most nonprofit grants and contracts prohibit the use of funds on lobbying fees.
- Eliminating the fee barrier will improve compliance with lobbying rules and civic engagement.
- City of Chicago also waives fees for those exclusively lobbying on behalf of a nonprofit.
- Waiving lobbyist registration fees for 501c3 nonprofits will ensure legislators continue to hear crucial perspectives from their local nonprofit stakeholders.
- There is **no impact to the General Revenue Fund** with this change; fees are deposited into the Lobbyist Registration Administration Fund (25 ILCS 170/10).
- ~31% of 501c3 public charities in IL have expenses less than \$5M (GuideStar 1/24).

¹ Source: <https://www.ncsl.org/ethics/lobbyist-registration-requirements>