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## *A Place at the Table* Policy Brief: New York State's Lobbying Act

Monday, 05.09.2022

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### Analysis by

Chai Jindasurat, Vice President, Nonprofit New York

## A Place at the Table

The A Place at the Table campaign seeks to increase access for smaller, grassroots nonprofits to engage in the policymaking process. According to national data, **only 3% of nonprofits lobby**.<sup>1</sup> Despite having a legal and constitutional right to lobby,<sup>2</sup> many under-resourced organizations<sup>3</sup> choose not to engage in permissible advocacy because they fear they are ill equipped to handle the administrative burden that comes with lobbying rules, regulations, reporting, and penalties.<sup>4</sup> This effectively **takes the voices of organizations closest to communities out of the legislative process** in New York. A Place at the Table wants to expand the range of voices heard by legislators by raising the state's lobbying expenditure threshold for 501(c)(3) not-for-profits required to register as a lobbyist from \$5,000 to \$10,000.

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<sup>1</sup> National Council of Nonprofits. (2019). Nonprofit Impact Matters.

<sup>2</sup> 26 U.S.C. § 501(c)(3)

<sup>3</sup> BIPOC-led nonprofits have less access to resources compared to white-led organizations and may be particularly burdened. The Bridgespan Group and Echoing Green. (May 2020). Racial Equity and Philanthropy: Disparities in Funding for Leaders of Color Leave Impact on the Table.

<sup>4</sup> Joint Commission on Public Ethics. Lobbying Laws and Regulations. 19 NYCRR Part 943

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## History of New York's Lobbying Law: Expenditure Threshold Unchanged Since 2006

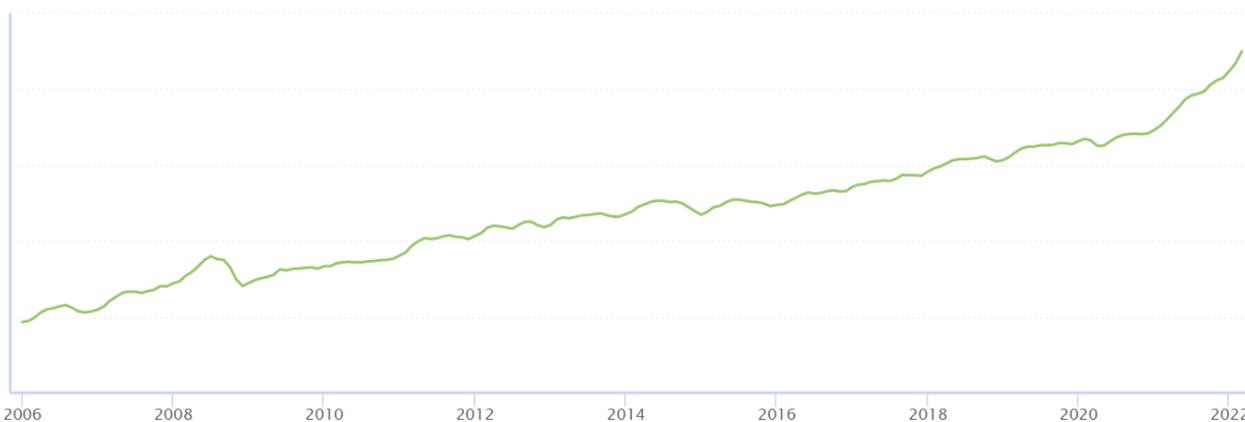
In 1981, New York enacted the Lobbying Act, establishing a \$1,000 expenditure threshold required for entities to register as lobbyists with the state.<sup>5</sup> In 1999, the Lobbying Act established a \$2,000 expenditure threshold.<sup>6</sup> The lobbying expenditure threshold increased from \$2,000 to \$5,000 in 2006, pursuant to legislation passed in 2005.<sup>7</sup> According to the sponsor's memo, the increased expenditure threshold was intended to **"reflect inflation and to require that all thresholds shall be computed cumulatively for all lobbying activities."**<sup>8</sup>

## The State At Least Doubled the Threshold with Each Change

The expenditure threshold was doubled to \$2,000 in 1999. Seventeen years later in 2006 **the threshold increased by 150% from \$2,000 to \$5,000**. Sixteen years later, in 2022, **a 150% increase in the lobbying expenditure threshold would be \$12,500**.

In the period since the threshold was raised, the inflation rate was approximately 45%,<sup>9</sup> and the current inflation rate is at a 40 year high.<sup>10</sup>

**Bureau of Labor Statistics, CPI for All Urban Consumers 2006 to 2022**



<sup>5</sup> § 1 of Ch. 1040 of 1981. N.Y Legis. Law § 1 (McKinney)

<sup>6</sup> Ch. 2 of 1999 § -e. 1999 Sess. Law News of N.Y. Ch. 2 (A. 9094) (McKinney)

<sup>7</sup> Section 5 of Ch. 1 of 2005 § 5(3)(i)(b). N.Y. Legis. Law § 1-e (McKinney)

<sup>8</sup> Sponsor Memo - Ch 1 of 2005. Purpose (iv)

<sup>9</sup> Bureau of Labor Statistics, CPI for All Urban Consumers January, 2006 to March, 2022.

<sup>10</sup> Bureau of Labor Statistics. (April 2022). Economic News Release: Consumer Price Index Summary.

## 99% of Lobbying Activity Expenditures Would Still Be Reported with a \$10,000 Threshold

Based on 2020 lobbying filing data, if the state raised the threshold from \$5,000 to \$10,000, **99% of all expenditures would still be reported.**<sup>11</sup>

**Data from JCOPE's 2020 Annual Report Dataset for Clients**

	Filers that Spent Under \$10,000	Filers that Spent \$5,000 to \$9,000	All Filers	Filers that Spent Over \$10,000	Top 100 Spenders	Top 200 Spenders
<b>Number</b>	476	213	3,528	3,052	100	200
<b>Percent of Total Number</b>	13%	6%	100%	87%	3%	7%
<b>Total Spending</b>	\$1,863,705	\$1,533,681	\$266,986,956	\$265,123,251	\$60,983,340	\$87,112,527
<b>Percent of All Spending</b>	0.70%	0.57%	100%	<b>99%</b>	23%	33%

Raising the lobbying expenditure threshold to \$10,000 after sixteen years is a reasonable policy proposal. This policy would ensure policy makers hear from the full range of their constituents and create greater access for under-resourced nonprofits, without reducing transparency and oversight of lobbying activities.

## Recommendations

- The state should **enact S6398 (Biaggi)/A6943 (González-Rojas)**, which would raise the expenditure threshold for 501(c)(3) not-for-profits required to register as a lobbyist from \$5,000 to \$10,000.
- The state should enact legislation that would **adjust the expenditure threshold to the Consumer Price Index**, similar to the federal Lobbying Disclosure Act.<sup>12</sup>
- The state should **regularly hold hearings and listening sessions on challenges** for under-resourced community based organizations to **engage in the policymaking process**.

<sup>11</sup>Joint Commission on Public Ethics 2020 Annual Report Dataset for Clients. Available at [jcope.ny.gov/2020-annual-report-and-related-data](http://jcope.ny.gov/2020-annual-report-and-related-data)

<sup>12</sup>The federal Lobbying Disclosure Act updates the expenditure threshold every four years to reflect changes in the Consumer Price Index. Lobbying Disclosure Act of 1995.