

Nonprofit advocacy brings more voices
into the policymaking process.

**NONPROFIT
NEW YORK** | A relentless,
collective
force for good.

#APlaceAtTheTableCampaign

Yes, We Can And Should!

Contact your legislators to tell them you support **S6398/A6943** today!

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

Monday, 05.09.2022

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**.¹ Despite having a legal and constitutional right to lobby,² many under-resourced organizations³ 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.⁴ 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.

¹ National Council of Nonprofits. (2019). Nonprofit Impact Matters.

² 26 U.S.C. § 501(c)(3)

³ 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.

⁴ Joint Commission on Public Ethics. Lobbying Laws and Regulations. 19 NYCRR Part 943

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

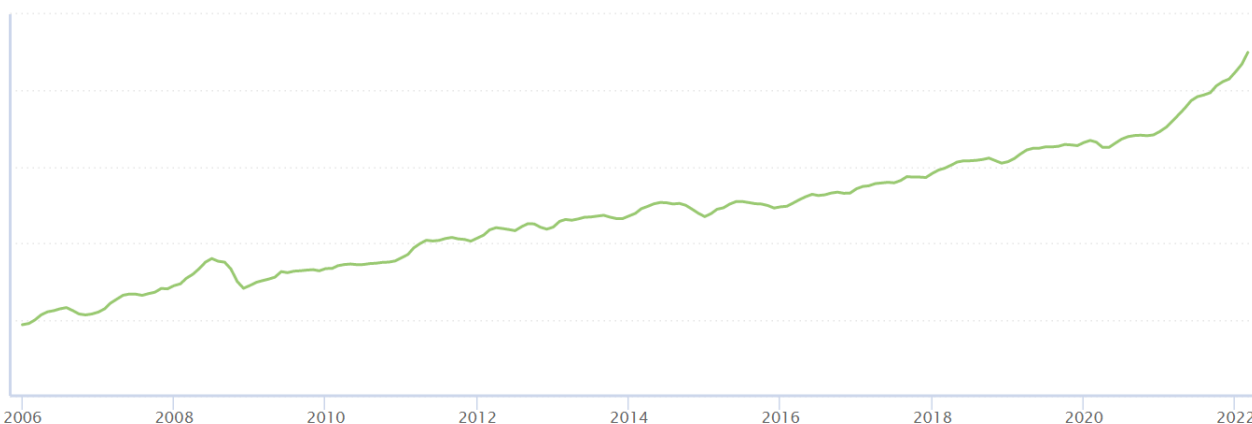
In 1981, New York enacted the Lobbying Act, establishing a \$1,000 expenditure threshold required for entities to register as lobbyists with the state.⁵ In 1999, the Lobbying Act established a \$2,000 expenditure threshold.⁶ The lobbying expenditure threshold increased from \$2,000 to \$5,000 in 2006, pursuant to legislation passed in 2005.⁷ 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."**⁸

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%,⁹ and the current inflation rate is at a 40 year high.¹⁰

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



⁵ § 1 of Ch. 1040 of 1981. N.Y Legis. Law § 1 (McKinney)

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

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

⁸ Sponsor Memo - Ch 1 of 2005. Purpose (iv)

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

¹⁰ 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.**¹¹

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
Number	476	213	3,528	3,052	100	200
Percent of Total Number	13%	6%	100%	87%	3%	7%
Total Spending	\$1,863,705	\$1,533,681	\$266,986,956	\$265,123,251	\$60,983,340	\$87,112,527
Percent of All Spending	0.70%	0.57%	100%	99%	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.¹²
- The state should **regularly hold hearings and listening sessions on challenges** for under-resourced community based organizations to **engage in the policymaking process**.

¹¹Joint Commission on Public Ethics 2020 Annual Report Dataset for Clients. Available at jcope.ny.gov/2020-annual-report-and-related-data

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