

2799

From: Smith, James M.
Sent: Tuesday, November 17, 2009 10:00 AM
To: IRRRC
Cc: Gelnett, Wanda B.
Subject: FW: PANO Comments to Proposed Rulemaking re Biennial Filing Fee - DOS Reg. #16-50 (IRRC #2799)
Attachments: PANO Comments re Lobbying Fee Increase 10-16-09.doc

Public comment on #2799

From: David Ross [mailto:david@pano.org]
Sent: Monday, November 16, 2009 9:52 PM
To: shgraves@state.pa.us
Cc: Smith, James M.; Johnson, Leslie A. Lewis
Subject: PANO Comments to Proposed Rulemaking re Biennial Filing Fee - DOS Reg. #16-50 (IRRC #2799)

Shauna,

Please accept the attached comments to the Proposed Rulemaking — Biennial Filing Fee, Department of State Regulation #16-50 (IRRC #2799)

Thank you,
David

David A. Ross, J.D., Public Policy Officer
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November 16, 2009

Shauna C. Graves, Assistant Counsel
Department of State
210 North Office Building
Harrisburg, PA 17120-0039

**Re: Proposed Rulemaking 51 Pa Code Chapter 53, Biennial Filing Fee –
Regulation 16-50, published in the October 17, 2009 Pennsylvania Bulletin**

Dear Ms. Graves,

Thank you for the opportunity to provide comments on the Proposed Rulemaking 51 Pa. Code Chapter 53, Biennial Filing Fee – Published on October 17, 2009 in the Pennsylvania Bulletin (IRRC # 2799).

Pennsylvania Association of Nonprofit Organizations (“PANO”) is the statewide membership organization serving and advancing the charitable nonprofit sector through leadership, advocacy, education and services in order to improve the quality of life in Pennsylvania. PANO is a 501(c)(3) charitable nonprofit organization representing over 800 member charitable, cultural and educational organizations.

Charities are different than other businesses that lobby. Federal law requires that lobbying by 501(c)(3) charities may only be an insubstantial part of an organization’s overall activities. PANO’s lobbying is insubstantial, but it is no less essential. Advocacy is critical to a charity’s ability to achieve its mission. Since 2006, much of this advocacy is considered lobbying under Pennsylvania law.

The proposed regulation would double the Biennial Filing Fee for Lobbying Registration from \$100 to \$200.

§ 53.1. Biennial filing fee.

Under section 13A10(a) of the act (relating to registration fees; fund (a) established; system; regulations), a principal, lobbying firm or lobbyist required to be registered under the act shall pay a biennial filing fee of **[\$100] \$200** to the Department, made payable to the "Commonwealth of Pennsylvania."

Fiscal Note: 16-50. No fiscal impact; (8) recommends adoption.

In 2009, PANO paid \$300 in fees for its three (3) registrations for itself as a principal, its Executive Director and its Public Policy Officer. The fee lasts for up to two years, but

organizations have multiple registrations. The proposed change, would double PANO's registration fee from \$300 to \$600.

Smaller charities that file lobbying report are already spending precious resources on compliance instead using those resources to advance their charitable mission. Consider that 90% of Pennsylvania's 41,000 charitable nonprofits are small (with annual budgets below \$1 million). In addition to complying with the registration requirements, the related tracking and document retention obligations under the law are burdensome and costly to comply with. This is not new information, but an increased fee in addition to the underlying burden will further undermine charities' abilities to engage in advocacy.

Prior to the passage of the Lobbying Disclosure Regulations, the Regulations Committee chose not to address the fiscal impact that the Regulations would have on the regulated community. The Committee simply stated that the costs of compliance was "too speculative" and could not be quantified. IRRC requested that the Regulations Committee "explain why reporting is not as burdensome as alleged by the commentators" and "investigate alternative ways to comply with the Act and regulation to minimize costs." The Committee's only response was that this information was too speculative. The only detail that the Committee provided about the cost of compliance was this \$100 registration fee.

These are challenging economic times for all Pennsylvanians. Charities are facing increase demand for their services, and a sharp drop in public contributions, foundation grants, and government funding. Now is not the time raise fees on organizations that improve the quality of life for our children, our elderly, and our Communities' most needy. Perhaps greater integration or collaboration between the various divisions and bureaus of the Department of State might hold the key to offsetting costs and increasing capacity within the Department without the further inhibiting charities' advocacy.

For these reasons, PANO respectfully requests that the biennial registration fee is not increased at this time. In the alternative, we request that 501(c)(3) charitable nonprofit organizations be excluded from the Biennial Filing Fee under § 53.1. Thank you for considering our comments and recommendations.

Sincerely,

David A. Ross, J.D
Public Policy Officer
Pennsylvania Association of Nonprofit Organizations (PANO)

Cc: Leslie A. Lewis Johnson, Esq., Chief Counsel, Independent Regulatory Review Commission
James M. Smith, Regulatory Analyst, Independent Regulatory Review Commission