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Nonprofit Organizations Alert

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Nonprofits must register before lobbying Chicago officials starting July 1, 2024

By Charles R. Bernardini

Employers are urged to comply, as the Chicago Board of Ethics has a history of fining violators and publishing such fines.



What's the impact?

- Any nonprofit employee or consultant who engages in twenty (20) or more hours of lobbying (as defined) in a calendar quarter or who is compensated or spends \$1,250 for lobbying in a calendar quarter must register with the Board of Ethics within five (5) days of first engaging in lobbying activity.
- Failure to comply subjects the unregistered lobbyist to a fine of up to \$1,000 per day or up to \$20,000 for their client. The City can cancel any contract entered into based on unregistered lobbying.

In recent years, the City of Chicago passed a number of ethics reform measures to promote transparency and accountability in government activities. As part of this reform package, the city council passed regulations governing lobbying activities by nonprofit organizations. The City's mandate requiring nonprofits engaged in lobbying activities to register with appropriate authorities goes into effect July 1, 2024.

With this ordinance, Chicago joins other major U.S. cities (e.g., New York, Los Angeles, San Francisco, Boston) that also have ordinances regarding nonprofits lobbying city officials.

Who must register as a lobbyist in Chicago?

Under this ordinance, a lobbyist is any individual who attempts to influence a City decision on behalf of another regarding City administrative or legislative action or legislation.

Expressing support or opposition to the enactment of or attempting to influence the interpretation of any federal or state legislation, rule, or regulation to a City official, employee, or agency also may require registration as a City lobbyist.

Registration is required only by nonprofits that have total expenses or net assets exceeding \$5M.

What activities are exempt from registration?

Testifying at a public meeting, applying for grants, volunteering, and contacting city officials or employees for the purchase of goods and services in the normal course of business do not require registration.

Issuing or participating in grassroots (as defined) events or communications or "self-defense" communications (as defined) do not require registration.

If you need assistance in interpreting your obligations under this ordinance or ones on the same subject in other cities, please contact your Nixon Peabody attorney or:

[Charles R. Bernardini](#)

312.977.4377

crbernardini@nixonpeabody.com

