

#### **HB 25-1170: LOBBYING BY NONPROFIT ENTITIES**

**Prime Sponsors:** 

Rep. Hamrick; Boesenecker

Sen. Winter F.

**Bill Outcome:** Deemed Lost **Drafting number:** LLS 25-0044

Fiscal Analyst:

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**Version:** Final Fiscal Note **Date:** August 28, 2025

**Fiscal note status:** The final fiscal note reflects the introduced bill, as amended by the House State, Civic, Military and Veterans Affairs Committee. The bill was deemed lost in the House Appropriations Committee on May 8, 2025; therefore, the impacts identified in this analysis do not take effect.

#### **Summary Information**

**Overview.** The bill would have created a new category of "nonprofit advocates" and exempt them from the registration requirements for professional lobbyists if certain conditions are met.

**Types of impacts.** The bill would have affected the following areas on an ongoing basis:

State Expenditures

• State Revenue

**Appropriations.** For FY 2025-26, the bill would have required an appropriation of \$117,040 to the Department of State.

# Table 1 State Fiscal Impacts

| Type of Impact                  | Budget Year<br>FY 2025-26 | Out Year<br>FY 2026-27 |
|---------------------------------|---------------------------|------------------------|
|                                 |                           |                        |
| State Expenditures (Cash Funds) | \$117,040                 | \$0                    |
| Transferred Funds               | \$0                       | \$0                    |
| Change in TABOR Refunds         | \$0                       | \$0                    |
| Change in State FTE             | 0.0 FTE                   | 0.0 FTE                |

# **Summary of Legislation**

The bill defines nonprofit advocates as an employee of a nonprofit who incidentally engages in lobbying for a limited amount of time per year. The bill exempts nonprofit advocates from requirements placed on lobbyists including having to register with the Department of State (DOS) and file disclosure statements. Nonprofit entities employing advocates must report the names of each advocate, the dates engaged, and the matters lobbied to the DOS.

#### **State Revenue**

The bill may decrease revenue to DOS from lobbyist registration fees and my increase revenue to DOS from business filling fees as discussed below. This revenue is subject to TABOR.

### Lobbyist Registration Fees

If fewer lobbyist register with DOS as result of the bill, revenue from registration fees will decrease. The current fee is \$40 per year but the impact to revenue cannot be estimated at this time since the number of professional lobbyists who would shift to this new category of nonprofit advocate is not known.

# **Business Filling Fees**

Under current law, the DOS is authorized to adjust fees so that the revenue generated approximates its direct and indirect costs. The DOS is primarily funded through business filing fees. To cover the costs described in the State Expenditures section below, fees may need to be raised to cover all or some of the costs of this bill. The fees affected and the actual amount of fee charges will be set administratively by the DOS based on cash fund balance, total program costs, and the estimated number of professional activities subject to fees.

# **State Expenditures**

In FY 2025-26 only, DOS will have \$117,040 in computer programing costs to update its lobbyist registration and reporting system. The fiscal note estimates that these updates will require 880 hours of developer time to create the new form for nonprofits to report lobbying activity, and flag when their advocates must begin registering as professional lobbyists. The costs are paid from the Department of State Cash Fund.

Lastly, the bill minimally impacts the Legislative Department. The House of Representatives and Senate will be required to update information and resources for lobbyists on the General Assembly website. The bill may also reduce the number of volunteer lobbyists who register with the Chief Clerk of the House of Representatives. These impacts are minimal and no change to appropriations is required.

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#### **Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

# **State Appropriations**

For FY 2025-26, the bill requires an appropriation of \$117,040 from the Department of State Cash Fund to the Department of State.

# **State and Local Government Contacts**

Secretary of State