



CARES Act

“(vii) the term ‘nonprofit organization’ means an organization that is described in section **501(c)(3)** of the Internal Revenue Code of 1986 and that is exempt from taxation under section 501(a) of such Code;”



Advocacy

March 24 Letter: 1,410 Organizations

May 4 Letter: 3,738 Organizations



Congressional Response

62 House Members call for adding other non-profits

19 Senators call for adding other non-profits

124 House Members on Pappas – Fitzpatrick Bill

- 501(c)6 with < 300 employees

Cruz – Rubio – King Bill

- 501(c)6 with < 300 employees



HEROES Act

(d) MODIFICATION TO ELIGIBLE ENTITIES.—Section 7(a)(36) of the Small Business Act ([15 U.S.C. 636\(a\)\(36\)](#)) is amended—

(1) in subparagraph (A)—

(A) in clause (vii), by striking “section 501(c)(3)” and inserting “section 501(c)”;

The term payroll costs shall not include:

“(ff) any compensation of an employee who is a registered lobbyist under the Lobbying Disclosure Act of 1995;”



HEROES Cont'd

“(vii) NONPROFIT ORGANIZATION ELIGIBILITY.—During the covered period, any nonprofit organization shall be eligible to receive a covered loan. Any 501(c)(4) organization (as defined in [section 501\(c\)\(4\)](#) of the Internal Revenue Code of 1986) may receive a covered loan provided that such 501(c)(4) organization has not made and will not make a contribution, expenditure, independent expenditure, or electioneering communication within the meaning of the Federal Election Campaign Act, and has not undertaken and will not undertake similar campaign finance activities in State and local elections, during the election cycle which ends on the date of the general election in this calendar year;”



HEROES Summary

All non-profits included in PPP with limitation on c(4)s engaged in political activities

No additional employee head-count limitation

Compensation of federally-registered lobbyists excluded from PPP



HEALS Act

“(vii) ELIGIBILITY FOR CERTAIN 20 501(C)(6) ORGANIZATIONS.— ‘(I) IN GENERAL.—Except as provided in subclause (II), any organization that is described in section 501(c)(6) of the Internal Revenue Code and that is exempt from taxation under section 501(a) of such Code (excluding professional football leagues and organizations with the purpose of promoting or participating in a political campaign or other activity) shall be eligible to receive a covered loan if—

“(aa) the organization does not receive more than 10 percent of its receipts from lobbying activities;

“(bb) the lobbying activities of the organization do not comprise more than 10 percent of the total activities of the organization; and

“(cc) the organization employs not more than 300 employees.



HEALS Cont'd

“(II) DESTINATION MARKETING ORGANIZATIONS.—Notwithstanding subclause (I), during the covered period, any destination marketing organization shall be eligible to receive a covered loan if—

...

“(BB) is a quasi-governmental entity or is a political subdivision of a State or local government, including any instrumentality of those entities.”

...

“(vi) PROHIBITION.—None of the proceeds of a covered loan may be used for lobbying activities, as defined in section 3 of the Lobbying Disclosure Act of 1995 ([2 U.S.C. 1602](#)).”

Rubio - Collins Amendment

Similar to HEALS, But:

- Lowers headcount to 150 or less
- Lobbying Prohibition Expanded:

“(vi) PROHIBITION.—None of the proceeds of a covered loan may be used for—

“(I) lobbying activities, as defined in section 3 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 12 1602);

“(II) lobbying expenditures related to a State or local election; or

“(III) expenditures designed to influence the enactment of legislation, appropriations, regulation, administrative action, or Executive order proposed or pending before Congress or any State government, State legislature, or local legislature or legislative body.”



Senate Summary

501(c)6s only

Additional employee head-count limitation of 150

Organizations lose eligibility if more than 10% of activity is lobbying (including state & local)



Action

Message to Senators

- Rubio – Collins language is too restrictive and will leave out many Chambers and Trade Associations.
- Support the House approach

Message to House Members

- Insist on House approach

Monday, August 10 – DAY OF ACTION