

PRACTICAL GUIDANCE

What Nonprofits Need to
Know About Lobbying in

ILLINOIS

Inside this Guide:

This Practical Guidance resource is designed to help your nonprofit determine if lobbying rules in Illinois might apply to your work. It includes:

- Summary of registration and reporting triggers
- Key takeaways for nonprofit organizations
- FAQs
- Case study for a hypothetical small student voting rights organization
- List of helpful additional resources

What Lobbying Activities Trigger Registration in Illinois?

DIRECT LOBBYING OF:	CAN THIS TRIGGER?	TRIGGER
State Legislators	Yes	Any communication with a covered state official for the purposes of influencing legislative action, by a person paid to do such advocacy (or who is unpaid but either makes reportable expenditures or is reimbursed more than \$500 per year in expenses).
State Executive Branch Officials	Yes	Any communication with a covered state official for the purposes of influencing executive or administrative action, by a person paid to do such advocacy (or who is unpaid but either makes reportable expenditures or is reimbursed more than \$500 per year in expenses).
Local Legislators or Local Executive Branch Officials	Maybe	The Illinois state lobbying statute does not regulate lobbying at the local level, but some municipalities and counties do have their own lobbying statutes that may require registration.

Grassroots Lobbying: Illinois in general does not regulate grassroots lobbying activities in the form of encouraging individual citizens to make their own contact with public officials to influence legislative, executive, or administrative action. However, the state may require some reporting if any expenditures are made to benefit covered state officials by individual citizens during grassroots-related activities. See the FAQ below on reportable expenditures for more details.

KEY LOBBYING TAKEAWAYS RELEVANT TO NONPROFIT ADVOCACY ORGANIZATIONS IN ILLINOIS:

The lobbying registration threshold is low: If your organization uses paid staff to do any amount of lobbying of covered state officials with respect to legislative, executive, or administrative action you will need to register with and report to the state. Reimbursement of expenses over \$500 for volunteers who engage in lobbying, or making any expenditure to benefit a public official may also trigger a registration requirement.

The reporting schedule is very frequent: The reporting schedule in Illinois is every two weeks, and reports are required to be submitted even during periods when lobbying has not taken place or there are no reportable expenditures. Additional reports are due from individual lobbyists twice annually. While most nonprofits will be able to make very simple reports, strong operational systems will need to be in place to ensure that all reports are filed on time.

Local jurisdictions have their own lobbying requirements, and these regulations are in flux: The city of Chicago has recently revised its separate lobbyist registration and reporting requirements for nonprofits. Local ordinances should be checked regularly for additional information on effective dates and enforcement information. In addition, other local jurisdictions including, but not limited to, City of Highland Park, Cook County and DuPage County also have their own separate lobbyist registration statutes. Organizations should seek up to date guidance before lobbying any local officials.

This resource is current as of October 2021. We do our best to periodically update our resources and welcome any comments or questions regarding new developments in the law. Please e-mail us at advocacy@afj.com.

This guide is meant to convey the basic principles of sections of state law that are most relevant for nonprofit advocacy and does not cover all aspects or all details of the state statutes. Please refer to the full text of the law for more details. This resource also does not cover federal lobbying disclosure law, IRS regulations related to lobbying, or the details of any separate county or municipal regulations that may apply to lobbying activities. There is an ongoing movement towards the enactment of additional local county and municipal level lobbying regulations, and organizations are urged to check with the appropriate local jurisdiction before undertaking local lobbying activity.

Q: What activities count as lobbying?

Illinois defines lobbying very broadly as any communication with a state **official** of the legislative or executive branch for the ultimate purpose of **influencing legislative, executive, or administrative action**.

Since **influencing** includes generation of goodwill with the official, and legislative, executive, or administrative actions are also defined extremely broadly, advocates should assume if they are directly communicating with one of the below officials on any matter of substance as part of their paid duties for their nonprofit organization that they may well be lobbying and should seek additional advice.

- **“official”** means:

- the six statewide elected officials - Governor, Lieutenant Governor, Secretary of State, Attorney General, State Treasurer and State Comptroller
- each of their Chiefs of Staff
- each of their cabinet members, including Directors, Assistant Director, Chief Legal Counsel or General Counsel
- all General Assembly members (state House and Senate)
- members of any board, commission, authority, or task force of the state

A full list of such officials can currently be found on pages 27-28 of the Illinois Lobbyist Electronic Expenditure Filing Instructions Handbook:

https://www.ilsos.gov/publications/pdf_publications/ipub32.pdf

- **“influencing”** means any communication, action, making any reportable expenditure, or other means used to promote, support, affect, modify, oppose, or delay any legislative, executive, or administrative action, or to promote goodwill with the officials listed above
- **“legislative action”** means the development, drafting, introduction, consideration, modification, adoption, rejection, review, enactment, or passage or defeat of any bill, amendment, resolution, report, nomination, administrative rule or other matter by either house of the General Assembly or a committee thereof, or by a legislator. Legislative action also means the action of the Governor in approving or vetoing any bill or portion thereof, and the action of the Governor or any agency in the development of a proposal for introduction in the legislature
- **“executive action”** means the proposal, drafting, development, consideration, amendment, adoption, approval, promulgation, issuance, modification, rejection or postponement by a state entity of a rule, regulation, order, decision, determination, contractual arrangement, purchasing agreement or other quasi-legislative or quasi-judicial action or proceeding
- **“administrative action”** means the execution or rejection of any rule, regulation, legislative rule, standard, fee, rate, contractual arrangement, purchasing agreement or other delegated legislative or quasi-legislative action to be taken or withheld by any executive agency, department, board or commission of the state

Q: Does supporting or opposing a ballot measure count as lobbying?

Supporting or opposing an Illinois ballot measure is not regulated as a lobbying activity under Illinois law (even though the IRS does count it as a lobbying activity).

Instead, Illinois regulates activity to support or oppose a ballot measure under the state’s campaign finance laws. Nonprofit organizations considering working on ballot measures in Illinois (either working to get a measure on the ballot or supporting or opposing an existing measure) should seek advice on how to comply with any applicable state or local campaign finance reporting requirements.

FAQS

Q: What triggers lobbyist registration and reporting with the state?

The requirement to register as a lobbyist with the state is triggered by direct communication with any of the above listed public officials for the ultimate purpose of influencing legislative, executive, or administrative action by anyone paid by the organization to do so, or by an unpaid representative (for example, a Board member or a volunteer) who is reimbursed more than \$500 in expenses for such work or makes any reportable expenditures.

Q: Are there exceptions to what counts as lobbying?

Yes. The following activities do not count as lobbying: (i) appearing as a witness before a legislative committee for the purpose of explaining or advocating for pending legislation (so long as such person is not paid to do so, and makes no reportable expenditures); (ii) seeking approval or veto of any legislation by the Governor (so long as such person is not paid to do so); and (iii) giving technical advice helpful to officials when they are considering proposed legislative, executive or administrative action (so long as the advice is occasional, made on behalf of a registered lobbyist, and the person giving the advice does not make any reportable expenditures).

Q: If we are required to register, how does the process work?

In the regulations, the organization is referred to as the “entity,” an employee lobbyist is referred to as an “exclusive lobbyist” and a lobbying consultant is referred to as a “contractual lobbyist.” Your organization will need to register online with the state no later than two days after any of your employees or paid consultants engages in any lobbying activity described above. Each exclusive lobbyist is also required to register within two days of being engaged to lobby. The exclusive lobbyist (employee) registration link is accessed via the organization’s completed online registration, but is a separate transaction. Your organization will list the exclusive lobbyists (employees) and contractual lobbying entities (your organization’s lobbying consulting firm(s), if you have any) on your registration, and vice versa.

One person will need to be designated as your organization’s Authorized Agent who will be responsible for making all online filings. A separate filing is required to designate the Authorized Agent. The online registration portal can be accessed at:

<https://apps.ilsos.gov/lobbyistweb/>

The filing fee is \$300 for the organization, and \$300 per employee lobbyist, and each registration will need to be renewed annually. The renewal process is a separate transaction for the organization and each individual lobbyist. Note that the information submitted during registration is made publicly available, so appropriate work contact information should be used instead of personal contact information.

Ethics and Anti-Sexual Harassment Training: All individuals who are registered as lobbyists for your organization will be required to complete online ethics and anti-sexual harassment training courses provided by the Secretary of State within 30 days of registration. Your organization is also required to have a written sexual harassment policy in place, and a copy of the policy must be provided to each of your registered lobbyists with acknowledgement of receipt. Organizations without a written sexual harassment policy should seek assistance to put an appropriate one in place before registering with the state.

More details about the registration process are outlined in the state’s Lobbyists Registration – Annual Registration Guide:

https://www.ilsos.gov/publications/pdf_publications/ipub31.pdf

FAQS

Q: When are periodic lobbying reports due?

The organization's Authorized Agent must submit entity reports encompassing information from the organization and all its lobbyists twice a month. These reports are required to be submitted even if the organization is not lobbying during the period, and even if there are no expenditures to report. Each individual lobbyist must also submit twice a year an electronic affirmation filing, confirming that the reports that the organization has submitted on their behalf are accurate. All reports are filed online.

There are no extensions of deadlines for holiday or weekend due dates, a \$50 late fee is charged if a report is even one day late, and an additional penalty late fee of \$150 is added if the report is submitted more than 15 days late. Your organization will need to have strong operational systems in place to ensure that all reports are filed on time.

Q: What information do the periodic lobbying reports include?

In general, the state wants to know details about expenditures your organization or the individuals lobbying on your behalf have made to benefit the public officials as part of your lobbying efforts. Reports include detailed information about the expenditure itself, as well as the subject matter of the lobbying related to the expenditure (bill number, subject matter, or goodwill), who made the expenditure, and when and where it was made.

More detailed instructions for how to prepare periodic reports are outlined in the state's Lobbyist Electronic Expenditure Filing Instructions Handbook:

https://www.ilsos.gov/publications/pdf_publications/ipub32.pdf

Q: What is considered a reportable "expenditure"?

Reportable expenditure categories include: (i) gifts (including gifts given based on personal friendship), (ii) honoraria, (iii) meals, beverages, and entertainment, (iv) travel and lodging, and (v) any other item or service not listed above. The state also has categories for reporting the aggregate cost of large gatherings (for example, a cocktail party, or a lunch hosted for a group of legislators) or giveaways (where multiple legislators receive the same item). Note that there is no exception for small or token items, which all need to be reported, and small token items can also trigger the initial requirement to register as a lobbyist.

Generally, reportable expenditures are any items or services purchased for the public official, as opposed to your organization's own internal expenses related to your lobbying work. Compensation paid to your employees or consultants, expenses of your organization in preparing to lobby, and the travel, food and lodging expenses incurred by your team while travelling to lobby are not reportable expenditures. Most nonprofits can avoid making any reportable expenditures without adversely impacting their work, and hence their reports are simple (even if they are quite frequent!).

Gift Ban: There are additional prohibitions as to what kind of expenditures can even be made in Illinois with respect to public officials. These rules apply to expenditures made on any state employee, not just officials covered under the lobbying statute, and apply even if your organization is not required to register as a lobbyist organization. In addition, certain gifts or other expenditures to benefit a public official can by themselves trigger a lobbyist registration and reporting requirement. It is generally best practice for smaller nonprofits in Illinois to avoid giving public officials anything of value, and instead give them only informational materials. If there is a compelling reason to do otherwise, you should be certain that you understand the intricacies of both the lobbying and the gift ban rules before giving even small token gifts to, or paying expenses for, any public officials. See our *Illinois Lobbying Disclosure Guide* for more details on the Gift Ban.

<https://bolderadvocacy.org/resource/illinois-lobbying-disclosure/>

Grassroots Event Expenditures: Illinois also has a specific procedure whereby any expenditures made to benefit public officials by individual citizens participating in an organized grassroots lobbying event can be reported on the organization's forms without triggering a need for the citizens themselves to register as lobbyists (otherwise, any person who makes any lobbying expenditure is technically required to register). In the setting of nonprofit advocacy this scenario potentially comes up in the context of an organized lobby day where constituents are brought in to advocate for or against legislation with the legislators. However, a well-designed lobby day program can avoid any grassroots expenditure reporting by simply ensuring that no reportable expenditures are made by the citizen participants on the legislators during the event. Because even small gifts given to legislators count as reportable expenditures, giving out swag gifts should be avoided. For more information on the grassroots events procedures see the state's Grass-Roots Lobbying Frequently Asked Questions Guide: https://www.ilsos.gov/publications/pdf_publications/sos_ig21.pdf or seek additional advice.

Notice of Reported Expenditures to Person Lobbied: Illinois also requires that each public official who was the recipient of a reportable expenditure be notified within 30 days of the relevant report filing deadline and provided with the details of the expense reported by the organization. Such public official does not have to approve the report or receive notice in advance of the filing.

Q: Do our organization's donors need to be disclosed on any lobbying reports?

No.

Q: How are our lobbyists required to identify themselves while lobbying?

Lobbyists are not required to wear badges or other identification, though it is a best practice to identify oneself as a lobbyist. Lobbyists can also obtain identification cards from the Secretary of State's office that allow them to bypass certain security measures when entering the Capitol buildings.

Q: Are there any other restrictions on lobbyists that we should be aware of?

Yes. Neither a lobbyist nor his or her spouse or immediate family members living with the lobbyist may serve on any state board, commission, or task force that makes binding determinations or takes substantive action, unless that person also holds elective public office. Compensation to a lobbyist contingent on the favorable outcome of the lobbying action is also prohibited.

Case Study STUDENTS VOTE NOW

Students Vote Now is a hypothetical small 501(c)(3) advocacy organization considering being vocal about Bill 101 currently pending in the Illinois State House of Representatives

STUDENTS VOTE NOW IS CONSIDERING:

- Reaching out to its student constituents via direct physical mailings, e-mails, and volunteer phone banking, in order to get the students to call their state House representative about the bill;
- Doing a physical lobby day at the state capital about Bill 101 to knock on legislators' doors there, or alternatively arranging a virtual zoom lobby event. The lobby day activity might potentially include renting a bus, buying T-shirts for the volunteer participants, and handing out some small swag type items from the organization to the legislators, or if done by Zoom, the purchase of a new higher-end Zoom account;
- Testifying before a committee of the state House regarding the student perspective on Bill 101; and
- Having an employee engage with the Mayor of Chicago about a similar local ordinance there.

ACTIVITY	LOBBYIST REGISTRATION/REPORTING REQUIREMENTS
 <p>Student Engagement</p>	The student constituent outreach activities are grassroots lobbying, since the actions are aimed at individual citizens, as opposed to public officials. Illinois does not regulate such grassroots lobbying.
 <p>Lobby Day</p>	Because there is direct communication with the legislators, the Students Vote Now lobby day will trigger lobbyist registration requirements if any paid staff participate, any person (even a volunteer) is reimbursed more than \$500 in expenses, or if any swag is given to the legislators. Students Vote Now could consider having unpaid individuals (for example, Board members) lead the lobby day, and refraining from giving out any swag gifts of any kind in order to avoid triggering lobbyist registration and reporting.
 <p>Committee Testimony</p>	The committee testimony on its own will not trigger lobbyist registration if the person testifying is unpaid, for example, an unpaid Board member or an unpaid student constituent.
 <p>Mayor</p>	Organizations considering lobbying Chicago city officials should seek guidance about the current state of its regulations ¹ . Other local ordinances include the City of Highland Park ² Cook County ³ and DuPage County ⁴ but status of local ordinances often fluctuate and should always be checked before lobbying any local officials.
<p>Bottom Line</p>	Students Vote Now should weigh the tradeoffs between designing its activities to avoid lobbyist registration and reporting, and its ability to effectively promote its advocacy message. In considering program design, Students Vote Now should also specifically weigh its operational capacity to comply with the relevant lobbyist registration, reporting, and compliance procedures. It is possible to register and then deregister once the planned activities have been completed, but the organization must be in good standing to do so.

¹ As of 9-2-21 <https://www.chicago.gov/content/dam/city/depts/ethics/general/LobbyistStuff/Lobbying%20enforcement%20Memo%20Sept%202021.pdf>

² https://www.cityhpil.com/government/city_departments/city_manager_s_office/city_clerk/lobbyist_registration/index.php

³ <https://www.cookcountyclerk.com/agency/lobbyist-information>

⁴ <https://www.dupageco.org/CountyClerk/Lobbyists/>

ADDITIONAL RESOURCES

BOLDER ADVOCACY'S TECHNICAL HOTLINE:

Bolder Advocacy's free Technical Hotline team is always happy to help nonprofits and advocacy attorneys with more specific questions. You can contact our team of experts by emailing us at advocacy@afj.org, or calling us during standard business hours at 866-NP-LOBBY (866-675-6229).

BOLDER ADVOCACY'S MORE DETAILED STATE LAW RESOURCES:

- See our *Illinois Lobbying Disclosure Guide* for more details about the Illinois lobbying statute, and any related advisory opinions. <https://bolderadvocacy.org/resource/illinois-lobbying-disclosure/>
- Also see our *Illinois Campaign Finance and Ballot Measure Guide* for rules related to state ballot measure advocacy, which Illinois regulates as a campaign finance activity, unlike the IRS which regulates such activities as direct legislative lobbying. <https://bolderadvocacy.org/resource/illinois-campaign-finance-and-ballot-measure-guide-2/>

ILLINOIS STATE RESOURCES:

- **Index Department of the Illinois Secretary of State**
The Index Department of the Illinois Secretary of State is responsible for administering the lobbyist registration and reporting system in Illinois. Their website can be found at: <https://www.ilsos.gov/departments/index/lobbyist/home.html>
- **Full Text of Illinois Lobbying Statute**
The full text of the Illinois State Lobbyist Registration Act (25 ILCS 170) can be found at: <https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=465&ChapterID=6>
- **Illinois Lobbying Handbooks**
Illinois maintains two useful handbooks, the Lobbyists Registration – Annual Registration Guide: https://www.ilsos.gov/publications/pdf_publications/ipub31.pdf and the Lobbyist Electronic Expenditure Filing Instructions Handbook: https://www.ilsos.gov/publications/pdf_publications/ipub32.pdf
- **Additional Questions**
Technical questions about lobbyist registration and reporting can be directed to a representative at the Index Department's Lobbying Division by phone at: 217-782-7017 or by using the online contact form at: https://www.ilsos.gov/ContactFormsWeb/lobbyist_contact.jsp

BOLDER ADVOCACY'S FEDERAL LAW RESOURCES:

While state and local laws regulate which lobbying activities require registration and reporting, the IRS also regulates how much lobbying a 501(c)(3) tax-exempt organization is allowed to do, including at the state and local levels. The way the IRS counts lobbying will almost always be different than how state and local laws count it, and organizations are urged to review our federal law resources to ensure all IRS compliance obligations are being met. See our *Being a Player: A Guide to the IRS Lobbying Regulations for Advocacy Charities*. <https://bolderadvocacy.org/resource/being-a-player-a-guide-to-the-irs-lobbying-regulations-for-advocacy-charities/>



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