

GROUPS OPPOSE CAMPAIGN FINANCE RIDERS IN HOUSE FINANCIAL SERVICES APPROPRIATIONS BILL

September 7, 2017

Dear Representative:

We write to strongly urge you to oppose the campaign finance riders that are attached to the House Financial Services appropriations bill scheduled to be considered today by the House.

House leaders have prevented floor consideration of serious campaign finance reform measures since they took control of the House in 2011. Instead of following regular order in the consideration of such legislation, they have used riders attached to appropriations bills to enact damaging campaign finance-related provisions while avoiding any opportunity for the House to consider or vote on the provisions separately.

Thus, in the last Congress, campaign finance riders were enacted to prevent the IRS from implementing new regulations to govern the campaign activities of section 501(c)(4) organizations, and to prevent the SEC from implementing regulations to require public corporations to disclose their campaign activities to shareholders.

These riders are again found in the current House Financial Services appropriations bill along with two new riders: a rider to gut the Johnson amendment, which prohibits charitable and religious institutions from engaging in campaign activities, and a rider to increase the ability of business associations to solicit money from the executive and administrative personnel of corporations.

The IRS and SEC campaign finance riders currently in the law would serve to keep the American people in the dark about secret money that has been poured into federal elections. Secret campaign contributions prevent citizens from holding officeholders and big donors accountable for any corrupt practices that occur. These two riders should be rejected and not included in any appropriations measure that is enacted into law.

The SEC has a vital role to play in ensuring corporate transparency for shareholders. More than 1.2 million investors and members of the public petitioned the SEC to create a rule requiring uniform corporate political disclosure – the most signers to a petition in SEC history. One of the campaign finance riders, however, would continue to prevent the SEC from issuing such a regulation.

Congress also has blocked the IRS from issuing new regulations regarding the campaign activities of 501(c)(4) groups. This prevents revised regulations from being issued – regulations that would provide nonprofit groups with a clear definition of campaign activities and would provide the public with increased disclosure of secret money being spent in federal elections.

In preventing revisions to the regulations, Congress is leaving in place a chronically broken IRS definition of “political intervention” that allows those willing to game the system to pour secret money into our elections. At the same time, Congress is leaving nonprofit groups without a clear definition of what constitutes political activities, thereby making it difficult for groups to determine which nonpartisan civic activities are allowable.

Another rider that would gut the prohibition on Section 501(c)(3) campaign activity, also known as the Johnson amendment, has widespread opposition. [A letter](#) signed by more than 5,500 charitable nonprofits, religious organizations, and foundations strongly opposed any proposals to eliminate or weaken this longstanding provision of the tax code that prohibits Section 501(c)(3) charitable and religious organizations from intervening in campaigns.

The letter criticized proposals that would “politicize the charitable nonprofit and philanthropic community by repealing or weakening current federal tax law protections that prohibit 501(c)(3) organizations from endorsing, opposing, or contributing to political candidates.”

The letter provides the following explanation for support of the Johnson amendment:

Nonpartisanship is a cornerstone principle that has strengthened the public’s trust of the charitable community. In exchange for enjoying tax-exempt status and the ability to receive tax-deductible contributions, 501(c)(3) organizations – charitable nonprofits, including religious congregations, and foundations – agree to not engage in “any political campaign on behalf of (or in opposition to) any candidate for public office.”

That provision of law protects the integrity and independence of charitable nonprofits and foundations. It shields the entire 501(c)(3) community against the rancor of partisan politics so the charitable community can be a safe haven where individuals of all beliefs come together to solve community problems free from partisan divisions.

In addition, more than four thousand faith leaders representing every major religion have signed a [letter](#) strongly opposing attempts to repeal, amend, or otherwise tamper with the longstanding protections in the Johnson amendment

The aforementioned rider in the Financial Services appropriation bill is a backdoor effort to get rid of the Johnson Amendment without allowing House members to vote on this important question. The rider should be removed from the Financial Services appropriations bill and should not be included in any appropriations bill enacted into law.

A fourth rider would eliminate the requirement that business trade associations obtain permission from a member corporation to solicit the corporation’s executive and administrative personnel for contributions. It would also eliminate the prohibition on a corporation giving approval to more than one business trade association to solicit its executive and administrative personnel. This provision provides protections to a corporation’s executive and administrative personnel,

preventing them from being flooded with solicitations for contributions from multiple business trade associations. The rider should not be included in any appropriations bill enacted into law.

Any effort to rewrite the nation's campaign finance laws or to restrict related campaign finance measures should be done by regular order and through the legislative process. This should not be done through a back-door misuse of the appropriations process.

We strongly urge you to support the removal of the campaign finance riders from the Financial Services appropriations bill and to oppose the campaign finance riders from being included in any appropriations bill enacted into law.

Signers of this letter include:

Democracy 21
Public Citizen
American Atheists, Inc.
Brennan Center for Justice
Campaign for Accountability
Campaign Legal Center
Center for Biological Diversity
Common Cause
CREW
Demand Progress
Demos
End Citizens United
Every Voice
Issue One
Jewish Council for Public Affairs
League of Women Voters
Norman Eisen, chief White House ethics lawyer, 2009-2011
People For the American Way
Represent.Us
Secular Coalition for America
Unitarian Universalist Association
U.S. PIRG
Voices for Progress