



EMPOWERED ACTION

Create a Government Affairs Committee



Government at all levels has a tremendous impact on the business community, possibly more than any other force that our members must deal with. From local land use and fee issues to complying with new state and federal laws and regulations, our members continually run into government.

If chambers of commerce are going to truly be the voice of business, involvement in public policy is a must. Advocacy is quickly becoming an expected part of a chamber's efforts to build a strong local economy and vibrant quality of life, which is the generic mission of a chamber of commerce.

The first step for a chamber to engage in public policy is to create a government affairs committee that can make policy recommendations for approval and adoption by your chamber's board of directors. Having adopted policy allows for your chamber staff and government affairs committee to act quickly in response to fast-paced legislative processes. This means that you will be empowered to communicate the views and priorities of your members to your elected officials in a timely manner.

CREATING A GOVERNMENT AFFAIRS COMMITTEE

This committee should be made up of not only politically astute individuals, but also ones who can make the tough decisions necessary on issues affecting business and community interests. The government affairs committee should be representative of your overall organization. A good mix of different business industries, size of businesses and political philosophies brings healthy discussion to the table. This is extremely important, since the decisions that are made by this group will have an impact on chamber members. The committee should also have a certain level of political awareness.

It is essential to have a chairperson who is willing to compromise, yet will not allow the committee to waffle on the issues. The chairperson is the only member of the committee who has any defined responsibilities. The chairperson facilitates all government affairs meetings and approves the agenda along with staff. The chairperson of this committee should also help facilitate discussions at the meeting, establishes the tone and tries to incorporate all committee members in the discussion.

FORMULATING AND ADOPTING POLICY POSITIONS

Once the legislative committee is organized, a policy manual or policy positions should be formed to include local, state and/or federal issues. It is advisable to begin with background on legislation and upcoming or pressing policy issues, which can be gleaned from other chambers' policy manuals or organizations like the Chamber Action Network. The committee can look at each issue to determine if it is relevant to the chamber's membership and local community, to determine a position on the issue that will improve the community's business climate, and to create language articulating this position that will provide both direction and flexibility for staff and others to engage on the issue.

Following the completion of a policy manual or policy positions, it is appropriate to submit it to the boards of directors for adoption. It is in the best interest of your overall organization to have the government affairs committee be a separate entity from your main governing board. There will be times when debate, even within your own membership, will occur due to a position taken by the government affairs committee. It is important to have a higher board that will listen to members' concerns about a position.

DISTRIBUTING AND PUBLICIZING POLICY POSITIONS

Communicating your policy priorities that have been approved by the board of directors is essential to influencing decision makers and laws and regulations that will ultimately impact your members. Your priorities should be distributed to all local, county, state and national officials as appropriate. The committee should follow up with these officials to make sure they received the manual, that they are clear on the policy positions outlined, and that they know they will be held accountable for decisions they make on these policies.

Marketing these policy priorities to the community may be the most precarious task of all, but it is also one of the most important. Whatever public dissent you receive, the benefits of community understanding far outweigh the disadvantages. It is a very effective way to show chamber members that they are receiving a return on their investment, but it also shows non-member businesses that the chamber is working to improve their business climate.

OTHER GOVERNMENT AFFAIRS ENGAGEMENT

Beyond developing policy positions for submission to your board of directors, your government affairs committee can engage in several ways to build relevance and influence in the policy-making process. One of the most routine ways for a government affairs committee to engage with elected officials is through regular meetings with these officials. For example, a government affairs committee can host a monthly meeting with State House or State Senate members to provide legislative updates, typically on Monday mornings or Fridays during the legislative session from February through May. These updates promote familiarity between chamber members and their local elected officials while also providing a forum for members to express their ideas and concerns.

Chamber staff can serve as advocates on behalf of their members for the policy priorities developed by the government affairs committee. Beyond this, they can also send legislative alerts to chamber members when supported or opposed legislation is coming up for a vote. This knowledge will empower members to take action and “be their own advocates” on issues that will affect their bottom line. To this end, many chambers also set up a “day at the Capitol” to promote engagement between local elected officials and members.

Many business owners never engage politically or in government affairs. However, it is not because government’s decisions don’t impact them. Instead, it is usually due to a lack of knowledge about what issues are being discussed and how to effectively engage. A government affairs committee creates the opportunity for organization, deliberation, and most importantly, action that will help to drive conversation about improving the community’s business climate.

SUGGESTIONS FOR A SUCCESSFUL GOVERNMENT AFFAIRS COMMITTEE

1. Pick an active chairperson and members.
2. Find out who your elected representatives are and how to contact them.
3. Determine who in your membership are major supporters, contributors or have personal relationships with your elected officials.
4. Invite each representative to meet individually with your membership or your government affairs committee at least once a year. During Oklahoma's legislative session, you may ask them to meet with you more frequently.
5. Develop a source for information on state and federal legislation, such as the Chamber Action Network and the State Chamber of Oklahoma.
6. Develop a procedure for reviewing this information.
7. Select issues having a significant impact on your members and/or community.
8. Ask your elected officials how they stand on these issues.
9. Communicate your priorities and positions to your elected officials. Communicate with your elected officials regularly and early in the legislative process, not just when you want something.
10. When contacting an elected official about an issue, be specific, be sure your facts are accurate, say it in your own words, be as brief as possible and don't threaten or beg.
11. If your representative votes for you, be sure to thank him or her. If your representative votes against you, ask why.
12. If you ask your members to contact an elected official, let your members know the outcome.
13. If you are successful with action on an issue, don't take all the credit, but let people know of your success—nobody else will.
14. At the end of each year, review your advocacy efforts and see if you can improve.
15. Review your legislators' voting record on your priority issues and communicate these votes to your membership.
16. Don't be afraid to express your opinions on issues. Most elected officials want, and all of them need to know, how you feel and how their actions impact your members and your community.
17. Don't ever think that one letter, email or call won't make a difference. Legislators typically only hear from a handful of constituents each week, and receive no input from their district on most legislation.

FAQS ABOUT GOVERNMENT AFFAIRS COMMITTEES AND LOBBYING

Can chambers legally become involved in government affairs?

Yes! It's entirely legal for a chamber to be involved in any aspect of government affairs. First amendment rights protect chambers and their members when it comes to communicating with elected officials.

Can a chamber get in trouble with the IRS or lose its tax-exempt status by lobbying?

No. No type of legislative activity will result in IRS problems. While some charitable groups are prohibited from political involvement, chambers of commerce—501(c)6 organizations—are not. The chamber's tax exemption is safe regardless of any legislative activity in which it engages.

What is the difference between lobbying and advocacy?

Advocacy is developing policy and trying to impact the legislative decisions that affect your chamber, its members or your community. Creating a government affairs committee, developing policy positions and communicating these policy positions to your members, your legislators and the general public is advocacy, not lobbying.

Lobbying is a specifically defined activity by the IRS. Just having a conversation with an elected official is not automatically lobbying. Lobbying is just one form of advocacy that an organization may engage in to achieve its particular goals and to serve its members.

What exactly is “lobbying”?

The IRS defines two types of lobbying for non-profits: direct lobbying and grassroots lobbying. Direct lobbying is defined as any communication, with a legislator, that expresses a view about specific legislation (i.e., using a bill's name or number). Grassroots lobbying is defined as any communication appealing to the “general public” that expresses a view or position about specific legislation (i.e., using a bill's name or number) and includes a call to action.

What constitutes “grassroots lobbying”?

Communication with your members or the general public about a policy area or topic (e.g., tax reform, teacher pay raises, workers' compensation reform) that does not refer to a specific piece of legislation by name or number is not grassroots lobbying. If the communication does address specific legislation (i.e., uses a bill's name or number), it becomes grassroots lobbying if it also contains a call to action. A call to action is any of these four criteria set by the IRS:

1. Asking the public to contact their legislator or their staff
2. Providing the address, phone number, website or other contact information for their legislators
3. Providing a mechanism to contact their legislator(s) such as a petition, letter or e-mail link to send a message directly to their legislator; or,
4. Listing the recipient's legislator, the names of legislators voting on a bill, or those undecided or opposed to an organization's view on the legislation

Are chamber dues still deductible when used for lobbying?

According to the American Bar Association, dues paid to chambers are not deductible to the extent they are used for the organization's lobbying expenses. This statute states that a chamber must report to its members the percentage of their dues payment that is used for lobbying expenses. When dues notices are sent to chamber members, a "reasonable estimate" must be provided to the member, indicating the percentage of dues that will be non-deductible for federal income tax purposes for the coming year. The percentage will be based on the chamber's estimated lobbying expenses against dues income. Even in the most politically active chambers, this percentage typically runs between 3 percent and 10 percent. Non-dues income is not included in the calculation, as the law assumes that lobbying is done with dues income.

Legislative action that is not covered under the law—and as a result is still fully deductible—includes:

- Efforts to influence local policies such as at the municipal or county level
- Contact with all state and most federal executive branch officials on non-legislative matters
- Hosting your government affairs committee, developing policy positions and communicating these policy positions with members and the public
- Monitoring legislation and keeping members informed
- Letters to the editor or similar unpaid communications with the public

There are exceptions to this law however. If a chamber's "in-house" lobbying expense total \$2,000 or less, it is exempted from the non-dues deductibility provision. The organization's dues will be fully deductible by the members, so no notice is required. Also, the chamber can directly pay a "proxy tax" on all its lobbying expenses, so that all dues would remain deductible and no notice would be required. The tax paid would be paid at the highest corporate rate.

If our chamber engages in either direct lobbying or grassroots lobbying, will our chamber president or executive director need to register as a lobbyist?

Probably not. The Oklahoma Ethics Commission does not require individuals to register whose lobbying activities are "only incidental to and not a significant part" of the services provided by the individual to the employer. Most chambers that have government affairs committees and engage in lobbying do not register their president or executive director as a lobbyist because it is a small fraction of the individuals' job.

Can we hold press conferences, take out newspaper ads and print articles in our publications to inform our members and the general public of our position on an issue?

Yes. Chambers are free to communicate with the public by these methods (and many others), regardless of whether their audience is made up of members. However, remember that advocating action on specific legislation to the general public is considered "grassroots lobbying" by the IRS and such activity should be limited. Communicating more broadly about a policy priority, area or topic without a specific bill number or piece of legislation does not constitute grassroots lobbying.

Can our chamber legally endorse candidates for elected office?

Yes. Chambers can endorse candidates, if your bylaws allow for it.

It is important to distinguish between legislative advocacy and electoral advocacy. Most chambers have a government affairs committee and engage with legislators on important issues and pieces of legislation. However, engaging in elections and endorsing candidates is less frequent. Deciding to endorse candidates should not be entered into lightly.

Can our chamber host a fundraiser or give money to candidates for public office?

A chamber cannot use its general fund monies for campaign contributions or in-kind contributions. In fact, hosting a fundraiser at your facility without charging a rental fee to the candidate is considered an “in-kind contribution” and is prohibited in Oklahoma. If your chamber wants to engage politically, it should consider forming a political action committee (PAC). The Chamber Action Network can help walk you through this process.

How else can our chamber engage with candidates for elected office?

Chambers are a trusted source for information, and can become involved without supporting or endorsing specific candidates. This can take the form of candidate forums, candidate Q & A in your newsletter, voter registration drives or get out the vote (GOTV) efforts in your community. The Chamber Action Network can help with any of these!

What is the Chamber Action Network (CAN)?

While the State Chamber staff is advocating for legislation impacting the business community at the Capitol, elected officials also need to hear from their constituents as they determine their positions. We want to make it easy for businesses to get involved and influence legislation that impacts their business and Oklahoma’s economy.

That’s exactly why we have expanded our partnership with local chambers and economic development organizations to create the **Chamber Action Network (CAN)**. CAN is a grassroots effort to ensure the voice of every business is heard at the state Capitol. This new initiative provides a comprehensive toolkit of resources for local chambers and economic development executives, to easily stay engaged in what happens at the capitol while keeping focused on their own jobs in their communities.

We engage local chambers with **weekly emails** and **conference calls** during the legislative session to stay up-to-date on policy changes affecting Oklahoma’s business climate.

With the remarkable strides our state has made passing pro-growth legislation in the last few years, it is critical for Oklahoma’s business community to remain unified behind these reforms and policy goals. Our mission is to make certain that the men and women creating policy hear your voice before they cast their vote.



WE MEAN BUSINESS

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