



Three Things Nonprofits Should Know About Massachusetts Ballot Initiatives

With the 2018 November elections quickly approaching, nonprofits are taking a more active role in supporting or opposing Massachusetts ballot initiatives. Under Massachusetts State Campaign Finance Law known as G.L. c. 55 support for or opposition to a ballot initiative may be considered political activity, which may trigger the need to create a political committee, with detailed recordkeeping and disclosure requirements. So what rules do nonprofits have to follow? This is an area in which grey predominates; the few black and white rules are as follows.

1. Raising Money

A nonprofit entity may not raise money to support or oppose a ballot initiative. If it raises money for that purpose, it must form a separate political committee.

2. Spending Money

A nonprofit entity should tread carefully in spending money to support or oppose a ballot initiative. As interpreted by the state's campaign finance regulator — the Office of Campaign and Political Finance, or "OCPF" — a nonprofit may spend up to the lesser of \$15,000 or ten percent of its gross revenue to support or oppose a ballot initiative without forming a separate political committee. But that interpretation is currently being challenged before the Supreme Judicial Court and may change at any time.

3. Donor Identity

A nonprofit entity must not be used to shield the identity of donors who wish to spend in support of or opposition to an initiative. OCPF's largest enforcement actions in recent memory were against two nonprofit entities that attempted to do just that in 2016 (regarding the charter school and marijuana legalization issues that were on the ballot). One such entity was shut down; the other was the subject of a substantial fine.

Contact Us

If you have questions about your organization's activities, feel free to contact a member of our Nonprofit Group, or the authors of this advisory:

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