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## **Lawyers Alliance, NPCC File Suit Objecting to New State Donor Disclosure Law**

New York, NY, March 6, 2017– Today [Lawyers Alliance for New York](#) and the [Nonprofit Coordinating Committee of New York](#) (NPCC) filed a complaint against Attorney General Schneiderman challenging provisions of the Governor’s 2016 ethics law ([New York Executive Law §172-e](#)) as unconstitutional and harmful to nonprofits in New York State.

“While other sections of the statute are intended to increase transparency in the electoral process, the provisions we challenge today are unrelated to those goals,” said **Sean Delany, Executive Director of Lawyers Alliance for New York**. “Nonprofits that provide technical support, make grants, or otherwise support advocacy organizations – with no intention of supporting lobbying activity – should not be required to disclose their donors without any connection to that activity. This is the first statute in the country to mandate such disclosure, and it is an ill-considered way to create such a legislative precedent.”

“NPCC believes that transparency and accountability are fundamental to nonprofits, particularly when engaging in lobbying; however, this overbroad law catches nonprofits up in a net of reporting for everyday activities that have no connection to lobbying,” said **Sharon Stapel, President of NPCC**. “Nonprofits throughout New York State will be subject to burdensome reporting requirements that could harm their ability to fundraise and to meet their mission. Nonprofits must be accountable to the public, but this law does not achieve that goal.”

The complaint alleges that New York Executive Law §172-e violates the 1st and 14th Amendments. This provision would require 501(c)(3) nonprofits to report their donations simply because they provided a certain level of assistance to 501(c)(4) entities, even when that support is not connected to lobbying or political speech. Under this rule, for example, Lawyers Alliance could be required to disclose donors because they provided a (c)(4) with legal advice to incorporate or to set up their by-laws, activities that have no connection to the entity’s political position.

This case is expected to be joined with ongoing litigation brought by the [New York Civil Liberties Union](#), the American Civil Liberties Union and [Citizens Union](#) before District Judge Richard M. Berman, United States District Court, Southern District of New York. The suit raises claims similar to those brought by the NYCLU/ACLU and Citizens Union, but asserts the constitutional claims from the perspective of nonprofits that were never intended to be regulated by the statute but will nevertheless be required to disclose their donors.

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**The Nonprofit Coordinating Committee of New York (NPCC)** serves as the voice and information source for the New York City area nonprofit community. NPCC's mission is to create a sector that is better informed, managed, governed, and represented at all levels of government. With more than 1,450 members, NPCC helps nonprofits to improve their organizational management so they become more effective in meeting their missions and saves nonprofits money through cost-savings programs. NPCC also serves as a watchdog for nonprofit regulation on the city, state and federal levels, assuring that the nonprofit regulatory environment is fair and efficient. Established in 1984, NPCC is the largest such organization in the New York City area. (<http://www.npccny.org>)

**Lawyers Alliance for New York** is the leading provider of business and transactional legal services for nonprofit organizations that are improving the quality of life in New York City neighborhoods. By connecting lawyers, nonprofits, and communities, Lawyers Alliance for New York helps nonprofits to develop affordable housing, stimulate economic development, promote community arts, strengthen urban health, and operate and advocate for vital programs for children and young people, the elderly, and other low-income New Yorkers. During the past year, Lawyers Alliance's staff worked with more than 1,600 volunteer attorneys from New York City's finest law firms and corporate legal departments to represent approximately 700 nonprofit clients on 1,200 matters.

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