



Testimony in Opposition to HB 3213
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Nonprofit Association of Oregon

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House Committee on Higher Education and Workforce Development

NAO is a registered 501(c) (3) nonprofit organization representing over 1,100 charitable nonprofit organizations and affiliate members across Oregon. Our members are located throughout the state and come from all areas of the nonprofit sector serving our communities, including education, disaster recovery, health and human services, the arts, and environmental protection and veterans' services. NAO's mission is to strengthen the collective voice, leadership and capacity of Oregon nonprofits to enrich the lives of all Oregonians. More information about our many programs and services can be found at www.nonprofitoregon.org.

NAO opposes HB 3213. Nonprofits are private independent entities that serve a charitable purpose. Subjecting nonprofits to public records requests would be excessive regardless of if it is a foundation that supports a public institution or not. Singling out college and university foundations would open the door unnecessarily to similar foundations such as K-12 foundations, parks foundations, zoo foundations etc. It is not clear what purpose public record requests provide that required disclosures don't already provide.

Nonprofits are subject to many legal disclosures to maintain their tax-exempt status. They are required to share information about their finances, compensation, staffing and operations to the public via the [990 form](#), which is filed annually with the IRS. The Oregon Department of Justice Charitable Affairs Section regulates the activities of charitable organizations in the state. Nonprofits are required to register and file annual reports with the Department as well as maintain a business license with the Secretary of State. Further, if a nonprofit receives public funds, they may be required to conduct and publicly share additional program information or an audit of the organization.

Nonprofits are also open to IRS scrutiny when they engage in lobbying activities. They are required to provide records of their lobbying expenditures at the IRS's request. In Oregon, nonprofits that lobby are required to submit lobbying expenditure information every quarter to the Oregon Government Ethics Commission.

Finally, nonprofits are required to have a board of directors that oversee their finances, fundraising, personnel decisions, properties, policies, and programming. Board members are uncompensated volunteers and are required annually to sign and disclose any conflict of interest on which they can have no power. The Board is responsible for setting strategies and policies for the nonprofit and supervising the senior most staff. The Board has the authority to hire and fire the CEO or executive director of the nonprofit. All board meetings are required to have documentation such as meeting minutes and other records.

We work alongside many outstanding Oregon-based 501(c)3 organizations that enrich lives and build vitally needed resources for the people of Oregon. Nonprofits serve our state in unique ways that cannot be replicated by the government or by the private sector. The independent strength of Oregon's charitable sector is more important today than ever. For all of these reasons, we oppose the passage of HB 3213.