

Direct Phone: (780) 421-0230
e-mail: csmith@muttart.org

By e-mail to: AEFCommittee.Admin@assembly.ab.ca

August 17, 2026

Mr. Ron Wiebe, MLA
Chair
Standing Committee on Alberta's Economic Future
c/o Committee Clerk, 3rd Floor, 9820 107 Street
Edmonton, AB T5K 1E7

Dear Mr. Wiebe:

The Muttart Foundation is pleased to provide this submission as the Committee undertakes the mandatory review of Alberta's *Lobbyists Act*. Our submission recommends that the provision exempting charities and public benefit nonprofit organizations remain intact.

Background

When the Act was first considered, the Muttart Foundation, along with almost 300 other nonprofit organizations, made a joint submission outlining the implications of including them in the legislation. This led to a 2007 amendment to the Act based on a provision in Quebec regulation that distinguishes between nonprofit organizations that further a public benefit, and those that serve management, union, professional, or profit-seeking interests. The former are exempt from the Act. Manitoba subsequently adopted the same test for its exemption for nonprofits and charities.

This distinction has served Alberta well and the exemption was upheld when the Act was reviewed in 2011, 2017, and 2021. The governments of the day understood Albertans aren't interested in layering more reporting requirements onto the local charity that meets with

public officials to discuss homelessness or food bank usage. Rather, they want to know when efforts to influence government are about commercial interest and private gain.

We are not aware of any evidence that Alberta's charities and public benefit nonprofits have abused the exemption and nor is there any public demand for this disclosure. Moreover, nonprofits are generally transparent with their memberships on when and why they are engaging with government.

Keeping the Administrative Burden in Check

From time-to-time it has been suggested the exemption should be lifted and some have argued that the *Lobbyists Act* reporting requirements are not onerous. This argument fails to consider the cumulative effect of each new reporting requirement, and how each one diverts energy and attention from a nonprofit's core mission. The preamble to Alberta's *Red Tape Reduction Act* makes this very point. It reads,

...some regulatory and administrative requirements result in unnecessary costs for Albertans in terms of time, money or other resources, putting burdens on businesses and non-profit and public sector organizations...

It goes on to assert,

[T]he Government of Alberta is committed to ensuring that regulatory requirements are reduced over time and that there is no increase in the total number of regulatory requirements applicable to stakeholders;

We submit that removing the exemption for public benefit nonprofits would result in "unnecessary costs." In the absence of an actual problem that is wanting for a legislated solution, lifting the exemption would run contrary to the very purpose of the Act.

It is important to understand that merely staying on top of the rules diverts energy from mission-related activities. The current exemption is understood by Alberta's nonprofits because it makes a simple and effective distinction. If the Government were to start introducing rules containing various thresholds, or new criteria for what is charitable, it would only distract organizations from pursuing their missions while they try to figure out what it takes to stay onside. This wouldn't be a one-time occurrence. Organizations that interact with government infrequently would likely need to relearn the rules each time. Furthermore, many nonprofits experience high levels of turnover and struggle to maintain their institutional memory. Should a supported-living agency be focussing on safeguarding

vulnerable clients and ensuring food safety, or on figuring out whether an upcoming meeting must be reported as lobbying?

Unintended Consequences

If the exemption were lifted or a new set of rules were introduced, we could anticipate several additional unintended consequences.

Firstly, it would have a chilling effect, as some organizations would choose not to engage with government for fear of straying offside. This would deprive policymakers of rich subject matter expertise and those served by nonprofits would have less of a voice.

Secondly, it is likely there would be high levels of noncompliance, as resource-constrained organizations prioritize serving their communities.

Thirdly, the Province could expect the costs of operating the registrar's office to escalate given there are nearly 30,000 nonprofits active in Alberta.

We believe Albertans are best served by having Alberta's charities and public benefit nonprofits focussed on their missions, rather than drafting policies, creating tracking systems, and filling out forms.

Conclusion

It is the view of the Foundation that the reasons to exempt charities and public benefit nonprofits remain valid and convincing. Furthermore, they align with ongoing red tape reduction goals. We therefore encourage the Committee to avoid making any recommendations to change the status quo as it relates to this exemption.

Yours truly,

A handwritten signature in black ink, appearing to read 'C. Smith', written over a horizontal line.

Christopher J. Smith, Ph.D.
Executive Director