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1. DRAFT CHINA NGO LAW TO IMPACT U.S. ASSOCIATIONS: The Chinese government has issued a public comment period for new legislation that would have major implications for U.S. associations and nonprofits that operate or hold programs or trainings in China. Titled The Non-Mainland Non-Governmental Organizations Management Law of the People's Republic of China, the legislation would impact a range of association activities in the country.

According to the Wall Street Journal the bill includes a sweeping definition of NGOs: all groups operating outside of government and business. Nonprofits will have to deal with major bureaucratic hurdles, including a permitting and approval process, employing Chinese accountants to conduct audits, and seeking approval for hiring from the Chinese government for both paid employees and volunteers. "This could wreak serious collateral damage on U.S.-China ties," said Carl Minzner, a professor at New York's Fordham Law School.

The deadline for public comment is June 4. ASAE will submit comments to the Chinese legislature, the National People's Congress. If you are interested in hearing more about this issue, please contact publicpolicy@asaecenter.org or visit the Power of A website [here](#).

2. SENATE FINANCE COMMITTEE EXTENDS WORKING GROUP DEADLINE:

The five Senate Finance Committee tax reform working groups have been given additional time to report their recommendations on changes to the tax code. On May 21 Chairman Orrin Hatch (R-UT) and Ranking Member Ron Wyden (D-OR) announced the groups would be given more time. It's not yet clear if the working groups will make specific policy recommendations, or if the results will be released to the public. Senator John Thune (R-SD), chair of the business income tax working group, told reporters, "I do think at some point there'll be some form of public recommendations too. I don't think it's all going to be just internal." Senator Michael Enzi (R-WY), chair of the individual income tax working group, has indicated he is less interested in making specific policy recommendations. Bloomberg BNA reported if the bipartisan working groups are unable to reach

specific policy recommendations, Hatch has said he will release his own policy proposals.

The new deadline has not yet been set by the committee, but a new date will be decided after the Memorial Day Congressional recess this week. The extension comes as the Committee was focused on passing major trade legislation in the Senate.

3. POLITICAL ACTIVITY RULES POTENTIAL SUMMER RELEASE: The IRS may be set to release updated proposed political activity rules for social welfare groups. A notice of proposed rulemaking was listed on the Office of Management and Budget (OMB) Office of Information and Regulatory Affairs' website with a deadline of June 2015. The IRS last year scrapped a proposed rule regulating political activity by 501(c)(4) groups after intense opposition from groups across the political spectrum. IRS Commissioner John Koskinen in March said the agency plans on reissuing the rule and broadening it to apply to 527 political groups, 501(c)(6) trade associations, labor unions and other tax-exempt organizations.

Emily Peterson-Cassin, a policy advisor with Public Citizen's Congress Watch told Bloomberg BNA that the OMB regulatory agenda is not always accurate. Previously the rules were set to be released in March. Once the new draft is released, another public comment period will ensue as well as a public hearing.

4. HEALTHCARE EXCHANGES FACE CHALLENGES AHEAD: Next month the Supreme Court is expected to decide *King v. Burwell*, a case that challenges whether federal subsidies that helped roughly 7.5 million Americans purchase insurance through a federally-run healthcare exchange are legal or not. A ruling against the Administration could collapse the health insurance exchange system created by the Affordable Care Act (ACA).

Currently, 37 states rely on the federal exchange, HealthCare.gov. Only 13 states and the District of Columbia have established their own exchanges. On average, tax credits subsidize 72% of the premiums for those who qualify for coverage through the federal exchange. A new study by the Rand Corp. found if the subsidies are eliminated, about 8 million people will become uninsured due to the personal cost increase.

This decision comes at a time when many state exchanges are struggling to become sustainable. Federal financial support for state exchanges ends next year. Some state exchanges are contemplating multi-state exchanges in order to address major cost and viability concerns. If state exchanges are not self-sufficient by 2016 they will have to join the federal exchange. This deadline was pushed back once by the Administration, originally scheduled for 2015. Oregon and Nevada have already moved to the federal exchange after a state exchange wasn't successful. [The Hill](#) reported this week that Vermont's exchange costs are expected to rise to \$200 million this year.

5. SUPREME COURT TO DECIDE MEANING OF "ONE PERSON ONE VOTE": On Tuesday the Supreme Court agreed to hear *Evenwel v. Abbott*, a case that will decide the meaning of "one person one vote." The challenge was brought by two rural Texas voters who claim their vote is less influential than ballots cast in

urban areas with large numbers of non-citizens. The case will decide if state voting districts should be determined based on the number of people or the number of eligible voters. Currently, the law is based on the 1964 Supreme Court case *Reynolds v. Sims*, which ruled that voting districts must have the same number of people. The 1964 decision did not specify which people count.

The ruling is expected in 2016. It will have major political implications, and will likely impact congressional redistricting. Currently almost all state legislative districts are drawn with total population. A ruling for an equal number of voters would move political power to rural areas away from cities. This type of ruling from the Supreme Court "would be most significant in border states, like California, Texas, Arizona, and Nevada, that have the largest proportions of noncitizens" said Richard Pildes, a professor at New York University.

The Supreme Court may leave the decision up to the states. In this instance, Pildes said, "State legislatures would be given a green light to locate more power or less power in areas that have large geographic concentrations of noncitizens. Those areas would have more power if the rule is equality of residents and less power if it's equality of eligible voters."