

Congress of the United States
Washington, DC 20515

April 15, 2020

The Honorable Nancy Pelosi
Speaker of the House of Representatives
United States Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader, House of Representatives
United States Capitol
Washington, DC 20515

Dear Speaker Pelosi and Leader McCarthy,

I write to convey the concerns of many of my constituents who are part of nonprofit organizations that do not qualify for Federal assistance under the CARES Act. Although I understand that the intent of the architects of the small business relief provisions in the CARES Act was to direct aid mostly to small businesses and charitable organizations, like 501(c)3s, as you look to expand the funding for these programs, I also ask that you consider widening the scope of the organizations that can apply.

Over the past several weeks, constituents have contacted me about a range of organizations left out of our small business assistance programs. Based on their employee count and the type of service they provide to our community, one might think that they are eligible just like a private sector entity or 501(c)3, but their tax filing status makes them ineligible. They include, but are not limited to:

- 501(c)4s and, in particular, 501(c)4 destination marketing organizations (DMOs) that help with travel and tourism promotion in our communities. These organizations will be an important part of re-opening our country when it is appropriate to do so, especially in the southeast Pennsylvania where travel and tourism is a big part of our economy. Although travel and tourism are strongly discouraged during this epidemic, it would be short-sighted to leave these organizations out of Federal assistance and see them close their doors forever.
- 501(c)5 like labor unions and agricultural organizations like state and county Farm Bureaus. These local organizations are working tirelessly to support our workers and agricultural producers through this downturn. In my community, farmers and growers are struggling with navigating the various programs and assistance available to them. The PA Farm Bureau provides timely information on relevant aid programs and also helps connect producers with resources to address the mental health component of this crisis.
- 501(c)6 trade, professional and membership organizations, like local Chambers of Commerce. Our Chambers have been instrumental in helping their small business member companies navigate this economic challenge, yet they are not themselves eligible for assistance.
- 501(c)7 social and recreational clubs, which are important employers in our community and have been hit hard economically as people follow stay-at-home orders.

These types of organizations have also asked for clarification on the affiliation requirements in CARES, since many of them are affiliated with larger national organizations but operate as local entities well under the employee cap. Others have asked to raise the employee count threshold as many of these nonprofit organizations have more than 500 employees.

Thank you for the opportunity to convey the concerns from members of my community and for your consideration of my views as we work rapidly towards additional legislation to offer relief for small employers and working families.

Sincerely,



Chrissy Houlahan
Member of Congress