Failure to Embrace Homosexuality Could See Nonprofits Lose Tax-Exempt Status

A California committee approved legislation that would revoke tax-exempt status from any nonprofit organizations that do not embrace homosexuality. It was approved on the same day Gov. Jerry Brown signed into a law Assembly Bill 1266, which forces schools to allow children to use the bathroom correlating to their own gender identity.

Democratic Sen. Ricardo Lara, an open homosexual from Los Angeles and a member of the California Legislative LGBT Caucus, first introduced Senate Bill 323 in mid-February. According to the bill’s introduction, it would “provide that an organization that is a public charity youth organization that discriminates on the basis of gender identity, race, sexual orientation, nationality, religion, or religious affiliation is not exempt from [state taxes].”

The legislation lists about 25 youth organizations that would have to embrace these “gender identity” and “sexual orientation” guidelines to keep their tax-exempt status. Little League, Boy Scouts, Cub Scouts, Girl Scouts, Young Men’s Christian Association (YMCA), Young Women’s Christian Association (YWCA), Future Farmers of America, Future Homemakers of America, 4-H Clubs, Boys’ Clubs, Girls’ Clubs and Future Business Leaders of America are all included.

Lara’s media spokesperson, Lizette Mata, says SB 323 is designed to target nonprofit groups, particularly the Boy Scouts of America (BSA), who “have a long history of out-of-line discriminatory practices against gay, lesbian, bisexual and transgender youth here in our community."

Lara said Tuesday in a press conference, "Today, the Youth Equality passed out of its last policy committee, but our work is far from over. We are going to need to work very hard to ensure that members in the Assembly understand the importance of this bill."

California Family Alliance's Lori Arnold argues that the "Anti-Boy Scouts Bill" is self-contradicting and unconstitutional.

"The irony of the proposed law," she wrote in a release, "is that its blatant use of extortion—by holding nonprofit groups financially hostage—instills its own form of discrimination by trampling individual and organizational religious beliefs by labeling them 'outdated practices,' practices that are protected by the First Amendment."

Deron Smith, a BSA spokesperson, says the organization will continue serving the 180,000 Scouts in California.

"Today more than ever, youth need the character and leadership programs of Scouting," Smith says. "We are disappointed with anything that impacts our ability to serve more youth."

SB 323 received the bare minimum of votes required in May, passing the Senate 27-9. Because it changes California's tax code, a two-thirds majority was required. The bill passed the Assembly Tax and Revenue Committee with a vote of 6-3 Tuesday. It will now move on to the Assembly Committee on Appropriations.