

2019

... ANNUAL REPORT ...



WITH GROWTH COMES NEW OPPORTUNITIES

A MESSAGE FROM THE PRESIDENT

It's time to begin exploring the "nail it and scale it" model following our unique policy successes in Utah.

As we wind down our eighth year of operation, we've assessed the various challenges and successes we've had along the way. To date, 82% of our legislative proposals have been enacted into law, and several of them were the first of their kind in the country.

This track record has attracted a bit of attention from around the country, as you'll see in this year's annual report. And in recent years a consistent request has been made of

our team: "Will you open a chapter in our state?" We have no plans to expand our operation beyond Utah, but that doesn't mean we can't extend our influence and assist others in making a difference.

So that's how we hope to increase our impact in 2020—taking what we have learned, packaging it up, and then deploying that to other states so they can implement policy innovations that we incubated in Utah.



Connor testifies in committee at the Utah Capitol

It won't be easy—each state is quite different—but we're already seeing a bit of success by following this "nail it and scale it model."

Take our "lemonade stand law," for example. This law prohibits the gov-

ernment from requiring that young entrepreneurs obtain a permission slip before offering their product or service to the public. We've seen one story after another of police and public health officials shutting down lemonade stands—but now they can't in Utah.

With our help, similar legislation was developed in Colorado and later passed. And now two other states, Texas and Wisconsin, have followed suit. It's silly that we even need a law for such a thing (welcome to the land of the free...), yet it's become a necessary step to protect the free market and educate the public about how over-regulated our society is.

Imagine seeing dozens of other states adopt the comprehensive data privacy law that we developed here in Utah—substantive legal protections to ensure that the government can't access our digital data

without a warrant, whether it's on your device or in the cloud. It's imperative that these rights extend throughout the country, and we've got the plan to do it. We simply need to scale our effort and extend our reach into other states.

Your support is critical; we literally cannot do this work without your contributions to this cause.

And while we're going to work on scaling our successes, there's plenty more to be had here in Utah. We've doubled the size of our policy team this year and have an ambitious agenda for 2020—one that involves work on education reform, property rights, DNA privacy, deregulation, medical freedom, and much more.

The passing of another year affords us all an opportunity to assess our efforts and make plans for how we can improve. I hope that in doing so,

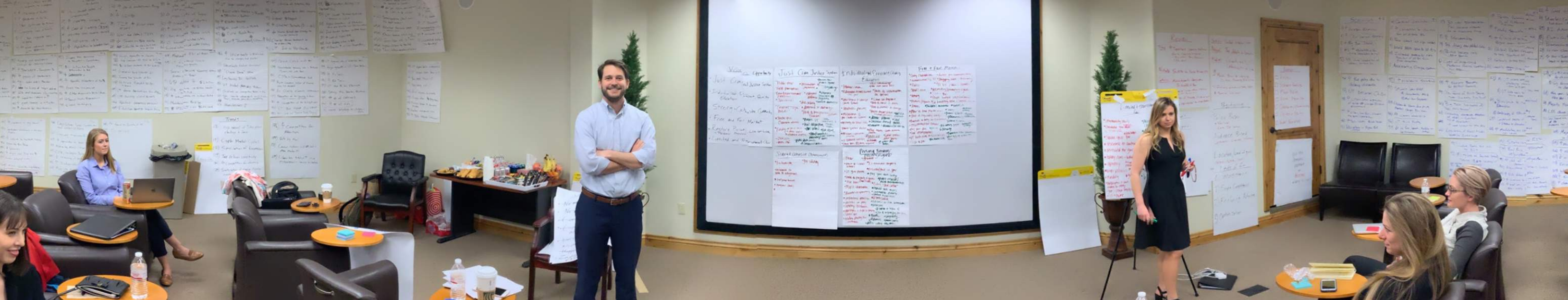
you'll consider how you can do more for the cause of freedom.

I submit that the Libertas team has proven itself a trustworthy and effective recipient of your support. As such, I invite you to deepen your commitment so we can together make a more significant difference in the coming year.

The need is ever-present, and there will always be challenges impeding our effort. We recognize that it's a sacrifice. But seeing how people's lives have been materially improved through your support is energizing.

We're ready for 2020. We hope you'll be by our side.

A handwritten signature in black ink, consisting of a stylized 'C' followed by a series of loops and a final downward stroke.



A STRATEGIC PLAN

Success begets more opportunity. As we've change dozens of laws over the years, each of those efforts have opened our eyes to other issues that need to be addressed.

The problem? After several years of this, we had a very lengthy to-do list of assorted problems without much focused alignment for our team as a whole. We were working on many random issues—important though they

were—without helping the broader team understand their connection to our mission.

So in April our team spent an entire week going through a strategic planning effort with the assistance of facilitators from State Policy Network. On the first day, we invited supporters to join us and share their views on the challenges Utah is facing. In subsequent days we distilled this raw input down through a variety of exercises that helped us prioritize them and match them against our skills, mission, and experience.

The result? As you can see, wall-to-wall notes filled with ideas, opportunities, and areas of focus for our team to work on in the years to come.

Previous to this process, our policy team would take on new efforts and begin developing a solution to pursue, without necessarily communicating this to the rest of the team. This weakened our team's unity, but it also impeded the ability of others on the team to effectively communicate what all our organization was working on. With the strategic plan in place and our core areas of

focus now determined and connected to each facet of our work, our team can better unify around our work and pursue a common goal on our policy initiatives and their broader purpose and goal.

From here, our team is executing the priority items on our strategic plan. In the years to come—as our team grows and new opportunities arise—we have a framework through which to assess what we should work on and how each issue is connected to our mission.

“More states should be like Utah — a phrase that’s probably never been uttered before.”



After a two-year effort, we succeeded in persuading the legislature to adopt a comprehensive data privacy law—an innovation that quickly captured the attention of national media.

Consider this: digital data is protected from warrantless access when it’s on your computer or mobile device. But when you upload it to the cloud—when you send it through or to a third party—the US Supreme Court has claimed that you don’t have the same privacy protections. Cops don’t need a warrant. They can simply go to Dropbox, Google, Verizon, or whoever has the data, and tell them to hand it over.

That’s no longer the case in Utah. Our bill, sponsored by Representative Craig Hall, imposes the same privacy protections against government access regardless of where your data is stored or transmitted. It’s still yours, and it should be protected accordingly.

The bill was initially opposed by law enforcement, and following several meetings and negotiated language, we were able to position the bill in a way that resolved their concerns while still achieving our objective. In the end, legislators supported the bill unanimously.

In an age when we communicate digitally on a regular basis, it’s absurd to argue that we do not have an expectation of privacy merely because our communication relies upon or involves third parties. The law needs to catch up with technology, and Utah has now done that.



We were honored with the “biggest win” award for our data privacy policy success—the biggest victory in the country in 2019.

TechFreedom called our victory “one of the most progressive Fourth Amendment reforms on a state level in the history of America.” Newspapers around the country took notice; the *Pittsburgh Post-Gazette*, for example, editorialized this way: “Other state legislatures throughout the country should follow Utah’s example by passing a law that... tries to better protect the privacy of their constituents.” Forbes called our law “a surprisingly radical break from the status quo” and said that our law should be a “model for other states.” A publication put out by

Lexis Nexis said, “By any measure, this is landmark legislation because it protects electronic information that individuals turn over and entrust to third parties.”

We agree and will be working in the years to come to encourage other states to adopt a similar law to protect the digital privacy of even more individuals, to ensure that the government can’t snoop around and access whatever it wants without a warrant. It’s a law that is long past due, and we’re going to make it happen.

A SECOND CHANCE

Bureaucratic roadblocks cleared to automate expungement

Utah law gives past offenders an opportunity to expunge their record after a certain amount of time, wiping clean their criminal past so they can have a better chance finding a job, an apartment, etc. But the process can be costly and cumbersome, if qualified people even know about it at all. We worked on a “clean slate” bill this year with a coalition of partners to automate the process for low-level criminals. This will save them—and taxpayers—time and money while creating a fairer process for those looking to leave their criminal past behind.

REDUCING BUSINESS TAXES

A more streamlined tangible personal property tax

When a Utah business buys new equipment, machinery, or office furniture it doesn't just pay tax on those items at the point of sale. Utah law also requires businesses to pay an additional tax every year on this already-purchased property. We were able to work on legislation that exempts property under \$150 that isn't critical to the operation of a business, raises the aggregate threshold from \$10,000 to \$15,000 to exempt out more businesses, and allows businesses to stop reporting if they have been consistently exempt for a few years.



PELVIC PRIVACY

Putting a stop to a barbaric medical practice

We were surprised to learn last year that some medical providers were claiming the right to practice pelvic examinations on a sedated or unconscious woman without her knowledge or prior consent. In response, we developed model legislation to outlaw this practice and require providers to obtain explicit consent using a legally prescribed form, with clear guidelines and restrictions, prior to performing an inspection on intimate parts of any person's body, whether they be male or female.

FINTECH SANDBOX

New opportunity to protect innovation in Utah

All too often when a new innovative company bursts on the scene, regulators pounce and try to force the new company to conform to out-of-date and hardly related regulations. In the financial technology (fintech) sector, heavy compliance burdens inhibit innovation. We worked on legislation that gives these types of new companies a chance to either develop, introduce, or continue to operate an innovative product or service under a decreased regulatory burden. The bill sets up a pathway for financial technology companies to petition for relief from onerous regulations that poorly apply to their models.



FREE MARKET FUN FOR CHILDREN

FIRSTHAND EXPERIENCE FOR YOUNG ENTREPRENEURS

Following our successful effort to prohibit police and bureaucrats from shutting down small businesses operated by children who don't have a permit and license, we launched the Children's Entrepreneur Market—a summer program enabling young children to gain firsthand experience operating a business.

Think of it like a farmer's market but run entirely by children—hundreds of them! These micro-entrepreneurs sold food, crafts, toys, art, clothing, books, games, and much more! We held a dozen events throughout the state this year and hope to expand further in the years to come with support from our sponsors.

Learning how the free market works is best done through direct application, which is why we have enjoyed supplementing our policy work with hands-on activities such as the Children's Entrepreneur Market. The rave reviews from the children and their parents have convinced us to continue this important program.



2,500
ENTREPRENEURS

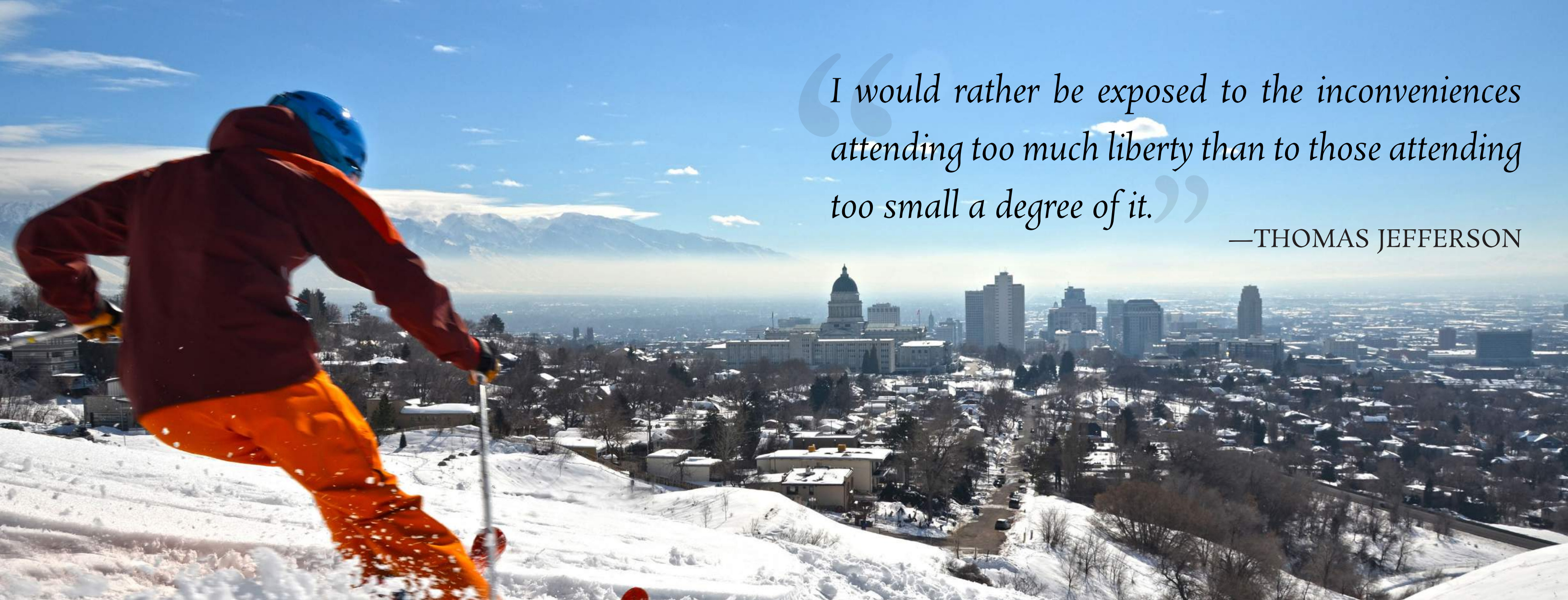


5,000+
CUSTOMERS



TONS
OF SMILES

CHILDREN'S 
ENTREPRENEUR
market

A skier wearing a red jacket, orange pants, and a blue helmet is captured from behind, skiing down a snowy mountain slope. The skier is holding ski poles and is in a dynamic pose. In the background, a city with a prominent domed capitol building is visible, surrounded by snow-covered trees and buildings. The sky is a clear, bright blue with a few wispy clouds. The overall scene is a high-angle, wide shot of a winter sports location.

*I would rather be exposed to the inconveniences
attending too much liberty than to those attending
too small a degree of it.”*

—THOMAS JEFFERSON

82% OF LIBERTAS PROPOSALS BECOME UTAH LAW

Nonprofit public policy groups like Libertas Institute are often called “think tanks,” but we consider ourselves a *do* tank. We don’t just publish our opinions in whitepapers and articles and hope somebody does something about them. We recognize that opinions are a dime a dozen and even when backed by an influential group, they don’t spring into life all on their own.

That’s why we engage in strategic outreach designed to take our ideas and actually turn them into policy. We’ve been around for eight years now, and in that time we have refined our approach, strengthened relationships, and honed in on a few different methods we can use—depending on the issue—to elicit support and create consensus among elected officials and the public.

It’s no easy task. After all, for each of our core areas of focus, there are entrenched and well-funded opponents. Even worse, we often fight against our own taxpayer dollars that are being used to lobby for more taxes, more control, etc. But we recognize the urgency of our work and the vacuum that would exist if we weren’t in the trenches fighting for freedom in Utah.



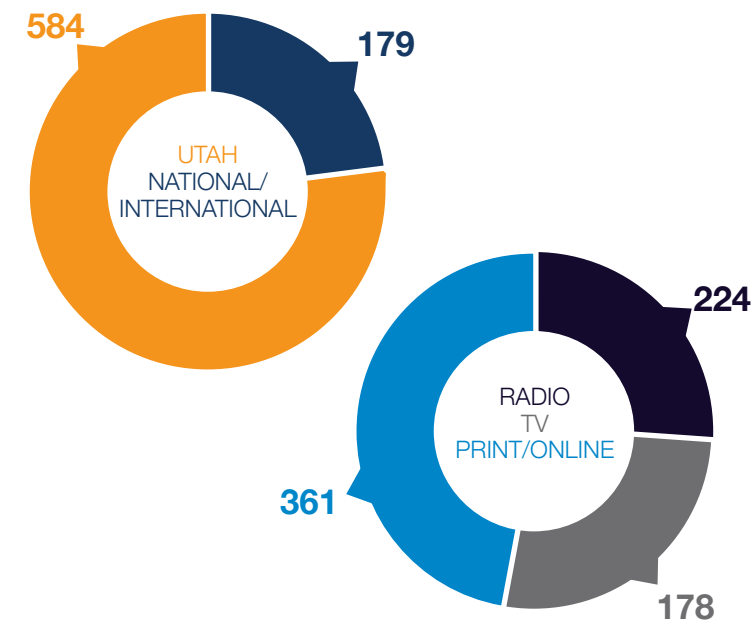
WHO REPORTED ON OUR WORK IN 2019?



MEDIA MENTIONS

Whether we are named directly or our work is featured with other interviews—especially the people our work is benefitting—we try to track how much media impact our work has created.

While much of our work is behind the scenes or on issues that are unlikely to attract attention, we take advantage of opportunities to influence public opinion and shape the debate on important topics.



A SAMPLE OF OUR OP-EDS:

- Roadside traffic stop or fishing expedition? (*Deseret News*)
- Get the government off my lawn (*S.L. Tribune*)
- The case for health care price transparency and beyond (*Deseret News*)
- Stop suspending driver's licenses for inability to pay fines and fees (*S.L. Tribune*)
- Facial recognition needs some handcuffs (*Deseret News*)
- Is THC vaping the new Typhoid Mary? (*S.L. Tribune*)



Law enforcement showed up in high numbers to oppose our civil asset forfeiture reform.



Nichelle interviewing one of many elected officials during the legislative session.



Day one of our strategic planning meetings with supporters in attendance to give input.



Touring one of Utah's prisons with friends from the Utah Justice Coalition.



Our annual Children's Entrepreneur Market gives kids firsthand experience in business.



Governor Herbert signing our innovative data privacy proposal into law.



Connor discussing the latest medical cannabis developments with reporters.



One of the messages we shared to raise awareness about an unfair business tax.



Michael and Connor participated in a unique pitching event to develop a policy proposal.



One of the families we have been helping with legal battles over medical cannabis use.



A district court judge heard arguments in our lawsuit over a city adopting an illegal tax.



We hosted an international delegation to discuss our work on digital data privacy.

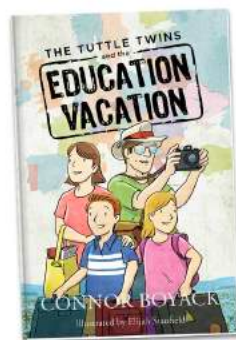
LIBERTAS INSTITUTE'S LATEST BOOKS

REACHING NEW AUDIENCES WITH OUR MESSAGE

This year we passed an important milestone: we've now sold over half a million copies of our Tuttle Twins book series for children! We are con-

vinced that more educational material for children is needed so parents and teachers can help children understand important principles. This year we

published a few new books to help us reach new audiences and increase knowledge about the ideas of a free society.

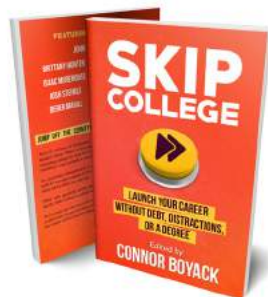


The Tuttle Twins and the Education Vacation

Ethan and Emily Tuttle have spent several years in school, but after hearing an award-winning teacher share a vision for how children are best educated, the Tuttle family decides to embark on a new learning adventure. As they soon learn, education works best when we have the freedom to discover our interests and develop our abilities, rather than being shaped into what somebody else wants.

Skip College

Tens of millions of Americans owe a combined \$1.5 trillion in debt for student loans. Much of this staggering expense has been unnecessary; attending college is more of a tradition—a cultural rite of passage than a necessary step towards a successful career, justifying its steep cost. As countless entrepreneurs and creative hustlers have shown, there is a path to success outside of the institutions of so-called higher learning. This book shows you the way.



The Tuttle Twins: Choose Your Consequence Series

By popular demand, we've begun creating educational material for teens that teach similar concepts that our children's series have long offered. These books follow the format of the popular "Choose Your Own Adventure" series of books, allowing readers to pick from different outcomes and story endings—letting them observe the effect of different political and economic decisions. Find them at TuttleTwins.com/teens.

The Tuttle Twins and the Hyperinflation Devastation

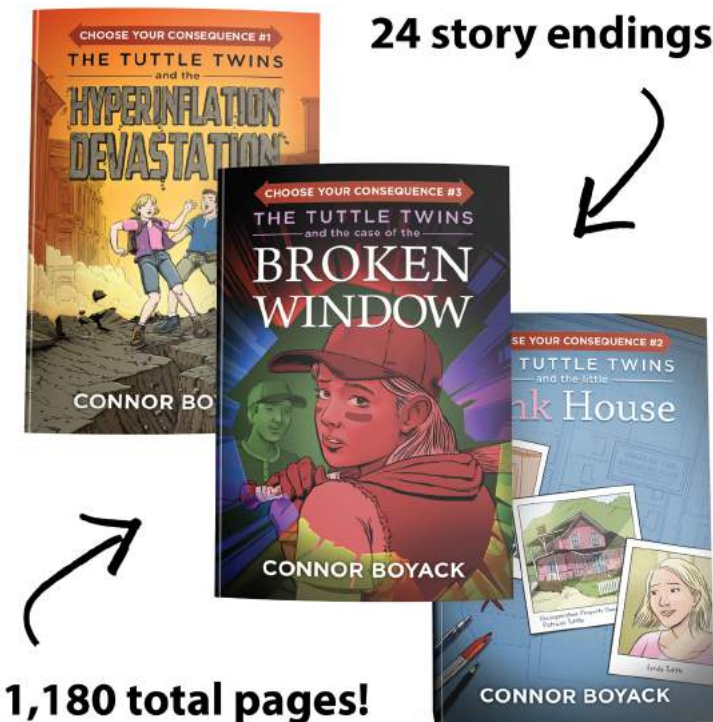
It's the perfect vacation: the Tuttle twins have saved their money and are ready to head off to South America to see some of the world's oldest ruins. What could go wrong? Nearly everything, as it turns out.

The Tuttle Twins and the Little Pink House

When a greedy corporation schemes to take over Grandma Tuttle's land and push her house into the river, can the twins stop it and come to her rescue? Can you help them?

The Tuttle Twins and the Case of the Broken Window

It's a perfect day for a game of baseball, and the Tuttle twins are determined to finally beat the rival team from the neighborhood. The game-winning home run from Emily gets them what they want... along with a whole lot of trouble they could never have expected.



24 story endings!

1,180 total pages!

EQUIPPING UTAHNS WITH TOOLS FOR CHANGE



PRE-LEGISLATIVE BOOTCAMP

Each year before the annual legislative session, we team up with the Utah chapter of Americans for Prosperity to host a bootcamp that trains individuals about how the political process works in Utah, and how they can make an impact. Hundreds of people attend and we provide multiple breakout sessions so people with varying levels of experience and knowledge can find something that works for them. It's an exciting event that prepares people for what's to come in the weeks ahead as legislators convene.

LEADERSHIP ACADEMY

This year we launched our inaugural Leadership Academy to train a small cohort of college-age individuals about how to effect change in our community. We took applications and selectively invited ten people who we felt were eager to learn and apply what we shared. With the help of several guest speakers, we spent eight weeks going into depth on a wide range of issues and finished with an evening where participants pitched a project that they plan to work on in 2020 to apply what they've learned.



REPRESENTATIVES:

Kim Coleman | Adam Robertson | Phil Lyman
Marc Roberts | Ken Ivory | John Knotwell
Mark Strong | Travis Seegmiller

SENATORS:

Lincoln Fillmore | Dan McCay

AVERAGE 2019 LIBERTAS INDEX RANKINGS

HOUSE



SENATE



Higher is better. Score is out of 100%.

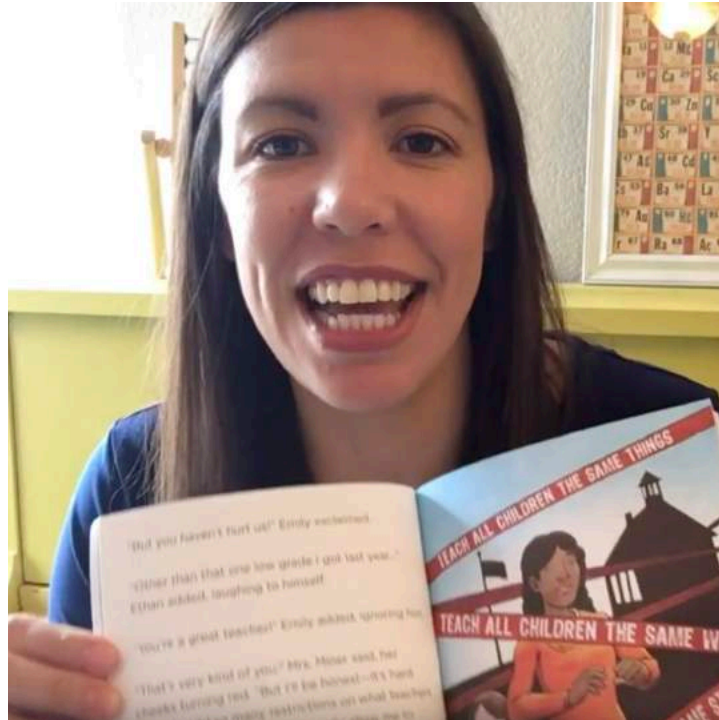
A NEW CURRICULUM FOR FAMILIES

The Tuttle Twins books have been very well received, but many parents were requesting more content more frequently. This eventually led to the creation of a new, unique curriculum for families to learn about free market economics together in the home.

Each week, participating families receive a variety of content about a specific idea, building upon the idea they learned about during the previous week. Parents and children of all ages can learn the same concept and have an engaging family discussion about how it applies to the real world and their family.

Eventually the curriculum will span 3-4 years worth of weekly content. We just launched this in August and already have over 1,000 families participating!

We also won an award for this curriculum. Connor presented it at the annual Atlas Network event in New York City at their “Think Tank Shark Tank” competition and won their award for having the most compelling project! Learn more at FreeMarket.TuttleTwins.com.



Reading about subjective value and how wants and needs change. Thanks to the Tuttle Twins curriculum, I am getting the education I never got in public schools and now I can pass it down to my children.

—@ourhouseonline, July 15, 2019



RETHINK WHY

Some of our policy initiatives are heavy lifts, requiring elected officials—and the public at large—to consider an issue in a totally different light than they might otherwise. While much of our work involves persuading legislators and local elected officials to act consistent with their oath of office and the sentiment of their constituents, at times we have to shift the so-called “Overton Window.”

Named for Joseph Overton—the person who coined the term—the idea is that window represents the range of policies politically acceptable to the mainstream popula-

tion at a given time. Overton stated that an idea’s political viability depends mainly on whether it falls within this range, rather than on politicians’ individual preferences.

Sometimes we have to shift the perspective of the public and encourage a new approach to a touch issue. To help with this, our RETHINK video series distills complex and controversial issues down to their core concepts, offering a few reasons why a new approach might be needed. We invite Utahns—and you—to have an open mind as you hear these perspectives.

See the videos at rethinkwhy.org.



Jennifer C.

“I love that Libertas Institute is educating the public and promoting freedom. I am happy that they work with the legislature to reduce restrictive laws that hurt our economy. Thank you.”



Nahum R.

“These people do a great job at coming up with solutions to issues we face everyday in a non-partisan, data based way. If we truly believe we should be free, we need groups like these to help us make it that way.”



Dave H.

“Keep up the great work! I really like the legislative review that you guys do every year. It offers a lot of transparency that isn’t easy to find on your own.”



Michael K.

“The Libertas Institute is, as far as I am aware, the only organization in Utah that actively works to expand individual liberty and reduce the size and scope of government. I appreciate the efforts they make each day to make our lives better... and more free.”



FREQUENT
RECURRENCE

TO

FUNDAMENTAL
PRINCIPLES IS
ESSENTIAL

TO

THE SECURITY

OF

INDIVIDUAL
RIGHTS

UTAH CONSTITUTION
ARTICLE I, SEC 27