

A collage of numerous small, white-bordered photographs of diverse people of various ages and ethnicities, smiling and looking at the camera. The photos are scattered across a light brown corkboard background. In the center-left, there is a white rectangular card with the text '2020 ANNUAL REPORT'. In the bottom right, there is another white rectangular card with the text 'REAL PEOPLE. CHANGED LIVES.'. To the right of the '2020' card, there is a small pink square card with a blue torch icon. The overall composition is vibrant and celebratory.

2020

**ANNUAL
REPORT**



**REAL
PEOPLE.
CHANGED
LIVES.**

WHAT A YEAR TO PUT BEHIND US...

A MESSAGE FROM THE PRESIDENT

Despite a number of obstacles, Libertas Institute has actually thrived in 2020—and we're grateful

How does one describe 2020?

Some of our supporters struggled, while others actually thrived in an uncertain economy that saw a rise in demand for things like streaming services, education materials, and... toilet paper.

With heavy lockdowns, shutdowns of “non-essential” businesses, congressional stimuli and subsidies, and ever-changing executive orders and mandates, it's been difficult to find sure footing in order to reasonably move forward. How does one make plans for an organization when it is unclear what tomorrow will look like, let alone a few weeks later?

I won't try to say it's been easy, but our team has managed as best as we've been able. One noteworthy development this year was our first efforts to expand outside of Utah—something we've long been asked to do.

No, we're not opening shop in another state. But we've gotten so many impactful policies passed in our backyard, we figured that it's past time we help other groups across the country do likewise. So we now have resources and staff focused on the task of relationship building with groups and legislators in other states in order to scale our successes.

In 2021, policy innovations from our team—first passed in Utah—will be introduced in many other states, on issues such as data privacy, economic deregulation, criminal justice reform, and more.

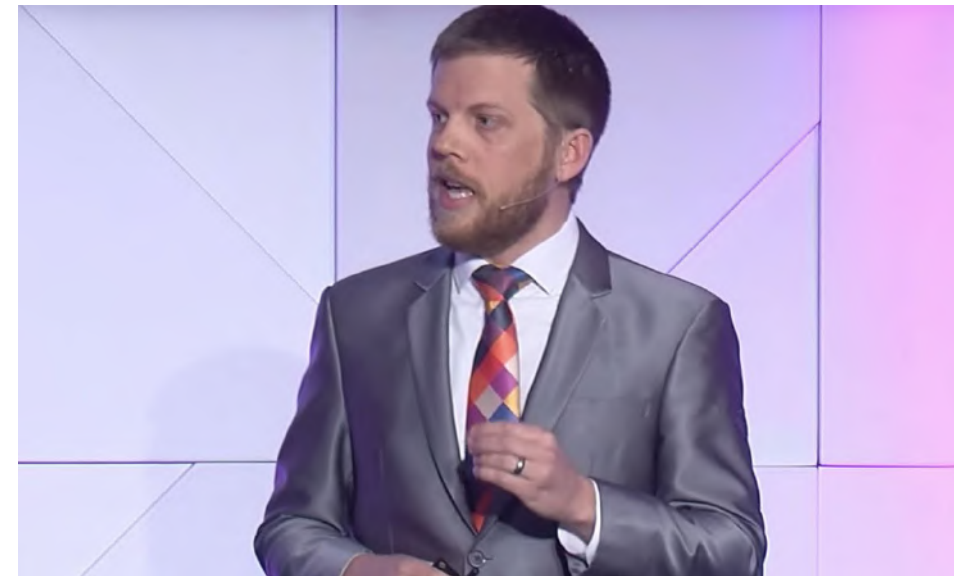
And as you'll see on the following pages, our state policy reform continues to thrive, with our team's growing influence helping create a freer Utah.

Our team keenly understands that policy victories, while important, are temporary. If the culture and voter sentiment are not aligned with our short-term successes, they will soon be eroded.

This is why education is critical, and our work in this regard is truly exceptional. Among other educational resources we provide, the Tuttle Twins children's series has become a smashing success.

In fact, in 2020 alone, we sold twice as many books as all previous years combined—a testament to the fact that so many families are concerned with the status quo and want their children to better understand the way the world works—and why freedom matters.

We're translating these books into ten languages (and counting) and have partnered with the Harmon Brothers and VidAngel to produce an animated cartoon series to spread these ideas even further—into homes around the world, educating the rising generation (and their parents, too!). It's been such an impactful project to be a part of.



Connor speaking at the Atlas Network annual conference

To our donors, thank you—in 2020 of all years, your support has been critical. We literally cannot do this work without your contributions to this cause.

I believe that the Libertas team has proven itself a trustworthy recipient of your support. So I invite you to deepen your commitment this

year—invest in our work to change the world through short-term policy reform and long-term education.

We've got work to do.

A handwritten signature in black ink, appearing to be 'C. Z.' or similar, with a stylized flourish at the end.



PROTECTING THE TAXPAYERS: VICTORY IN UTAH’S COURTS

In late 2018, Libertas Institute organized a lawsuit against Pleasant Grove over its adoption of an illegal tax—a fee for roads called a Transportation Utility Fee. A dozen cities in Utah have implemented such a fee.

Judge Jared Eldridge of the 4th District Court ruled against Pleasant Grove in February regarding the key issue in the lawsuit.

Despite recognizing that cities have “broad authority to pass ordinances which are reasonably and appropriately related to the objectives of providing for the public safety, health, morals, and welfare,” the court nevertheless ruled, as we had argued, that the fee imposed by the city was “clearly a tax and therefore improperly collected.”

To be a fee, there must be a “specific charge in return for a specific benefit to the one paying the fee,” as noted

by the Court. For example, when your garbage is collected, the city is able to determine the actual cost of garbage collection and charge you accordingly. If you wish to have two garbage cans, your cost will go up since a higher level of service is being provided to you.

But as the judge noted, there is no way to compute this when it comes to road usage. “The benefit not only accrues to the individual property owners in the City but also to anybody who happens to use the City’s road system whether they are a city resident or not.”

In other words, it’s impossible to know whether your neighbor drives half as much as you, or five times as much. There’s no way to know if drivers on the city’s streets are residents of the city or not. Of course, obtaining this information would be quite invasive to track everyone enough to determine people’s usage and origin.

As such, roads have historically been funded through taxes—a “general benefit” to residents, much like a park. And raising taxes in Utah requires following an outlined process known as Truth in Taxation—public hearings and transparency being central to this process. But Pleasant Grove, like other cities before it, did not follow this process.

For years, local governments have been overcharging residents on their utility bills and then transferring the excess revenue to their general budgets. This is a sneaky way of obtaining more money from people without raising taxes, which is politically unpopular. But we believe this is unethical and illegal.

Our efforts in court are therefore designed to ensure that there is transparency and fairness for taxpayers, and that elected officials who wish to obtain more revenue do so through the established process rather than using the utility bill to take additional money from people.

The case against Pleasant Grove was appealed and is pending review by the Utah Court of Appeals in Spring 2021. Should the judges agree with the District Court and side against the city, the case will then be binding upon cities across Utah that are engaged in this same practice.

Cities like Pleasant Grove need additional revenue for road repair and construction, but these funds cannot be imposed as a fee since there is no specific service provided. We will continue to advocate for taxpayers in the courts to hold the government accountable, even appealing the case to the Supreme Court if necessary.

A REGULATORY SANDBOX REVOLUTION

Libertas Institute was one of just five organizations invited to the inaugural LaunchPad event held by State Policy Network—a program designed to help catalyze impactful policy reform ideas. Our pitch was to help unleash innovation among entrepreneurs and business owners by creating a regulatory framework that is friendly to new business models and different approaches not previously contemplated by businesses or regulators.

Take, for example, Alex Carter, a Utah business owner. He created a business in 2017 called Otmo, which sought to provide vehicle owners with a more equitable form of extended warranties by using a cooperative method like some health care sharing services do.

Alex went to the regulators originally trying to figure out how his business should operate. But they did not know how to regulate Alex's company and gave him a cease-and-desist order. Ultimately he had to close his business.

That's just wrong—especially in a state that holds itself out as being pro-business and free market friendly. Enter the regulatory sandbox—a proposal that would shield

businesses from punitive actions for 1-2 years to hold them harmless since their business model or product/service might not fit neatly into previously conceived regulatory models.

Following our LaunchPad proposal and subsequent campaign plan, things have been proceeding nicely. We've worked with the Legislature to create sandboxes for the financial technology sector and the insurance industry as well—and Utah's courts have jumped on the bandwagon to create their own for legal services.

Next up: we aim to have Utah become the first state to create an industry-agnostic sandbox for businesses of all types, and then work with partners in other states to create these frameworks across the country.



EDUCATION OPTIONS

Parents of special needs students have more opportunity

Students in public school who have special needs can obtain an Individualized Education Program (IEP), yet parents often feel like the system falls short in providing their children the unique and extra attention that is often needed. But options are limited—especially for Utahns in more rural areas. We spearheaded an effort to change the law and create a scholarship program where these families can leave the school system and use the freed up taxpayer dollars to receive individualized education support for their children in the private market.

REDUCING BUSINESS TAXES

A more streamlined tangible personal property tax

Utah still forces businesses to pay a pioneer-era property tax each year on tangible items they already purchased and for which they paid sales tax—items like desks, computers, equipment, and more. We created a satirical video to poke fun at this tax and draw attention to the problem—and the video spread quickly among legislators, lobbyists, and business owners. We followed up the video with support for a legislative proposal that passed into law, increasing the exemptions to reduce the tax burden on businesses.



POLYGAMY REFORM

Removing a penalty that pushed a society into the shadows

Polygamy has been a felony in Utah since the 1930s—with examples in the state's past of harsh enforcement of this law, including separation of families. This penalty has pushed tens of thousands of Utah polygamists into the shadows for fear of investigation—a trend that has enabled abusers to commit crimes with impunity, since victims often are afraid to report. After several years of efforts we led, the Legislature decriminalized polygamy so prosecutors can instead focus on actual abusers while holding harmless everyone else.

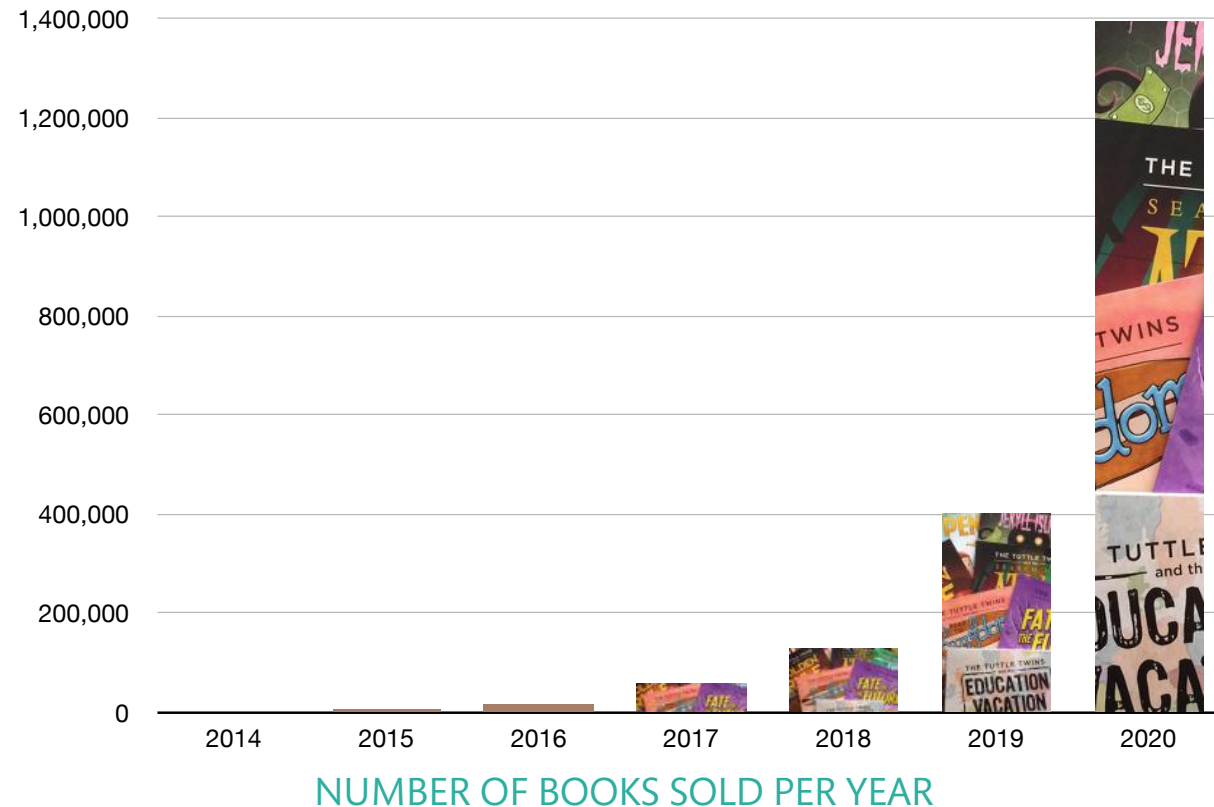
DONOR PRIVACY

Keeping the government out of people's charitable business

Across the country, families supporting the causes they believe in have been targeted, harassed, and even attacked. Philanthropy should be private—a free expression of one's support, whether they give time or money. We believe it is wrong for the government to compel people to publicize their philanthropic giving, as doing so creates a chilling effect; people might be less likely to contribute to a cause if doing so would create professional or personal problems. We proposed legislation that became law, prohibiting the government from requiring or using private donor information for any purpose.

A TUTTLE TWINS BOOK BONANZA!

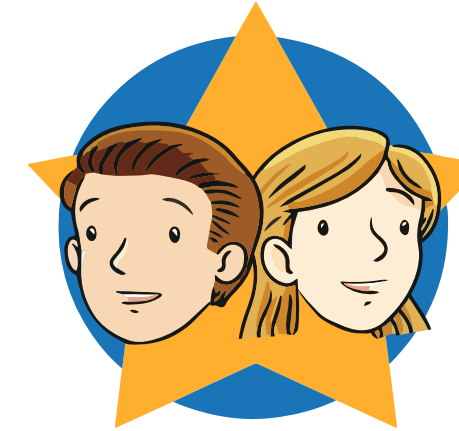
HUGE SURGE IN INTEREST IN OUR EDUCATIONAL MATERIAL



When the government shuts down schools and businesses, and starts to flex its authoritarian muscles, many things happen as a result—among them, countless families “wake up” to the problems in the world around them and become concerned about the state of affairs their children will grow up in.

Many of these parents go looking for answers from peers and online sources because they themselves are often the product of a school system that failed to educate them about civic and economic ideas that are essential to understanding and defending our rights.

These parents become thrilled when they eventually discover the Tuttle Twins books, often by way of an enthusiastic recommendation from a friend. Our books become a lifesaver for families looking to teach their children about the ideas of a free society.



As you can see on the chart to the left, interest in our book series this year skyrocketed to proportions we were not expecting. We had to move twice this year into larger facilities, as our team does all the order fulfillment. This project now employs 18 people!

When Connor and his illustrator friend Elijah wrote a book in 2014, they could never have imagined that so many parents would recognize that these principles, taught through storytelling and beautiful drawings,

could—and *should*—be taught to their children.

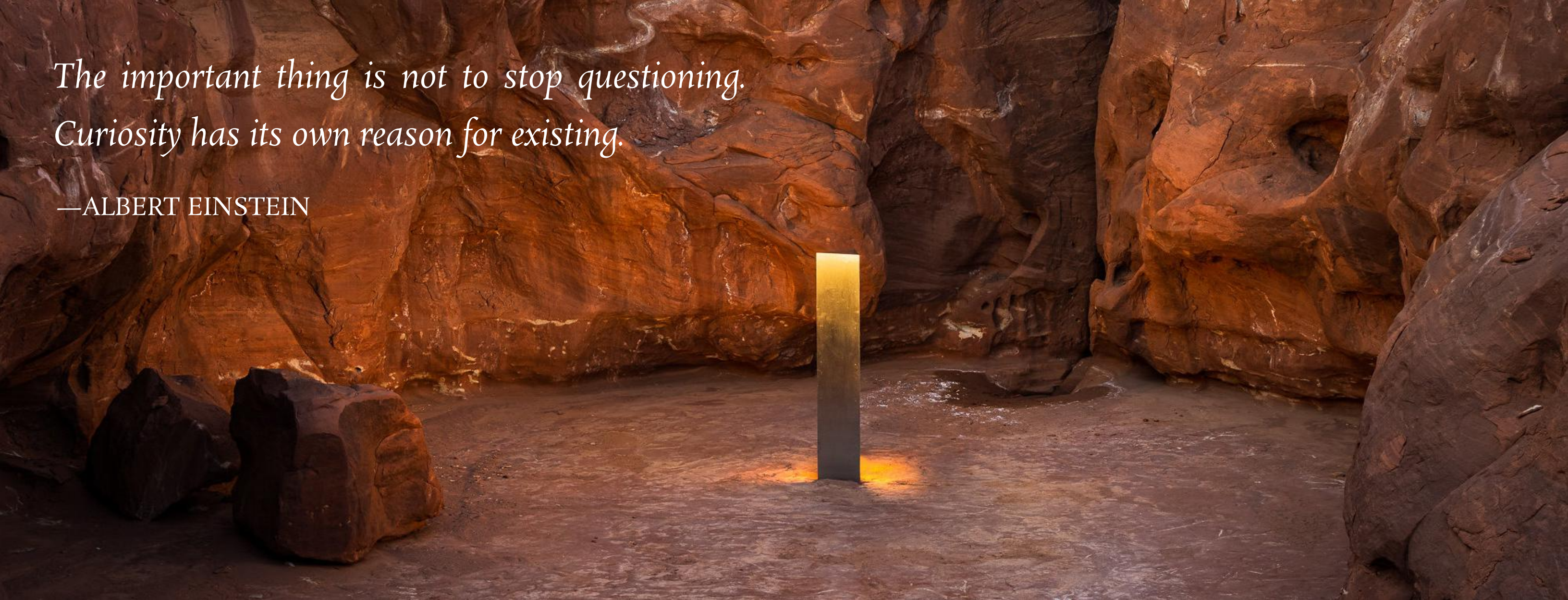
But the message has gotten out, and the reviews are in—the Tuttle Twins books are a massive success. This year we sold twice as many books as all previous years *combined*. And we’re just getting started.

We have new books and material coming, and have formed a partnership with the Harmon Brothers and VidAngel teams to begin production of an animated cartoon series based on the Tuttle Twins brand and ideas.

The Tuttle Twins project is essential to our mission to change hearts, minds, and laws in favor of freedom. With books now in 10 languages and children around the world being taught the ideas of a free society, it’s exciting to see the impact this will have on the rising generation in years to come.

*The important thing is not to stop questioning.
Curiosity has its own reason for existing.*

—ALBERT EINSTEIN



85%

OF LIBERTAS PROPOSALS BECOME LAW

Nonprofit public policy groups like Libertas Institute are often called “think tanks,” but we really 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 nine years now, and since then 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 and around the country.



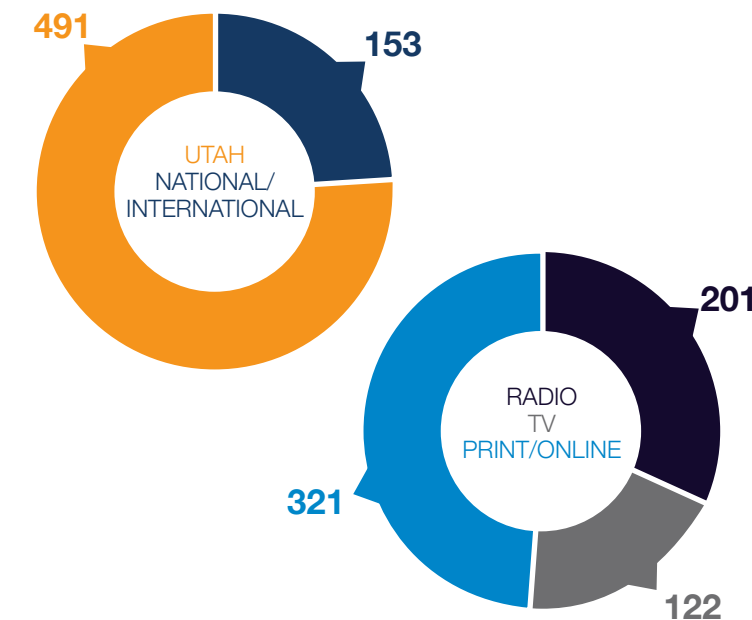
WHO REPORTED ON OUR WORK IN 2020?



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:

- It's time to scale back licensing requirements (*Deseret News*)
- 'Sandbox' Everything (*RealClear Policy*)
- Justice for Breonna Taylor looks a lot like policy change (*Deseret News*)
- Is justice served with overwhelming fines? (*Salt Lake Tribune*)
- How code enforcement became a pawn in neighborhood disputes (*Deseret News*)
- Utah parents, it may be time to consider home schooling (*Deseret News*)



At the beginning of Utah's legislative session, Connor spoke with reporters about our agenda.



Our annual legislative bootcamp trains hundreds of people about how to be influential.



One of the perks for our donors club is a behind-the-scenes update from our team.



Following protests about policing, our team participated in discussion for reform ideas.



We prevailed in a lawsuit against Pleasant Grove to protect taxpayers.



The heavy-handed response from the executive branch over Covid-19 is a cause for concern.

THE STATE OF UTAH,

Plaintiff,

vs.

ONE LOT OF PERSONAL PROPERTY, Salt Lake City Police Department, Case No. 18-151048, DESCRIBED AS THREE THOUSAND EIGHT HUNDRED FOURTY NINE DOLLARS, U.S. CURRENCY (\$3,849.00),

Defendant.

We continue to fight civil asset forfeiture which is the legal theft of people's property.



Instagram has exploded with photos of families reading our Tuttle Twins books!



We released a new proposal to make sure innovators are not overly regulated.



Because government surveillance is spooky, we put out a Halloween-themed video.



Half a year later, Utah's medical cannabis system has six open dispensaries so far.



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

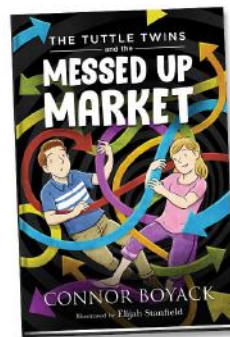
LIBERTAS INSTITUTE'S LATEST BOOKS

REACHING NEW AUDIENCES WITH OUR MESSAGE

This year we passed an important milestone: we've now sold over 1.5 million copies of our popular Tuttle Twins children's books! We are convinced that more educational material for children is needed so parents and teachers can help children understand important principles. This need has become even more evidence in light of the events of 2020.

This year we published a few new books to help us reach new audiences and increase knowledge about the ideas of a free society. As you'll see on the next page, this includes a new format of non-fiction "guidebooks" designed for pre-teens and older readers to help them master certain compelling ideas they need to become successful adults who understand the way the world works.

With content being translated into ten languages and spread across the world, our small organization is having a big impact. Your support helps make this possible, and it's immensely exciting for our team to ponder the massive impact this educational work is having on the rising generation. The future becomes brighter with each additional book we place.



The Tuttle Twins and the Messed Up Market

After making some money, the twins decide to loan it out to other kids like them in order to earn some interest—and in the process learn about risk, bailouts, subsidies, and what happens when their children's market gets messed up.

Oddly enough, this book—based on *Human Action* by Ludwig von Mises—has many lessons and themes relevant to the economic problems of 2020, despite being written before they began!

The Tuttle Twins: Guidebook Series

Our new series of books for pre-teens and up provides tons of helpful information for young people to learn from, with the teen Tuttle twins as a guide. Use this important content to become a better thinker and person! Find them at TuttleTwins.com/guide.

The Tuttle Twins Guide to Courageous Heroes

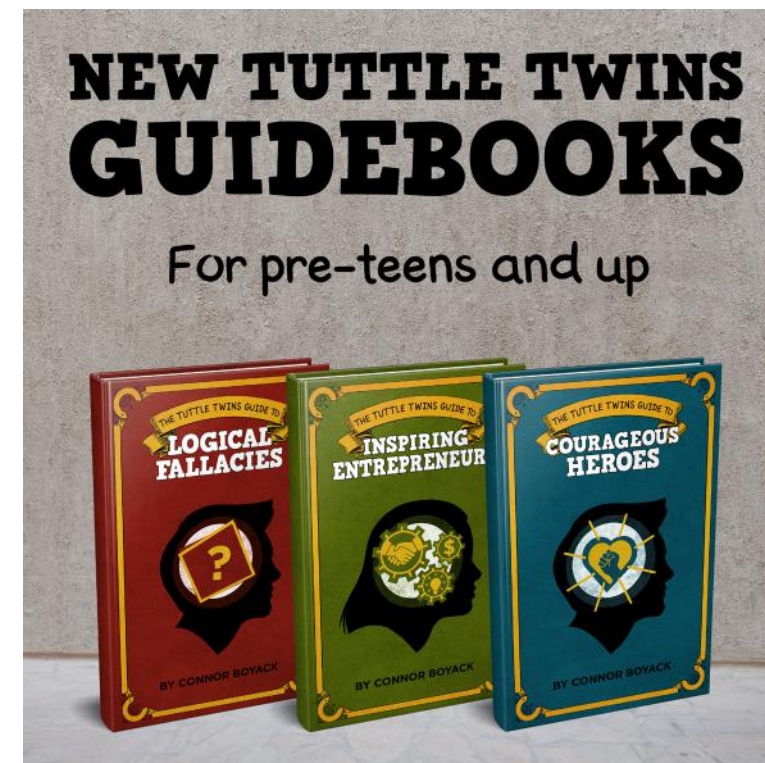
Daring men and women aren't just found in the pages of fictional stories. In fact, history offers us a number of examples of people who stood up for what was right in the face of significant opposition. We share their stories.

The Tuttle Twins Guide to Logical Fallacies

Misinformation spreads through logical fallacies—bad arguments that make something seem truthful that actually might not be. Fortunately, these logical fallacies can be learned, so they can be avoided.

The Tuttle Twins Guide to Inspiring Entrepreneurs

Risk-takers are the key drivers of the economy who create jobs and new products and services that make our lives more comfortable and convenient. The world becomes a better place through their efforts.



EQUIPPING PEOPLE WITH TOOLS FOR CHANGE



PRE-LEGISLATIVE BOOTCAMP

Each year before the annual legislative session, we team up with Americans for Prosperity to host a boot-camp that trains individuals about how the political process works 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 continued our 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 2021 to apply what they've learned.



DEFENDERS OF LIBERTY AWARD

The following legislators achieved a Libertas Index ranking of 85% or higher during the 2020 session.

REPRESENTATIVES:

Travis Seegmiller | Phil Lyman | Marc Roberts
Cory Maloy | Candice Pierucci | Kim Coleman
Jefferson Moss | Walt Brooks | Ray Ward

SENATORS:

Deidre Henderson | Dan McCay

AVERAGE 2020 LIBERTAS INDEX RANKINGS



Higher is better. Score is out of 100%.

GROWING INFLUENCE IN OUR HOME STATE

Dozens of legislators, lobbyists, reporters, and other political “elite” in Utah were asked to rank a variety of organizations that engage on policy issues. On each question, Libertas ranked near the top!

The first question asked:

The following nonprofit organizations publish research, produce media content, host events, meet with officials, engage in litigation, or otherwise conduct programs intended to influence the public policy debate or legislative process in Utah. Please indicate how much you see or hear their work mentioned in connection with state or local policy issues.



Libertas Institute ranked **5th** overall out of 23 organizations, beating most others with budgets and staff that far exceed our own.

Participants were then asked to rank the perceived influence of each organization to determine which groups have more clout at the Capitol:

Using the same list of organizations, please indicate how much influence you believe they have in the formulation and debate of Utah public policy.



Libertas ranked **4th** out of 23 groups, once again outpacing larger organizations with sizable budgets and resources that dwarf those of our small non-profit.

While these results are gratifying, especially for a newer organization such as ours, the results also suggest that there is room for improvement in how our educational materials are utilized by elected officials and the public.

We intend to perform a similar survey in the future to determine whether we are increasing our influence over time, as well as the use of our educational materials. Because the success of our work requires developing relationships with elected officials, media, lobbyists, business owners, and key members of the community, we will continue to invest in efforts that help us gain influence to further our mission.



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 created the concept—the idea is that, at any given time, there exists a range, or *window*, of policies that are acceptable to the

mainstream population. 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.



Senator Mike Lee

“Connor is a great friend of mine and I believe in what he is doing. The Libertas Institute and the Tuttle Twins are transforming this country and one our most promising ways to fight back against socialism in schools.”



George L.

“I don’t give to very many organizations but I have been consistently impressed with the quality of work put out by Libertas Institute. They’re getting measurable wins in the fight for freedom and that’s not something many groups can say. Keep up the good work!”



Rebecca T.

“Our family is so, so appreciative of the Tuttle Twins materials that Libertas Institute puts out. It gives me confidence as a parent to help my girls learn true principles and be prepared for the crazy world we live in. It is such a blessing to our family!”



Alan C.

“What 2020 taught me, among other things, is that plenty of people spout off their opinions and don’t actually do much about it. I’ve watched the Libertas team for quite some time and know that they are different. They show up and do the work. I’m proud to be a supporter.”



FREQUENT
RECURRENCE

TO

FUNDAMENTAL
PRINCIPLES IS
ESSENTIAL

TO

THE SECURITY

OF

INDIVIDUAL
RIGHTS

UTAH CONSTITUTION
ARTICLE I, SEC 27