

LEGISLATIVE DIGEST

[Campaign and Governmental Conduct Code - Lobbying Regulations]

Ordinance amending the Campaign and Governmental Conduct Code to 1) expand the definition of a lobbyist; 2) expand the list of reportable lobbying contacts; 3) enhance lobbyist training, auditing, and record-keeping requirements; 4) require public reports about City Officials who fail to file Statements of Economic Interest; 5) require a public guide to local campaign finance laws; 6) require permit consultants to register with the Ethics Commission and file regular disclosure reports; and 7) require major developers to disclose donations to nonprofits active in the City.

Existing Law

The Campaign and Governmental Code (“C&GCC”) requires individuals who lobby City officers and certain managerial employees to register with the Ethics Commission, complete a lobbyist training session, file regular reports about their lobbying activity, and maintain records substantiating their reports. It also requires designated City officials to file Statements of Economic Interest with the Ethics Commission.

Current law does not require reporting about permit expediting if it involves contacts with City employees, as opposed to officers. It also does not require developers who are seeking City approvals for projects to disclose donations to non-profits that are active in the City.

Specific provisions that would be amended by the proposed ordinance are summarized below.

Definition of a “lobbyist” (C&GCC § 2.105)

A lobbyist is defined as anyone who makes lobbying contacts and receives \$3,000 or more within three months for lobbyist services.

Attorney exemption (C&GCC § 2.105)

Communications by a licensed attorney, who is acting in that capacity, are exempt from the definition of lobbying contacts and are not subject to reporting requirements.

Contract exemptions (C&GCC § 2.105)

Communications in connection with bidding on contracts with the City, negotiating the terms of a contract, or the administration of a contract, are exempt from the definition of lobbying contacts and are not subject to reporting requirements. This exemption applies regardless of whether the communication is by the contractor or a third party.

Lobbyist training (C&GCC §§ 2.116)

Lobbyists are required to complete a training session offered by Ethics within one year of registering as a lobbyist.

Audits and recordkeeping (C&GCC § 2.135)

Lobbyists are required to retain for five years all documents necessary to substantiate the registration and disclosure reports filed with Ethics. Current law does not require auditing of lobbyists.

Public Report of City Officials Who Fail to File Form 700s (C&GCC § 3-1.103)

Elected officials, other department heads, and members of most decision-making City Boards and Commissions are required to file Form 700 Statements of Economic Interest with the Ethics Commission by April 1st of each year.

Public Guide for Contributors

Current law does not require the Ethics Commission to publish a guide about local law regarding campaign contributions.

Permit Consultants (C&GCC §§ 3.400-3.410)

Permit-related lobbying is subject to the Lobbyist Ordinance only if it involves communication with a City officer, the Zoning Administrator, the City Engineer, the County Surveyor, or the Bureau Chief of the Department of Public Works' Bureau of Street Use and Mapping. It is not subject to regulation or disclosure if it involves communication with other City employees.

Developer Disclosures

Current law does not require developers of major City projects to disclose donations to nonprofit organizations.

Amendments to Current Law

The proposal would amend the Campaign and Governmental Conduct Code as follows:

Definition of a "lobbyist" (C&GCC § 2.105)

The ordinance would expand the definition of lobbyist, and distinguish between outside consultants and employees. For outside consultants, "lobbyist" would be defined as a person who makes one or more contacts for any level of consideration. For employees making contacts on behalf of their employers, "lobbyist" would be defined as anyone who makes lobbying contacts and receives more than \$1,000 in a single month attributable to time spent on lobbyist services.

Attorney exemption (C&GCC § 2.105)

The ordinance would limit the attorney exemption to communications related to potential or actual litigation.

Contract exemptions (C&GCC §§ 2.105)

The ordinance would limit the contract exemptions to communications by the contractor, or its officers, employees or subcontractors. Communications by outside consultants and independent contractors in connection with bidding on contracts, negotiating the terms of a contract, or the administration of a contracts, would no longer be exempt from the definition of a contact.

Lobbyist training (C&GCC §§ 2.116)

The ordinance would require the Ethics Commission to make lobbyist training available on-line and require lobbyists to file statements certifying that they completed the training.

Audits and recordkeeping (C&GCC § 2.135)

The ordinance would require lobbyists to retain for auditing any invitations the lobbyist sends to political fundraisers for City officers, candidates, and ballot measures. It would also require the Executive Director to conduct a random audit of at least one lobbyist per year.

Public Report of City Officials Who Fail to File Form 700s (C&GCC § 3-1.104)

The ordinance would require the Ethics Commission to post on its website by April 10th of each year a report listing City officials who failed to file Form 700s by the April 1st deadline. It would also require a supplemental report by May 10th of each year.

Public Guide to Contributors (new C&GCC § 3.302)

The ordinance would require the Ethics Commission to publish a guide for campaign contributors describing local law regarding contribution limits, reporting requirements, and rules regarding who may contribute to committees.

Permit Consultants (C&GCC §§ 3.400-3.410)

The ordinance would require permit consultants (aka permit expeditors) to register with the Ethics Commission and file regular reports about their permit-related contacts with officers or employees in the Department of Building Inspection, the Entertainment Commission, the Planning Department, or the Department of Public Works.

Developer Disclosures (C&GCC §§ 3.500-3.520)

The ordinance would require developers of major City projects to disclose certain nonprofit donations to the Ethics Commission. Any developer of a project for which the Planning Commission certifies an Environmental Impact Report would be required to report donations of \$5,000 or more made during the reporting period to nonprofits active within the City.