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CITY ETHICS COMMISSION

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CITY ETHICS COMMISSION

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September 3, 2009

**BY MESSENGER**

The Honorable City Council  
c/o June Lagmay, City Clerk  
200 North Spring Street  
City Hall – 3rd Floor  
Los Angeles CA 90012

**Re: Comprehensive Review of and Recommended Changes to the  
Municipal Lobbying Ordinance**

**FOR COUNCIL CONSIDERATION**

Dear Councilmembers:

On July 14, following two years of extensive study, the Ethics Commission voted unanimously to recommend comprehensive changes to the Municipal Lobbying Ordinance (MLO). The Commission undertook a review of the City's lobbying laws in the wake of a decade's worth of amendments to the MLO, to ensure that the laws remain clear, strong, and internally consistent.

The Commission began its review by asking the fundamental questions of who qualifies as a lobbyist and what it means to lobby in the City. After analyzing the experiences of City officials and lobbyists, evaluating public input, and assessing data from the City and other jurisdictions, the Commission determined that the MLO could be improved in several areas.

The Commission's recommendations are detailed in the enclosed report. The recommendations are designed to clarify when a person is subject to the MLO, enhance enforceability, ensure consistency, improve efficiency, and increase the public's access to vital lobbying information. Some of the key changes include the following.

- \* Modify the definitions of "lobbyist" and "lobbying". Currently, the MLO defines a lobbyist as a person who is compensated to engage in 30 hours of lobbying-related activity in a consecutive three-month period. The Commission concluded that a better approach is to define a lobbyist simply as a person who engages in a specific number of lobbying contacts with City officials. The Commission also determined that the term "lobbying" should be streamlined to mean only contacts with City officials that are designed to influence City decisions. The current definition is much broader and



includes such things as doing background research on an issue or advising a client—activities that do not involve City officials at all. These two recommended changes balance each other, so that application of the MLO is not limitless and regulation is focused on persons who engage in lobbying communications that are not otherwise transparent to the public. The changes will also enhance the Commission's ability to enforce the MLO. That, in turn, will improve the public's knowledge about the lobbying that occurs in the City and discourage lobbying by persons who are not authorized to engage in that activity.


- \* Maintain and supplement the current exemptions. The MLO carves out exemptions for certain activities and certain persons. For example, some 501(c)(3) organizations are categorically exempt from regulation, unless they lobby on their own behalfs for City funding. Additionally, although labor unions are not categorically exempt from the MLO, certain specific actions that they take are exempt, such as communicating with a City official regarding the establishment of a collective bargaining agreement or regarding a proceeding before the Employee Relations Board. The Commission recommends maintaining the current exemptions, some with modifications. A number of new exemptions are also recommended, to further balance the revised definition of "lobbying".
- \* Implement entirely electronic filings for registration and quarterly reports. Although lobbying entities currently submit registration and reporting information online, they must also produce and file paper copies of what has already been submitted electronically. The Commission recommends eliminating the paper filings and implementing an entirely electronic registration and reporting system.
- \* Streamline the reporting requirements. The Commission recommends changing some of the current requirements regarding what must be disclosed by lobbying entities. For example, to avoid confusion and undue disclosure obligations, the Commission recommends eliminating the requirement that lobbying entities disclose the specific dollar amounts they raise for City candidates and officials, eliminating the reporting requirement for persons who are not lobbying entities, and eliminating the one-day fundraising and contribution reporting requirements for both lobbying entities and elected City officials.
- \* Ensure consistency among City laws. The Commission's report includes recommendations that are designed to ensure consistency among City laws. For example, the Commission recommends that activities prohibited for lobbyists and lobbying firms also be prohibited for lobbying organizations. In addition, the Commission recommends that the MLO's enforcement provisions mirror the enforcement provisions of the Charter, the Campaign Finance Ordinance, and the Governmental Ethics Ordinance (GEO). The Commission also recommends that the GEO's references to lobbying be amended to reflect the changes to the MLO.

A table that summarizes these and other differences between current law and the Commission's recommendations can be found in Appendix 1 to the report.

In making its recommendations, the Commission carefully evaluated every aspect of the City's lobbying laws. The Commission believes that the proposal outlined in the report represents an excellent set of lobbying laws and urges you to approve the recommended changes by adopting the proposed ordinance language provided in Appendix 3 and Appendix 4 to the report.

We would be happy to answer any questions you might have about the recommendations or about lobbying, in general. We will also be available to respond to questions during the Council's deliberations. Please feel free to contact me or Heather Holt, our Director of Policy and Legislation, at (213) 978-1960 if we can provide additional information.

Sincerely,

  
LeeAnn M. Pelham  
Executive Director

Enclosure: "Lobbying the City of Los Angeles"

*Duplicate original to:*

The Honorable Eric Garcetti  
Chair of the Rules & Elections Committee

cc: Renee Stadel, Deputy City Attorney

los angeles

CITY ETHICS COMMISSION

*...preserving the public trust.*



# Lobbying the City of Los Angeles

## a comprehensive proposal

*Commissioners:*

Helen Zukin, President  
Paul Turner, Vice President  
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September 2009

*"committed to supporting and equipping an informed citizenry..."*



# *Lobbying the City of Los Angeles*

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**Appendix 3:** Recommended MLO (clean and red-lined versions)

**Appendix 4:** Recommended GEO provisions (clean and red-lined versions)

## **I. INTRODUCTION**

Since early 2007, the Los Angeles City Ethics Commission (Commission) has been studying the Los Angeles Municipal Lobbying Ordinance (MLO). On July 14, 2009, the Commission voted unanimously to recommend comprehensive changes to the MLO that are designed to improve its application, clarity, and enforceability. The Commission urges the City Council to adopt the proposed changes.

This report describes the key changes that the Commission recommends, and Appendix A provides a table that summarizes those changes. Other appendices provide additional background information and also recommend specific ordinance language for the MLO and affected portions of the Governmental Ethics Ordinance (GEO).

## **II. HISTORY OF LOBBYING LAWS**

The right to petition government for the redress of grievances is a long standing and highly valued right in democracies. It was recognized in the Magna Carta of 1215 and is included in the First Amendment to the United States Constitution. The fact that modern governments must address vast numbers of complex issues has given rise to a system in which professional lobbyists<sup>1</sup> often petition government on behalf of citizens. *See History of the Lobbying Disclosure Act*, Public Citizen (July 23, 2005).

Our nation's first comprehensive lobbying disclosure law was the Federal Regulation of Lobbying Act of 1946 (FRLA). 2 U.S.C. §§ 261-270 (repealed, 1996). The United States Supreme Court upheld the constitutionality of the law in *United States v. Harriss*, 347 U.S. 612, 625 (1954). The FRLA has since been replaced by the Lobbying Disclosure Act of 1995 (2 U.S.C. §§ 1601 *et seq.*) and the Honest Leadership and Open Government Act of 2007 (Public Law 110-81, 121 Stat. 735-776). Congress specifically stated in the Lobbying Disclosure Act that "responsible representative Government requires public awareness of" the efforts made to influence public decisionmaking processes. 2 U.S.C. § 1601.

The City's first law regulating lobbyists became effective on July 1, 1967 (21 years after the FRLA was adopted). It required "municipal legislative advocates" to register with the City Clerk "before doing anything in furtherance of [attempting to influence action on municipal legislation]" for compensation. Los Angeles Municipal Code (LAMC) § 48.02(a) (repealed and reenacted, 1994). Registration had to be filed "in triplicate and in person, under oath." LAMC § 48.07 (repealed and reenacted, 1994). Once registered, legislative advocates had quarterly reporting requirements and were subject to regulations regarding their conduct.

Shortly after voters created the Commission in 1990 and placed lobbying activities within its jurisdiction, the Commission undertook a comprehensive review of the regulation of legislative advocates. The result was a completely updated law, the MLO, which became effective August 10, 1994. Ordinance No. 169916. It requires registration by lobbyists and

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<sup>1</sup> The Oxford English Dictionary's first example of the term "lobby" dates to 1808 and refers to "persons who frequent the lobby of the house of legislature for the purpose of influencing its members in their official action."

lobbying firms, as well as quarterly disclosures by lobbyists, lobbying firms, and lobbying organizations regarding their lobbying activities, compensation, expenses, and political contributions.

### **III. THE NEED FOR THIS REVIEW**

In the 15 years since the MLO was enacted, a number of changes have been made. Two significant sets of amendments occurred in 2003 and 2007. The former arose out of concerns raised by the Commission regarding “pay-to-play” perceptions surrounding governmental decisions. The resulting changes placed more stringent disclosure requirements on lobbyists, particularly in the area of fundraising for elected City officials. The Commission recommended specific changes, but many of them were modified on the floor of City Council meetings. As a result, the adopted provisions were not fully consistent with the rest of the MLO.

In 2007, Los Angeles voters approved Measure R, a legislative package that was initiated by the League of Women Voters and the Los Angeles Area Chamber of Commerce and was designed to extend term limit extensions for City Council members and make various changes to the City’s governmental ethics laws. Among other things, the measure redefined changed the threshold for determining who qualifies as a lobbyist, banned many gifts and campaign contributions to City officials from lobbyists, and required bidders on City contracts to certify their compliance with the MLO. Due to the process and timing by which the City Council considered the measure for placement on the ballot, these amendments were not fully vetted by the Commission before they were adopted by the voters.

This comprehensive review of the MLO was undertaken to evaluate the changes that have occurred in the law since the Commission’s last comprehensive review, to ensure that the laws are clear, strong, and internally consistent—and that they continue to provide the public with vital information about compensated lobbying activity that is designed to influence City decisions. The Commission’s efforts have been supported by both the lobbying community and member of the public who have advocated vocally for improving the existing MLO.

This review has been in the works since March 2007, when the Commission held the first interested persons meeting to solicit suggestions from the public for improving the MLO. Since then, the Commission has solicited expertise and input from various City officials, held numerous public meetings, evaluated data, analyzed experiences gained through administering the MLO, and considered public comment made in person and via email, letter, and fax. As is true of any issue the Commission considers, all input was given serious consideration. This proposal is the culmination of significant collaboration between the Commission, the public, and the regulated community. It reflects the Commission’s recommended approach to making the MLO as strong, fair, and clear as possible.

### **IV. THE NEED FOR STRONG LOBBYING LAWS**

Despite the MLO’s long history, there continues to be widespread recognition of and concern regarding the potential for corruption or the appearance of corruption in the world of



government decision making. This potential is even recognized by the legal system. In a landmark decision upholding certain campaign contribution limits, for example, the United States Supreme Court cited a variety of empirical evidence regarding the effect of special interest money on government. *McConnell v. Federal Election Commission*, 540 U.S. 93 (2003). The Court noted, "For their part, lobbyists, CEOs, and wealthy individuals alike all have candidly admitted donating substantial sums of soft money to national committees not on ideological grounds, but for the express purpose of securing influence over federal officials." 540 U.S. at 147. The Court cited the following specific examples:

- Declaration of lobbyist Robert Rozen, a partner at Ernst & Young: "Ordinarily, people feel inclined to reciprocate favors. Do a bigger favor for someone—that is write a large check—and they feel even more compelled to reciprocate." 540 U.S. at 147.
- Declaration of Gerald Greenwald, chairman emeritus of United Airlines: "[C]hecks open the doors of the offices of individual and important Members of Congress and the Administration. ... Labor and business leaders believe—based on experience and with good reason—that such access gives them an opportunity to shape and affect governmental decisions and that their ability to do so derives from the fact that they have given large sums of money to the parties." 540 U.S. at 147.
- Declaration of former United States Senator Alan Simpson: "Too often, Members' first thought is not what is right or what they believe, but how it will affect fundraising. Who, after all, can seriously contend that a \$100,000 donation does not alter the way one thinks about—and quite possibly votes on—an issue? ... When you don't pay the piper that finances your campaigns, you will never get any more money from that piper. Since money is the mother's milk of politics, you never want to be in that situation." 540 U.S. at 149.
- Declaration of former United States Senator Warren Rudman: "Sitting Senators and House Members have limited amounts of time, but they make time available in their schedules to meet with representatives of business and unions and wealthy individuals who gave large sums to their parties. These are not idle chit-chats about the philosophy of democracy. ... Senators are pressed by their benefactors to introduce legislation, to amend legislation, to block legislation, and to vote on legislation in a certain way." 540 U.S. at 150-151.

The concern is not limited to the academic exercise of legal analysis. The potential for and reality of corruption affects individuals and governmental systems in a very real way. The following are a few examples of potential becoming reality:

- A lobbyist and his client are serving federal prison sentences for extortion, fraud, and conspiracy, as a result of giving cash (mostly campaign contributions) to San Diego council members in exchange for their efforts to repeal a law that negatively affected the client's business. *San Diego Union Tribune*: "Court to hear arguments in City Hall bribery case" (June 1, 2008).

- Congressional lobbyist Jack Abramoff was sentenced to prison for fraud, tax-evasion, and conspiracy to bribe public officials by showering them with gifts and inducing them to take official action on behalf of his lobbying group. *Los Angeles Times*: "Jack Abramoff is sentenced to 48 months in prison" (September 5, 2008).
- United States Representative Robert Ney pleaded guilty to corruption charges after admitting he performed official acts for lobbyists in exchange for campaign contributions, expensive meals, luxury travel, and skybox sports tickets. *Washington Post*: "Ney Pleads Guilty to Corruption Charges" (October 14, 2006).
- United States Representative Duke Cunningham resigned from office and pleaded guilty to fraud and bribery charges stemming from his relationship with a lobbyist for a governmental contractor. *Washington Post*: "Congressman Admits Taking Bribes, Resigns" (November 29, 2005).

These examples underscore the potential for corruption or the appearance of corruption in the realm of lobbying, which can lead to concerns that government is not working in the best interests of the public. The following recent public opinion polls highlight this concern and reinforce the results of similar, earlier polls.

- Harris Poll (February 10-15, 2009):
  - 81 percent of those polled think political lobbyists have too much power and influence in Washington.
  - 85 percent of those polled think big companies have too much power and influence in Washington.
- Gallup Poll (October 3-5, 2008):
  - In an open-ended question, respondents indicated that, excluding economic problems, the second most important problem facing this country today is "dissatisfaction with government/Congress/politicians; poor leadership; corruption; abuse of power".
- Pew Research Center (January 4-8, 2008):
  - 81 percent of those polled feel that reports of lobbyists bribing members of Congress are not isolated incidents.

An example that highlights local concerns about lobbying activity is a November 2008 news article regarding a district attorney inquiry into whether two former City officials engaged in lobbying without registering. The article quotes Robert Stern, of the Center for Governmental Studies, as saying, "We want to know who is being paid to influence City Hall." The article also notes that criminal prosecutions under the MLO are difficult because the statute of limitations is just one year. *Los Angeles Times*: "Los Angeles County D.A. scrutinizes lobbying activity by two former L.A. officials" (November 29, 2008).

Although most of the examples mentioned above involve other jurisdictions, they are nevertheless instructive to the City as it determines how best to protect the integrity of its own

government. The United States Supreme Court has said that it is appropriate to consider evidence that exists in other jurisdictions when evaluating legislative reform. "The First Amendment does not require a city, before enacting . . . an ordinance, to conduct new studies or produce evidence independent of that already generated by other cities, so long as whatever evidence the city relies upon is reasonably believed to be relevant to the problem that the city addresses." *Nixon v. Shrink Missouri Government PAC*, 528 U.S. 377, 393 (2000), citing *Renton v. Playtime Theaters, Inc.*, 475 U.S. 41, 51-52 (1986).

Finally, all of the examples serve as stark reminders of the need for laws that protect the integrity of and the public's confidence in government. Because good law is an evolving process, it is imperative that the law be periodically reviewed to ensure that it is accomplishing its intended purpose.

## V. WEIGHING THE PROPOSAL

There are not many absolutes when it comes to regulating lobbying. A variety of different lobbying systems exist around the country, because there are different "right" answers in different jurisdictions. The Commission's goal was to arrive at the answers that are best for our jurisdiction. To that end, the Commission evaluated each decision point in light of existing findings that are codified in the MLO. See Los Angeles Municipal Code (LAMC) § 48.01(B).

Each finding is based on and promotes standards or principles that the Commission and prior City Councils have concluded are essential to good City government. The findings and the key principles they represent are identified in the chart below (continued on the following page):

MLO FINDINGS		KEY PRINCIPLES					
		Transparency	Honesty	Fair Play	Objectivity	Accountability	Citizen Participation
I	City government functions to serve the needs of all citizens. <i>LAMC § 48.01(B)(1)</i>			X	X	X	X
II	The public interest is served when lobbyists do not misrepresent the facts or their positions or attempt to deceive officials through false communications. <i>LAMC § 48.01(B)(5)</i>	X	X	X		X	
III	The public interest is served when lobbyists do not place City officials under personal obligation to themselves or their clients and do not represent that they can control the actions of City officials. <i>LAMC § 48.01(B)(5)</i>		X	X	X	X	

IV	Citizens have a right to know the identities of interests that attempt to influence City decisions, as well as the means those interests employ. <i>LAMC § 48.01(B)(2)</i>	X		X		X	X
V	Complete public disclosure of the full range of lobbyist activities and their financing is essential to maintaining citizen confidence in the integrity of local government. <i>LAMC § 48.01(B)(4)</i>	X	X	X	X	X	X
VI	It is in the public interest to adopt amendments that ensure adequate and effective disclosure about efforts to lobby City government. <i>LAMC § 48.01(B)(6)</i>	X	X			X	X
VII	All persons engaged in compensated lobbying should be subject to the same regulations, regardless of their background, training, qualifications, or licenses. <i>LAMC § 48.01(B)(3)</i>			X	X	X	

These findings and principles underscore the City's historic goal of ensuring adequate and effective public disclosure about lobbying activities, which supports an informed citizenry and, in turn, promotes accountability for decision makers and those who influence them.

Findings I through III are fundamental to good government. They remind us that government must serve the needs of all citizens and must, therefore, be fair and objective. When it is, the public is empowered through accountability. Similarly, good government is threatened by deceit and manipulation for private gain. Transparency is essential to ward off those threats and to further promote accountability.

Findings IV through VI underscore the importance of transparency in ensuring that the needs of all citizens are objectively served and that both decision makers and those who attempt to influence them are held accountable. All three findings emphasize adequate and effective disclosure—about who is attempting to influence municipal decisions, the means used in those attempts, and the financing of those attempts. Interestingly, Finding VI was added when the MLO was revised in 1994, to state the importance of periodically amending laws to ensure that they remain relevant and effective.

Finally, Finding VII identifies the City's intent to apply the lobbying regulations broadly. All persons who engage in compensated lobbying are to be treated the same way and held accountable for the same activities.

Although the findings in the MLO have been in place for many years, they and the key principles they represent continue to ring true. When Los Angeles voters approved Measure R in November 2006, they declared their intent to, among other things, “reduce the power and influence of City Hall bureaucrats and lobbyists” and “make sure that City government is more honest, effective and accountable to the voters.” Ballot Arguments for Measure R, November 2006. Therefore, Measure R can be viewed as the public's affirmation of policy changes that more effectively counterbalance any undue influence that is exerted by private interests on municipal decisions.



One additional principle that guided the Commission's discussions is that lobbying is a legitimate activity. Lobbyists can and do help individuals and organizations effectively communicate their views to the City's decision makers and, thereby, help to improve outcomes for the community as a whole. This principle is implied in the current MLO, but the Commission believes that it should be stated explicitly. *See* proposed LAMC § 48.01(B)(2).

Based on the MLO's findings and principles, the Commission identified three questions, which it asked in its assessment of each component of the proposal:

1. Does it promote better transparency or better accountability? Transparency breeds accountability and an informed citizenry, both of which are essential to an effective representative government.
2. Does it help to curb undue influence? Even with well-intentioned people, the need to stem the potential for undue influence always exists when high-stakes decisions are being made.
3. Does it improve the balance between the burdens and benefits of regulation? An appropriate balance is critical to fostering a legitimate regulatory scheme.

The answers to these questions helped guide the Commission in evaluating the current MLO, interacting with the public, and arriving at the recommendations that are detailed in the following sections.

## **VI. FUNDAMENTAL DEFINITIONS**

### **A. Who Is A Lobbyist?**

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Move from an hourly threshold to a contacts threshold.</i>	48.02(T) 48.02(EF)	48.02
<i>Define traditional lobbyists as those who engage in one contact.</i>	48.02(EF)	n/a
<i>Define in-house lobbyists as those who have five contacts in a calendar quarter.</i>	48.02(T)	n/a

The most fundamental issue in this review—indeed, of any lobbying law—is who qualifies as a lobbyist. The MLO currently defines a lobbyist as an individual who is compensated to spend 30 or more hours in any consecutive three-month period engaged in lobbying activities that include at least one direct communication with a City official for the purpose of attempting to influence municipal legislation on behalf of another person. This definition became effective in January 2007, following the adoption of Measure R. Prior to that, a lobbyist was an individual who received or became entitled to receive at least \$4,000 in monetary or in-kind compensation for lobbying during a calendar quarter.

In assessing the most effective way to define “lobbyist” for the City, it is helpful to step back to understand why an hourly or dollar threshold is part of the definition at all. The threshold exists because of the City’s historic view that not every person engaged in every compensated act of advocating on behalf of another person should be caught within the net of regulation. The Commission continues to believe that is true. There is a balancing that must occur if a lobbying law is to be reasonable in its breadth. One way to undertake that balancing is to assess the amount of lobbying in which a person engages. A bar of \$4,000 or 30 hours is precisely that kind of balancing. It says, in essence, that only persons who are engaged in a certain amount of lobbying should be regulated and that individuals who lobby less frequently should not be required to register or disclose their lobbying activities.

The Commission’s recommendation also balances interests to avoid a law that is overbroad. However, the recommended balancing is done not by assessing the *amount* of activity in which a person engages but by assessing the *type* of activity in which a person engages. The proposed definition of “lobbyist” is an individual who is entitled to receive compensation for engaging in either one direct communication with a City official (for traditional lobbyists) or five direct communications in a calendar quarter (for in-house lobbyists) for the purpose of lobbying. On its face, this is a very broad definition. However, the terms used in the definition are further refined to prevent a limitless application, as explained in the following section.

To further balance the application of the MLO, the Commission does recommend different thresholds for traditional lobbyists (those who lobby on behalf of third-party clients) and in-house lobbyists (those who lobby only on behalf of their employers). Small business owners, for example, may lobby on behalf of their businesses. But the owner and the business are so closely linked that it is difficult to say that the owner is not lobbying on his own behalf. Similarly, some company employees may be expected to engage in lobbying contacts with City officials if they are to perform competently. But the Commission does not believe that such activity should require regulation until it occurs five times in a calendar quarter.

## B. What Is Lobbying?

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Balance the definition of lobbying with the definition of lobbyist.</i>	48.02(U)	48.02
<i>Exempt contacts that have a level of transparency or, for other reasons, do not warrant regulation as lobbying.</i>	48.02(L)	n/a

The current MLO intentionally defines “lobbying activities” very broadly. As long as it is compensated and “related to a direct communication to influence any municipal legislation”, lobbying activity includes drafting ordinances, resolutions, and regulations; providing advice or recommending strategy to a client or others; conducting research and investigations; gathering information; seeking to influence a third party’s position through public relations or similar means; and attending or monitoring City meetings, hearings, and other events. LAMC § 48.02.

Because the MLO's current balancing is based on the *amount* of activity, it is appropriate for the *type* of activity that falls within the definition of "lobbying" to be as far-reaching as it is. Even though activities that do not actively involve a City official at all, such as monitoring a City meeting or advising a client, qualify as lobbying activities, it is only when a person accumulates 30 hours' worth of those activities in a three-month period that registration and reporting are required.

However, when the way lobbyists are identified is based on the *type* of activity, as recommended, it is appropriate to balance the MLO's reach by narrowing the definition of "lobbying". The Commission has concluded that registration and reporting should be triggered only by lobbying that occurs outside the public's purview. So, for example, speaking on the record at a meeting to which the public has access is not the kind of activity that should trigger regulation under the MLO. At the core of lobbying are the private meetings and communications with City officials; and, because the transparency and accountability that are vital to the public's confidence in City decisions are often lacking in those activities, disclosure should be required. Generally speaking, however, if the public can obtain information about the interests that affected a City decision without relying on the MLO, such as by attending a public meeting, then the MLO may not need to regulate that activity. In those cases, a degree of transparency already exists.

There are also other types of activities that, for equitable or legal reasons, need not be considered lobbying. For example, entering into a City contract may require a person to participate in a formal bid process. The Commission does not believe that it is necessary to also attach a requirement to register as a lobbyist to those communications or to others that are already governed by regulated processes.

With all of this in mind, the Commission recommends defining "lobbying" as "engaging in a direct communication for the purpose of attempting to influence a municipal decision on behalf of another person for compensation." However, the Commission recommends balancing that definition by identifying a number of exclusions to the term "direct communication". The proposed definition of "direct communication" is as follows:

[T]alking to, corresponding with, or answering questions or inquiries from a City official, either personally or through an agent. The term does *not* include the following:

1. Communicating on the record at a publicly noticed meeting that is open to the general public. If the individual has already qualified or registered as a lobbyist, the communication on the record must identify the client on whose behalf the lobbyist is appearing or testifying.
2. Submitting a document, including written testimony, that is a public record in connection with an item on an agenda for a publicly noticed meeting.
3. Making a sales call in connection with an agency purchase that is required to go through a competitive contracting process.

4. Submitting a bid or responding to a request for proposals or other solicitation, or participating in an interview related to the solicitation, as long as the information is provided only to the City official or agency specifically designated in the solicitation to receive the information.
5. Negotiating the terms of a contract with a City official who has the authority to make a decision regarding the contract after being selected by an agency to enter into the contract.
6. Communicating regarding the administration of or performance under an existing City contract with a City official who administers the contract or provides legal advice regarding the contract. This exclusion does not apply to change orders.
7. Providing information compelled by a subpoena, law, or regulation.
8. Requesting advice or the interpretation of a law, regulation, or policy.
9. Responding to an agency enforcement proceeding as the subject of or a witness in that proceeding.
10. Communicating as an official representative of a recognized City employee organization with a City official other than the Mayor, a member of the City Council, or an official in the Mayor's office or a City Council office with regard to one of the following:
  - a. The establishment, amendment, administration, implementation, or interpretation of a collective bargaining agreement or memorandum of understanding between an agency and a recognized City employee organization;
  - b. A management decision regarding the working conditions of represented employees that relates to a collective bargaining agreement or memorandum of understanding between an agency and a recognized City employee organization; or
  - c. A proceeding before the Civil Service Commission or the Employee Relations Board.
11. Providing legal representation as a licensed attorney for a party in litigation or an enforcement proceeding with an agency.
12. Providing only technical data, analysis, or expertise on behalf of a client whose registered lobbyist is informed of and discloses the communication on the next quarterly report.



13. Requesting that the City provide basic municipal services, such as maintenance, utility, sanitation, and safety services.
14. Communicating regarding a ministerial step in an application for a license, permit, or entitlement for use.
15. Communicating under circumstances similar to those identified above, after having received written advice from the Commission under Charter Section 705(b) that the communication is exempt.

These exceptions to the definition of “direct communication” represent the Commission’s determination of the types of activities that appropriately fall outside the lobbying umbrella. The current definition of “lobbyist” is narrowed by the hourly threshold, so the list of activities that are considered lobbying is quite extensive. When the definition of “lobbyist” is based on a contacts test, however, the most effective way to balance the burdens of the law with its benefits is to narrow the types of activities that constitute lobbying.

The final exemption in the proposed definition of “direct communication” is similar to an existing provision in the Campaign Finance Ordinance regarding permissible officeholder expenditures. *See* LAMC § 49.7.12(A)(2)(w). It is an acknowledgement that there may be other types of communications with City officials that should not be considered lobbying, and it authorizes the granting of written exemptions, upon request and on a case-by-case basis.

### C. What Are Lobbying Firms and Lobbying Organizations?

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Align the definition of “lobbying firm” with the recommended definition of a traditional lobbyist.</i>	48.02(W) 48.02(EF)	48.02
<i>Define “lobbying organization” as an entity that must register when its officials collectively engage in five contacts in a calendar quarter.</i>	48.02(X)	48.02

There are two other definitions that are fundamental to the MLO regulations. The first is the definition of “lobbying firm”. The Commission recommends changing that to reflect the recommended definition of “lobbyist”. Currently, the MLO defines a lobbying firm as an entity, including an individual lobbyist, that receives or becomes entitled to receive \$1,000 or more in monetary or in-kind compensation for engaging in lobbying activities during a consecutive three-month period for the purpose of attempting to influence municipal legislation on behalf of another person, as long as a partner, owner, shareholder, officer, or employee of the entity qualifies as a lobbyist. The proposed definition is streamlined and creates consistency between the definitions of “lobbyist” and “lobbying firm”<sup>2</sup>.

<sup>2</sup> The Commission recommends that the definition of “lobbying firm” be amended for the sake of consistency, regardless of how “lobbyist” is ultimately defined. Currently, lobbying firms have a dollar threshold, while individual lobbyists have an hourly threshold. *See* LAMC § 48.02.

The final definition is that of “lobbying organization”. Currently, the MLO refers to “lobbyist employers”, but the Commission recommends the term “lobbying organization” as a more intuitive label. In addition, the Commission recommends that a lobbying organization be defined as an entity whose officers and employees have collectively engaged in five direct communications in a calendar quarter for the purpose of lobbying on the entity’s behalf. These organizations would qualify as lobbying entities independently of their in-house lobbyists. The reason for this is twofold. First, each lobbying entity is responsible for complying with the lobbying laws, regardless of the activities of its affiliated lobbyists. *See* section VII.A, below.

More important, however, is the Commission’s intent to treat all lobbying organizations the same, regardless of their size. If an entity qualifies as a lobbying organization only when one of its officers or employees engages in five lobbying contacts, then an organization with three employees, for example, would not be able to engage in nearly as many lobbying contacts as an entity that has 300 employees. The Commission believes it is more equitable—and more consistent with the goal informing the citizenry—for lobbying organizations to qualify independently of their in-house lobbyists. The Commission notes that this could result in a lobbying organization having to register and report before any of its officers or employees has qualified as an in-house lobbyist.

#### **D. Policy Considerations**

##### **1. Accountability**

The purpose of lobbying regulations is to promote public accountability regarding the interests that attempt to influence governmental decisions. Transparency is central to accountability, and it can be achieved through regular, meaningful public disclosure of lobbying activities (an issue that is discussed in more detailed below, in section VIII). Equally important, however, is enforceability. To provide real accountability, a lobbying regulation scheme must have both effective disclosure to the public and effective enforceability when violations occur.

Lobbying, as the Commission recommends defining it, is essentially a communication with a City official that occurs outside of a public setting. By its very nature, detecting and remedying all lobbying violations will always pose challenges to enforceability. A goal of monitoring all lobbying activity that occurs in a government agency is virtually unattainable, regardless of the size of the agency or the size of the staff charged with enforcing the law. Under any set of lobbying laws, accountability through enforceability is highly dependent on complaints that provide sufficient detail to investigate.

Since fiscal year 2000-2001, we have received 63 whistleblower complaints related to lobbying issues, accounting for just two percent of the 3,280 complaints received in total. In that same period of time, we have had nine lobbying enforcement actions. One resulted from a failure to register and report clients, five resulted from failures to timely file quarterly lobbying reports, and three related to impermissible campaign contributions by lobbyists. The Commission anticipates that balancing interests by focusing on the type of activity, rather than on the amount of activity, will result in more whistleblower complaints.

The MLO's current hourly threshold also poses an enforcement challenge. It can be very difficult to collect evidence sufficient to show that an individual has engaged in 30 hours' worth of lobbying in a three-month period and, thus, should be registered. In contrast, it is likely to be far less difficult to sufficiently show that an individual has engaged in a single compensated lobbying communication. When standards are clear and straightforward, compliance is easier both for those who are regulated and for those who carry out the regulations. That, in turn, serves to fortify public accountability.

## 2. Effectiveness

Aside from the difficulty of determining when a person has reached 30 hours is, perhaps, the more critical issue of whether 30 hours is a good way to gauge who should be regulated. If the goal of the threshold is to limit the application of the MLO to the major lobbyists, the 30-hour threshold seems counterintuitive. The major lobbyists are arguably the lobbyists who can accomplish far more for their clients in 10 hours than a lobbyist who has less experience may be able to accomplish in 30. In addition, lobbyists can affect quite a number of City decisions in 29.9 hours every three months. Thus, the Commission does not believe that the hourly threshold is the best way to define lobbyists or to promote the transparency that is vital to the public's confidence in City decisions.

## 3. Other Jurisdictions

There is some variety among other jurisdictions with regard to how "lobbyist" is defined. Appendix B is a table that summarizes an informal survey the Commission conducted of lobbying laws in 81 jurisdictions, including the federal government, all 50 states, and a number of local agencies. While policy decisions should not be based solely on what other jurisdictions do, it can be instructive to understand other approaches.

For example, 52 (64 percent) of the surveyed jurisdictions define a lobbyist in the same way the Commission recommends that a traditional lobbyist be defined: as an individual who has a single compensated lobbying contact with an agency official. By a significant margin, this is the most common way to define a lobbyist. Staff members in thirteen of those jurisdictions were available for comment, and each of them emphasized that their jurisdictions have very few complaints about registration violations. In some jurisdictions, that may be because the law has been in effect for a long time. However, two jurisdictions (King County, Washington and Salt Lake County, Utah) have relatively new laws, and both reported that they do not have problems with lobbyists failing to register. King County said that may be true for them because they undertook a rigorous educational campaign, and Salt Lake County said it may be true for them because they have a small number of lobbyists.

Hourly and dollar thresholds are also used in other jurisdictions. Ten (12 percent) of the surveyed jurisdictions employ an hourly threshold, and their definitions range from two hours per quarter (Milwaukee) to 40 hours in 30 days (Alaska). Another 28 (30 percent) of the surveyed jurisdictions use a dollar threshold to define their lobbyists. The thresholds range from \$100 per year in expenses (Kansas) to \$5,000 per quarter in expenses (San Diego). Fifteen of the

dollar jurisdictions have thresholds below \$1,000, and thirteen have thresholds of \$1,000 or more.

Six other jurisdictions (seven percent) use multiple lobbying contacts as their gauges, ranging from two or more contacts (federal) to 25 contacts in two months (San Francisco). Finally, as noted in the table, some jurisdictions employ more than one definition—an individual who meets the criteria in any of the definitions is considered a lobbyist.

#### 4. City Examples

The Commission conducted an analysis of selected City issues and the lobbying registration rates tied to those issues. The analysis included six City Council Files that were considered in 2007: an interim control ordinance for fast food restaurants (CF # 07-1658); digital billboards (CF #s 07-1630 and 07-1630-S1); a requirement to spay and neuter pets (CF # 07-1212); a general plan amendment (CF # 07-0995); “coordinated street furniture” such as automatic self-cleaning toilets, transit shelters, etc. (CF # 07-0592); and condominium conversions and tenant protections (CF # 06-1325-S3). The analysis also included all of the substantive, non-contract matters on the 2007 agendas for the Department of City Planning, the Department of Building and Safety, the Board of Airport Commissioners, and the Board of Harbor Commissioners.

The interested parties noted on the public record for both the Council Files and the agenda items were compared to MLO registrations for 2007:

Category	Interested Parties	Total Registered as Lobbyists	Percent Registered as Lobbyists
Agendas for Planning	93 appeared at hearings	44	47%
Agendas for Building & Safety	122 appeared at hearings	11	9%
Agendas for Airport Commission	28 appeared at hearings	4	14%
Agendas for Harbor Commission	18 appeared at hearings	6	33%
Select City Council Files	60 involved	11	18%

The matters in this review included the types of things that could certainly involve lobbying. For example, the six Council Files were chosen because they involved significant economic or social issues and multiple opposing parties. In addition, the Planning Department described all of the matters it hears as substantive matters that should be considered “municipal legislation”. (In contrast, it said that the matters considered by Building and Safety tend to be more ministerial in nature and are, therefore, less likely to trigger registration.) Finally, the median dollar value of each of the items on the Airport agendas was \$1,168,000. The average per-item value was \$10,138,475, with a low of \$18,564 and a high of \$99,000,000.



Although the registration rates for these interested parties are less than 50 percent based on this data, it cannot be said that every interested party met the definition of “lobbyist”, including the 30-hour threshold, and was required to register. This highlights the ongoing difficulty in applying the existing ordinance and the need, as stated above, for tighter definitions.

#### **E. Categorical Exemptions**

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Exempt 501(c)(3) organizations that provide social services directly to individuals at less than full value.</i>	48.03(C)	48.03(E)
<i>Exempt City consultants.</i>	48.03(D)	n/a

The balancing that is required when effectively applying lobbying laws to activity within the City can result not only in certain activities being exempt from regulation, but also in certain persons being exempt from regulation. The MLO currently identifies three groups of persons who are entirely exempt from its requirements. The first is public officials and government employees acting in their official capacities. LAMC § 48.03(A).

The second exemption applies to television and radio stations, newspapers, and regularly published periodicals that publish or broadcast news, editorials, or advertising that attempts to influence municipal legislation. This exemption also applies to the owners and employees of those entities, but only for engaging in the same publishing and broadcasting activity. LAMC § 48.03(B).

The third exemption is for 501(c)(3) organizations that receive government funding and provide direct representation services to indigent persons free of charge. This exemption also applies to the employees of those organizations while engaged in official duties. The exemption does not extend to an attempt to influence a decision regarding funding that an organization seeks from the City on its own behalf. LAMC §§ 48.03(E) & (F). The Commission recommends maintaining the first two exemptions, expanding the third, and adding a fourth.

##### **1. 501(c)(3) Organizations**

The Commission’s recommendation expands the third exemption to any 501(c)(3) organization that provides basic life assistance (food, shelter, child care, health, legal, vocational, relief, and other similar social services) directly to disadvantaged individuals, either free of charge, at a below-market rate, or based on an individual’s income or ability to pay. The Commission heard from many 501(c)(3) organizations during its review and received valuable input regarding this exemption. The Commission learned, for example, that some 501(c)(3)s are required to charge at least a small fee for their services. This helps not just with the organization’s resources but also with the clients’ investment in improving their situations. As a result, the Commission recommends that the exemption continue to apply to 501(c)(3) organizations that do not charge for their services but that it also apply to those that charge a flat, low rate or a rate that is based on a sliding scale. The Commission also recommends that the exemption not be limited to 501(c)(3) organizations that assist only indigent individuals. Because some quality-of-life challenges have nothing to do with finances, the Commission

believes that the exemption should apply more generally to organizations that are created primarily to assist disadvantaged individuals.

However, the Commission also recommends that this exemption not apply when an organization is seeking funding, property, or a permit from the City on its own behalf. Those activities are no longer limited to a private individual's personal circumstances. The public has a greater stake in the outcome of those activities and, thus, a greater interest in knowing about them.

The Commission discussed the 501(c)(3) exemption in-depth, over a period of many months. A variety of interested persons provided feedback, both in writing and at Commission meetings. Essentially, two prevailing points of view emerged. One perspective is that 501(c)(3) organizations should be categorically exempt from the lobbying laws, and the other is that should not receive any special privileges simply by virtue of their tax-exempt status. After considering the public comments, the Commission determined to maintain the exemption.

One of the most significant reasons for regulating the conduct of lobbyists is to avoid the potential for actual or perceived political corruption that can exist when private interests employ money to influence governmental decisions. The City requires registration of and reporting by lobbying entities to help ensure—and to give the public confidence that—City decisions are made in the best interests of all citizens, rather than in the narrower interests of a particular person or interest group. The need to provide that assurance to the public is arguably lessened when the federal tax code recognizes that the entity is organized and operated exclusively for religious, charitable, scientific, educational, or other similar purposes. To qualify for tax-exempt status, these entities are prohibited by federal law from being organized or operated for private interests—none of their net earnings may benefit a private shareholder or individual. 26 U.S.C. § 501(c)(3); *see also* “Exemption Requirements”, *Tax Information for Charitable Organizations*, Internal Revenue Service, January 5, 2009 (<http://www.irs.gov/charities/charitable/article/0,,id=96099,00.html>).

Because a 501(c)(3) organization is created to benefit the public, its government petitions can be viewed as attempts to promote the publicly supported and subsidized civic purposes for which it exists. As noted above, if the organization were to petition the government on its own behalf, neither the current nor the proposed exemption would apply. Additionally, the 501(c)(3) organizations that the Commission recommends exempting receive little or no compensation from their clients. For all of these reasons, the Commission recommends maintaining an exemption for 501(c)(3) organizations.

## 2. City Consultants

Finally, the Commission recommends adding an exemption for City consultants who are acting on behalf of the City under the terms of a consulting arrangement. It is possible that a consultant for one City department could be considered a lobbyist when communicating with another City department regarding a municipal decision. Consultants acting in that capacity are more akin to City employees, because they are acting under a contract with a government agency and are paid with public funds. Consequently, the Commission believes the MLO should clarify

that, under these circumstances, they are to be treated like other public officials for purposes of the lobbying laws.

### 3. Business Improvement Districts

Representatives of several business improvement districts (BIDs) in the City also requested that they be categorically exempt from the MLO. They argued that they provide to their constituents the types of services that the City provides and, therefore, are extensions of the City. However, as a result of conversations with the BIDs and the City Attorney's office, as well as a review of the laws regarding BIDs and the documents necessary to establish a BID, the Commission does not believe that a categorical exemption for BIDs is appropriate.

Although BIDs do supplement some of the services typically provided by a municipality (security, sanitation, graffiti-removal, etc.), they also provide non-governmental services (marketing, promotion, landscaping, etc.) and capital improvements (sidewalk widening, fountains, parking facilities, etc.). The purpose of a BID is to "promote the economic revitalization and physical maintenance of the business districts of ... cities in order to create jobs, attract new businesses, and prevent the erosion of the business districts." Cal. Sts & Hy Code § 36601(b). Further, it "is of particular local benefit to allow cities to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that benefits from those improvements." Cal. Sts & Hy Code § 36601(c). Accordingly, BIDs are generally created to promote the business interests in a specific geographic area (they may also benefit real property, as long as they do not exclusively benefit parcels that are zoned residential). By definition, then, BIDs confer "special benefits" upon a limited group of people. Cal. Sts & Hy Code § 36601(d). They do not exist to promote all of the interests within their boundaries, and they do not exist to promote any interests outside their boundaries. Accordingly, their interactions with City officials are undertaken with a defined purpose on behalf of a distinct constituency—much like any other special interest that attempts to influence municipal decisions.

One of the arguments posed by the BIDs in favor of a categorical exemption is that they are funded through tax dollars. Although the fees used to fund the BIDs are collected through the City's tax rolls, they are not taxes. Cal. Sts & Hy Code § 36601(d). The tax rolls are an efficient way to collect the assessments and to ensure that everyone who benefits from a BID pays his fair share, but that money is used exclusively for the BID. In addition, the formation of a BID and the resulting assessments are imposed only through the consent of a majority of the affected property and business owners. Cal. Sts & Hy Code §§ 36621, 36623. If property and business owners representing more than 50 percent of the proposed assessments protest the BID, it cannot be formed. *Id.*

Two of the documents necessary for a BID are a management plan (Cal. Sts & Hy Code § 36622) and, if an owners' association is created, a contract with the City (Cal. Sts & Hy Code § 36651). The typical contract between a BID and the City identifies the BID as a nonprofit (typically a 501(c)(4) or 501(c)(6)) corporation and specifically states that the BID is a private entity—not a public entity—and that none of its agents may be considered public officials for any purpose. *See, e.g.,* Agreement No. C-111173, Arts District Business Improvement District

(January 2007), Council File No. 06-1083, §§ 14, 16.1, 25. That language mirrors state law. *See* Cal. Sts & Hy Code § 36614.5. In addition, the management plan for a BID must specify how its funds will be spent. Cal. Sts & Hy Code § 36622(e). Management plans for City BIDs often specifically state that they will dedicate a portion of their funds to advocacy. *See, e.g.,* Final Management District Plan, Arts District of Downtown Los Angeles (April 2006), Council File No. 06-1083, pp. 4, 9. In fact, the web site for the Central City East Association, a 501(c)(6) organization that represents several City BIDs, states, "CCEA is the principal *advocate* for the industrial, manufacturing, residential and property owners [in] the eastern Downtown Los Angeles Area." *See* <http://www.centralcityeast.org/> (emphasis added).

In light of all of these considerations, the Commission determined that BIDs can—and often are required to—engage in advocacy on behalf of the business owners within their districts. Several BID executive directors stated that they interact on a regular and sometimes daily basis with City officials, urging them to take actions to benefit their districts. Furthermore, the issues they discuss with City officials are not limited to requesting City services, which is an exemption the Commission recommends based on initial input from BID representatives. *See* section VI.B, above. Instead, BIDs also engage in issues such as homelessness, billboards, newsracks, liquor licenses, and other policy matters with far-reaching implications.

It is appropriate for BIDs to have particular views regarding municipal decisions—that is why they exist. However, the Commission does not believe that their attempts to influence municipal decisions are any different from attempts made by other entities that advocate on behalf of distinct constituencies. The public has as great an interest in knowing how BIDs are affecting government as they do in knowing how other corporations are. Therefore, the Commission recommends against a categorical exemption for BIDs.

Following the Commission's vote on these recommendations, BID representatives suggested three additional exemptions to add to the list of exempt lobbying contacts identified in section VI.B, as a means of clarifying what communications by BIDs are exempt. Rather than simply clarifying existing language, however, the suggestions would have made substantive changes and essentially created a categorical exemption. The Commission believes that the 16 recommended exemptions provide ample clarity regarding the communications that should not be considered lobbying—for BIDs or anyone else. The Commission also recommends a seventeenth exemption under which a person may be able to obtain an additional exemption from the Commission for circumstances that are not specifically identified in the law. *See* section VI.B, above. Therefore, if anyone has a question about whether a particular communication is exempt, further clarity can be provided on a personal basis.

## VII. REGISTRATION

### A. **Timing**

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Require all lobbying entities to register.</i>	48.08(A)	48.07(A)
<i>Require registration within five business days of qualifying as a lobbying entity.</i>	48.08(A)	48.07(A)
<i>Permit pre-registration.</i>	48.08(B) 48.09(A)(5) 48.10(G) 48.11(F)	n/a
<i>Prohibit lobbying contacts between qualification and registration.</i>	48.08(A)	n/a

Once it has been determined which persons should be subject to the lobbying laws, the next critical question when registration should be required. Currently, the MLO requires lobbyists and lobbying firms to register with the Ethics Commission within 10 days after the end of the calendar month in which qualification occurs. So a lobbyist who reaches the 30-hour threshold—or a lobbying firm that becomes entitled to receive \$1,000 for lobbying—on March 1 must register by April 10. In addition, lobbyist employers (referred to as lobbying organizations in the Commission's recommendations) are not required to register, although they are required to file quarterly lobbying disclosure reports. *See* LAMC § 48.08(E). The Commission makes several recommendations regarding the timing of registration.

The first recommendation is that *all* lobbying entities (lobbyists, lobbying firms, and lobbying organizations) be required to register. This change would give the public complete information regarding both who is engaging in lobbying in the City and who should be filing quarterly reports. It would also create consistency in terms of how the MLO is applied to each type of lobbying entity.

The second recommendation is that registration be required within five business days of the date a person qualifies as a lobbying entity. The Commission believes the current registration deadline is too long, because it can result in a lobbying entity not registering for 40 days following qualification. Of the 52 jurisdictions in Appendix B that define a lobbyist as someone who has a single lobbying contact, 32 (62 percent) require registration prior to engaging in any lobbying activity. The remainder provide grace periods ranging from one to 30 days, and averaging 7.5 days, following a first lobbying contact. The Commission believes that five business days strikes an appropriate balance between providing sufficient time in which to complete registration and not compromising the public's knowledge about who is receiving compensation to influence City decisions.

This is particularly true in light of the Commission's third recommendation that lobbying entities be permitted to register before they reach their qualification thresholds. Some lobbying entities like to register as a matter of routine, at a particular time, either because they know they will qualify at some point or because they believe they serve their clients best when they are

prepared to engage in lobbying at a moment's notice. The Commission believes that pre-registration will promote flexibility and efficiency for lobbying entities. To eliminate confusion, the Commission also recommends that a person who pre-registers be subject to the same laws that would apply if the person had actually qualified as a lobbying entity.

Finally, the Commission recommends that lobbying entities be prohibited from engaging in lobbying contacts if they have qualified as a lobbying entity but have not yet registered. For example, a traditional lobbyist who engages in his first lobbying contact would not be able to engage in another lobbying contact until after his registration is complete. This will help prevent lobbying organizations and in-house lobbyists from expanding the existing five-contact buffer (see sections VI.A, VI.C, above) and is intended to encourage registration compliance throughout the entire lobbying community. The Commission believes that this is a reasonable limit on lobbying activity, particularly in light of the pre-registration option and the speed and ease of registering electronically (see section VII.E, below).

## B. Fees

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Eliminate reduced fees for registrations that occur in the last quarter of the year.</i>	48.08(F)	48.07(C)
<i>Shift the per-client fee to lobbying firms.</i>	48.08(F)(2)	48.07(C)
<i>Apply the \$450 fee to lobbying organizations.</i>	48.08(F)(3)	n/a
<i>Reduce to \$100 the registration fee for 501(c)(3) organizations and their in-house lobbyists.</i>	48.08(F)(1) 48.08(F)(3)	n/a

The registration fee for a lobbyist is currently \$450 if the lobbyist registers by September 30 and \$337 if the lobbyist registers in the last quarter of the year. In addition, a fee of \$75 is charged for each client from whom the lobbyist becomes entitled to receive \$250 or more in compensation in a calendar quarter. The per-client fee is reduced to \$56 if the client is registered in the last quarter of the year. The current fees reflect an increase that was adopted in 2002 to cover the City's costs in administering the lobbying program.

The Commission makes several recommendations regarding the MLO's fee structure. The first is to eliminate the reduced fees for registrations that occur in the last quarter of the year. The overwhelming majority of all lobbyists and lobbying firms register in the first half of the year. From 2003 through 2008, for example, less than five percent of all lobbyists registered in the last quarter of the year. In stark contrast, roughly 80 percent registered in the first quarter. Furthermore, the same amount of work is involved in processing registrations, regardless of when the registration is received.

The Commission also recommends that the \$75 client fee be charged to lobbying firms, rather than to individual lobbyists. Although the MLO charges the fee to lobbyists, it is the lobbying firms that typically pay the fee now. In addition, traditional lobbyists work under the auspices of their lobbying firms, so the Commission believes it is appropriate to be explicit that the client fee is charged to the firms.

Because of the recommendation that lobbying organizations be required to register, the Commission recommends that the \$450 registration fee be applied to them. A registration fee is currently being paid for lobbying organizations, even though they do not register. However, the fee is being paid by the first lobbyist who registers as an employee of the organization, and it is only the \$75 client fee. The Commission believes it is more appropriate to charge the registration fee to the lobbying organization, itself. And, in light of the recommendation that lobbying organizations qualify as lobbying entities independently of the individuals who lobby on their behalf, the Commission believes it is appropriate for them to pay the same fee that lobbyists pay.

The Commission's final recommendation regarding registration fees is to reduce the fees for 501(c)(3) organizations and their in-house lobbyists. Although there is a categorical exemption for certain 501(c)(3) organizations, not all of them will be exempt. Because of the public benefit that the federal tax code requires these organizations to provide and because many of them operate with very small budgets, the Commission recommends that their registration fees be \$100.

One final note is that registration fees may not exceed the actual per-capita costs of administering the lobbying program. The current fee structure has generated an average of slightly over \$252,000 per year for 2007 and 2008 (the two years that Proposition R has been in effect), while the Commission's costs of administering the program are close to \$300,000 per year. If the last-quarter reduced fee had not existed in 2007 and 2008, the revenue received though registration fees would have been increased by approximately \$10,000 per year. And if the 33 lobbying organizations that registered in 2008 had paid the \$450 registration fee, revenues would have increased by approximately \$12,000. Therefore, even with the Commission's recommended changes, the current fees represent less than the current per-capita costs of the program.

At this point, the Commission has no data to determine what the per-capita costs of a new program would be. However, it is possible that the registration fees may need to be adjusted in the future. An analysis conducted a year after any changes to the MLO have been fully implemented will provide a better understanding of whether the current fees are appropriate under the new laws.

### C. Content

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Require lobbyists to identify whether they are former City officials.</i>	48.09(A)(6)	n/a
<i>Eliminate authorization letters.</i>	n/a	48.07(D)(3) 48.07(E)(4)(e)
<i>Require each lobbying entity to file its own registration statements.</i>	48.08(A)	48.07(E)(3)
<i>Require information about the lobbying contacts that triggered registration.</i>	48.09(A)(4) 48.10(F) 48.11(E)	n/a

Registration statements currently require lobbyists and lobbying firms to provide basic information about themselves in their registration statements, such as contact information, agencies the registrant is authorized to lobby, and a statement that the registrant has reviewed and understands the requirements of the MLO. *See* LAMC §§ 48.07(D)–(E); Appendix A. In addition, an authorization letter is required for each registration—lobbying firms must provide letters from clients, and lobbyists must provide letters from employers, identifying the fact that the registrant has been hired to lobby on that person’s behalf. Finally, lobbying firms must attach to their registration statements the registration statements of all lobbyists associated with the firm.

The Commission believes that the core information provided in registration statements should remain the same. However, it does recommend a few changes. The first would add a requirement that, if a lobbyist is a former City official, the lobbyist identify the agencies in which the lobbyist previously served. This will assist former City officials in complying with the GEO, which prohibits them from lobbying certain City agencies in certain circumstances.

The Commission also recommends eliminating authorization letters. The Commission is unaware of any instance in which a lobbyist paid the registration fee to lobby for a third party who hadn’t actually hired the lobbyist. As a result, the Commission believes this requirement has proved unnecessary. Eliminating authorization letters will streamline the program without resulting in any harm to public disclosure.

The Commission also recommends eliminating the requirement that lobbying firms provide the registration statements for all of their associated lobbyists. Lobbying entities are individually responsible for complying with the requirements of the MLO and should be individually responsible for their registration statements. In addition, some lobbyists provide services to more than one firm, which can create confusion regarding which firm should provide the registration statement and when the lobbyist is officially registered. If lobbyists file their own registration statements, that confusion is eliminated.

Finally, the Commission recommends that lobbyists and lobbying organizations be required to provide information regarding the lobbying contacts that triggered their registration. This is particularly important for lobbying organizations. Because in-house lobbyists are not



required to register unless they personally engage in five lobbying contacts (*see* section VI.A), it is possible that none of the employees who contribute to the lobbying organization's threshold would be required to register. If the lobbying organization does not provide information about the lobbying contacts had by those employees, there will be no public disclosure about them at all.

Requiring lobbyists to also provide information about their qualifying lobbying contacts provides more thorough public disclosure and indicates the lobbyist's registration deadline by identifying exactly when the individual qualified as a lobbyist. The information that is provided regarding the lobbying contacts should include each lobbying contact prior to registration, the dates of the contacts, the City agency that was contacted, the municipal decision at issue, and—for lobbying organizations—each employee who engaged in the contacts. For persons who elect to pre-register (*see* section VII.A, above), the Commission recommends requiring a statement that the requisite number of contacts has not occurred as of the date of registration. *See* proposed LAMC §§ 48.09(A)(5), 48.10(G), 48.11(F).

#### **D. Terminations**

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Permit a lobbying entity to terminate its status through its final quarterly report.</i>	48.08(E)	48.07(H)

A lobbying entity's registration is valid through December 31 of the year in which the entity registered. *See* LAMC § 48.07(B); proposed LAMC § 48.08(C). However, a registration may be terminated before December 31. In fact, a registration currently must be terminated within 20 days after the registrant ceases all lobbying activity. *See* LAMC § 48.07(H).

A lobbying entity is required to file a quarterly report (*see* section VIII, below) for the quarter in which its registration was terminated, and the Commission recommends that the final quarterly report become the vehicle through which termination is accomplished. This change will significantly reduce confusion regarding whether and when a final quarterly report is due by eliminating a gap of up to four months between the date of termination and the date the final quarterly report is filed. It will also reduce the number of filings and improve efficiency for both filers and the Commission.

#### **E. Method**

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Eliminate paper filings by accepting electronic signatures.</i>	48.07(B)	48.06.1(B)

Currently, lobbying registration must be done through the Lobbying Electronic Filing System (LEFS), an online system created by Commission staff. However, in addition to completing registration online through LEFS, lobbyists and lobbying firms must also file a signed paper copy of their registration statements. That paper copy is considered the original statement for audit and other legal purposes.

Because of the benefits realized from LEFS, such as ease of filing, the Commission recommends that lobbying statements be filed entirely electronically, so that no paper filings are required at all. This is one of the most emphatic suggestions the Commission received during this review of the MLO. Eliminating paper filings will streamline the filing process, end duplicative paperwork, reduce time and expense for both filers and the City, and aid the City's efforts to reduce the consumption of resources.

During the Commission's initial deliberations on this issue, the City Attorney's office expressed some preliminary caution regarding the operational hurdles that would have to be surmounted to implement an entirely electronic lobbying system. However, the Commission believes that a system of electronic registration and reporting is the most appropriate policy path for the City at this point. An entirely electronic filing process would provide as great a degree of security for users as possible, short of encryption. Each filer would apply for a unique identification number, which would be used to log into LEFS. The unique identifier would also be used in place of a physical signature on a paper document, to submit and verify data under penalty of perjury. The system would generate an electronic document, in Portable Document Format (PDF), and store it as a record of the data associated with that filing at that time on that date. If someone later tampered with the information in that report, the Commission would have the means to check it against the real-time report.

Every day, people now send highly sensitive information over the Internet and authorize the use of their credit cards without providing a physical signature. In fact, many lobbying entities currently pay their registration fees to the Commission online. The success of e-commerce should light the way for the use of electronic signatures in other arenas. The Commission recommends a very secure filing system that will eliminate extra time and expense for all parties. And the risk associated with electronic corruption in an arena that is limited to filing public information statements is far less than the risk in an arena that involves the exchange of personal information.

## **VIII. QUARTERLY REPORTS**

Currently, all lobbyists and lobbying firms are required to file quarterly disclosure reports for every quarter in which they are registered with the City. LAMC § 48.08(A)(1). As noted above in section VII.A, lobbying organizations are not currently required to register; but they are required to file a quarterly report for every calendar quarter during which any of their employees is registered as a lobbyist. *Id.* Quarterly reports are due by the last day of the month following the end of the calendar quarter. LAMC § 48.08(A). So, for example, the third-quarter report is due by October 31.

The Commission believes that the current quarterly disclosure requirements are generally good. Its recommendations in this area are largely technical modifications that are designed to clarify reporting requirements, ensure consistency with other proposed changes, and improve efficiency for filers.

## A. Method

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Eliminate paper filings by accepting electronic signatures.</i>	<i>48.07(B)</i>	<i>48.06.1(B)</i>
<i>Eliminate the requirement that a lobbyist's quarterly report be attached to the quarterly report of a lobbying firm or a lobbying organization.</i>	<i>n/a</i>	<i>48.08(C)(3) 48.08(D)(3)</i>

As with registration statements, quarterly reports are currently filed through LEFS. Again, however, the MLO currently requires a signed paper filing to follow the electronic filing. In fact, paper quarterly reports must be filed in duplicate—one original and one copy. *See* LAMC § 48.08(A)(3).

For the reasons identified above in section VII.E, the Commission recommends that all filings, including quarterly reports, be entirely electronic, so that a paper copy does not need to be physically signed and submitted to the Ethics Commission. The same procedural safeguards used for registration statements would also apply to quarterly reports. The same unique identifier that is required for registration will be required to file reports. Filers and members of the public will still be able to view and print a quarterly report as a document, and the system will create a real-time report in PDF, which may be used to track changes and protect data.

The Commission's second recommendation regarding the means of filing quarterly reports also mirrors a recommendation made for registration statements: eliminate the requirement that lobbying firms and lobbying organizations provide the quarterly reports for all of their associated lobbyists. The recommendation is made for a number of reasons. First, lobbyists have responsibilities under the MLO, just like lobbying firms and lobbying organizations do. To protect a lobbyist's ability to ensure her own compliance with the MLO, the Commission believes that she should have more autonomy over when her reports are filed. Second, some lobbyists provide services to more than one firm, which can create confusion regarding which firm should provide the registration statement and when the lobbyist is officially registered. If lobbyist reports are filed independently of lobbying firm reports, that confusion is eliminated.

The recommended change would reflect the current practice for lobbying firms and lobbying organizations that have lobbyists who work in remote locations or that have local lobbyists who are unavailable when the lobbying firm or lobbying organization submits its report. Additionally, quarterly reports for lobbying entities are processed entirely separately from one another. Finally, this requirement was originally adopted when filings were submitted on paper. At that time, it provided some efficiency for lobbying firms and lobbying organizations to deliver all of the reports for them and their lobbyists at one time. Moving to an entirely electronic filing system, however, makes this requirement unnecessary. For all these reasons, the Commission recommends that lobbyist reports be filed independently of the reports for lobbying firms and lobbying organizations.

## B. Lobbying Firm Compensation

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Require lobbying firms to report client compensation in the quarter in which it is earned.</i>	48.13(C)(4) 48.13(C)(5)	48.08(C)(4) 48.08(C)(5)

Currently, lobbying firms are required to report the amount of compensation (including reimbursements) that is actually received from clients during the reporting period. This approach creates some confusion, because a lobbying firm might receive and report payment in the third quarter for lobbying services performed and reported in the first quarter. As a result, there is no definitive link between the compensation identified in a quarterly report and the lobbying services identified in that same report. Furthermore, it is possible that a lobbying firm might never be paid by a wayward client or that a firm would complete its lobbying work in December, receive payment in January, and not register again until April. In those scenarios, the funds associated with the lobbying services would not be reported at all.

The Commission recommends amending the MLO to require lobbying firms to disclose compensation from clients in the quarter in which they become entitled to receive it—in other words, the quarter in which they earn it. This change will create a more direct link between reported lobbying activities and the money associated with those activities. It will also eliminate the possibility that funding for some lobbying activities would go unreported.

## C. Lobbying Expenses

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Eliminate the requirement that lobbying firms report their total expenditures.</i>	48.13(C)(6)	48.08(C)(8)
<i>Require the reporting of payees for itemized expenses of \$5,000 or more.</i>	48.13(C)(6) 48.14(C)(5)(b)	48.08(C)(8)(c) 48.08(D)(6)
<i>Rename the term "activity expense" as "payment benefiting a City official".</i>	48.02(BB) 48.12(C)(4) 48.13(C)(7) 48.14(C)(6)	48.02 48.08(B)(4), (5) 48.08(C)(6), (7) 48.08(D)(8), (9)

The MLO currently requires lobbying firms and lobbying organizations to report the expenses they incur in connection with attempts to influence City action. Those expenses are essentially everything other than overhead that would not be incurred except for the attempts to influence. They specifically include payments to lobbyists employed by the entity, as well as payments to other employees who engage in attempts to influence City action. Individual expenses valued at \$5,000 or more must be itemized by date, amount, and description. Additionally, total activity expenses must be reported; and activity expenses valued at \$25 or more must be itemized by date, payee, and City official.

The Commission makes three recommendations regarding the reporting of expenses. The first is eliminating the requirement that lobbying firms report their total lobbying expenditures. Lobbying firms are already required to report the compensation they receive from clients. Their

expenses are generally a subset of the total compensation received from clients, so the separate reporting of expenses does not seem to provide a considerable additional benefit to the public. Furthermore, eliminating this requirement would significantly streamline reporting for lobbying firms. The Commission makes two notes with regard to this recommendation. First, lobbying firms would continue to itemize activity expenses and other expenses of \$5,000 or more, other than overhead and payments to employees. Second, lobbying organizations would continue to report their total lobbying expenditures, other than overhead, because they do not receive income from clients. The only way to know the amount of money infused into the system as a result of their lobbying activity is to require them to report their expenses.

The Commission's second recommendation regarding the reporting of expenses is to require lobbying firms and lobbying organizations to identify the payees for their itemized expenses of \$5,000 or more. The reporting of payees is already required when activity expenses are itemized, so this recommendation would promote consistency. In addition, it would also help identify when lobbying firms subcontract out their lobbying activities. That, in turn, would help inform the public of all the players associated with a particular lobbying effort.

Finally, the Commission recommends renaming "activity expense" to make it more intuitive for filers. That term is currently defined as "any payment, including any gift, made to or directly benefiting any City official or member of his or her immediate family, made by a lobbyist, lobbying firm, or lobbyist employer." The definition is very specific, but the term suggests something much broader (any expense related to lobbying activity). To provide as much clarity as possible about the types of expenses that are being reported, the Commission recommends that the term be relabeled "payment benefiting a City official".

Although the GEO restricts gifts from lobbyists and lobbying firms to City officials, as discussed in section X.B, it does not impose a complete prohibition. For example, a gift may be made to certain appointed City officials if the lobbyist is not attempting to influence their agencies. *See* LAMC §§ 49.5.2, 49.5.10(A)(4). In addition, the City's definition of "gift" excludes certain acts of giving. *See* LAMC §§ 49.5.2, 49.5.10(A)(7). Finally, the GEO does not prohibit gifts to a member of a City official's immediate family. For these reasons, the Commission believes it is important to maintain the requirement that lobbying entities report the payments they make to benefit a City official.

#### **D. Fundraising**

One of the most significant accountability issues for any set of lobbying laws is how it addresses the money that lobbying entities may infuse into the political system. In November 2006, by adopting Measure R, Los Angeles voters determined that lobbyists and lobbying firms should be banned from making personal contributions to City candidates and officeholders if they are required to register to lobby either the office the individual is seeking or the office the individual currently holds. To close a loophole in the existing law, the Commission recommends that the prohibition extend to lobbying organizations, as well. *See* section X.A, below.

Although lobbying entities may not make personal contributions to certain candidates and officials, they may still deliver contributions and act as intermediaries for other persons. They

may also engage in fundraising for City candidates and officeholders. To inform the public about the fundraising activities that lobbying entities may undertake to benefit City officials and candidates, the MLO requires lobbying entities to disclose when they are involved in those activities.

The Commission analyzed fundraising dollars reported by lobbying entities as a part of this review and found that they represent a relatively small portion of all political contributions reported by City candidates and officeholders. As the numbers of registered lobbying entities has steadily increased over the past four years, the total amount of fundraising has steadily declined. There were 316 registered lobbying entities in 2005 and 470 in 2008—an increase of nearly 49 percent. Conversely, the \$519,544 in fundraising that was reported by lobbying entities in 2005 decreased by 42 percent, to \$300,672, in 2008. In addition, the fundraising amounts reported by lobbying entities from 2005 through 2008 typically represent less than 9 percent of all campaign and officeholder contributions for a given year.

The Commission believes that the current disclosure requirements in the MLO generally provide helpful information about fundraising by lobbying entities. However, the Commission does recommend several changes that are designed to improve the disclosure of political funds that are attributable to lobbying interests.

#### 1. Dollars Raised

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Eliminate the reporting of specific amounts raised by fundraising activity.</i>	48.12(C)(8) 48.13(C)(11) 48.14(C)(10)	48.08(B)(7) 48.08(C)(10) 48.08(D)(11)

Currently, when lobbying entities engage in fundraising, they must report the individual who benefited from the fundraising, the dates the fundraising occurred, and the specific amount of funds they “know or have reason to know” were raised as a result of their fundraising efforts. The Commission previously supported this language in prior amendments to the MLO, based on representations by former candidates and officials that lobbyists had a clear understanding of the levels of political money they raised. However, this terminology has presented challenges, because filers have not always been able to determine how much money was raised as a direct result of their efforts. This is particularly the case when a lobbyist is just one of several fundraisers for a particular event, for example, so the number of contributions attributed to that lobbyist is likely to be imprecise. In addition, contributions may be made before, at, or after the actual event, either through the lobbyist or directly to the candidate. Furthermore, an event attendee could receive an invitation from a lobbying firm but determine entirely apart from that invitation to make a contribution.

It appears that, in an effort to comply with the current reporting laws, most filers now report the entire amount raised by a fundraising event in which they participated, regardless of whether that amount is attributable to the filer personally. However, this practice gives the public an inaccurate—often an overly inflated—picture of the total amount raised for a City candidate or officeholder. If two lobbyists are involved in one fundraiser and both report the

total amount raised at that event, say \$10,000, then the understandable misperception is that the event generated \$20,000 for that official.

To eliminate confusion regarding how much fundraising is accomplished by lobbying entities, the Commission recommends eliminating the requirement that lobbying entities report specific dollar amounts associated with their fundraising activities. They would still be required to identify that they engaged in fundraising and when they did so, as well as the individual who benefited from it. In the Commission's view, this information is sufficient to alert the public to a contribution or fundraising connection between registered lobbying interests and officeholder or candidates that they may lobby. Under this approach, it is the act of fundraising, itself, that creates the connection, regardless of the amount of money that results.

The Commission continues to believe that the public benefits greatly from the fullest information possible about lobbying fundraising activities, whatever its level. At the same time, however, the Commission also believes that the costs of disseminating inaccurate fundraising amounts outweigh the benefits of continuing to require that reporting. This is particularly true in light of the relatively small scope that the fundraising amounts appear to represent, as noted above. Therefore, the Commission recommends eliminating the requirement that fundraising amounts be reported.

## 2. Timing

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Require lobbying entities to report the calendar week in which their fundraising occurs, rather than the specific date.</i>	48.12(C)(8)(a) 48.13(C)(11)(a) 48.14(C)(10)(a)	48.08(B)(7) 48.08(C)(10) 48.08(D)(11)

As noted above in section VIII.E.1, lobbying entities are currently required to report the precise dates on which they engage in fundraising activities. The Commission recommends that this be changed to permit lobbying entities to report the calendar week in which their fundraising efforts occur, rather than the exact dates. The public has an interest in knowing the timing of certain activities by lobbying entities. If, for example, a lobbying entity has a direct communication with a City official, engages in fundraising for an elected official, and receives a favorable result for a client, the public has an interest in knowing when the things occurred in relation to each other. Fundraising activity, in contrast to direct communications with City officials, can often involve dozens and even hundreds of interactions with people over a period of time. A lobbyist, for example, could email an invitation for a fundraising event every day for a span of weeks.

Rather than require the disclosure of every instance of fundraising, the Commission believes that it is sufficient to require lobbying entities to disclose the weeks during which they engage in fundraising activities. That level of reporting provides a timeframe that, in conjunction with the dates of lobbying contacts, adequately informs the public of the pertinent activities of lobbying entities. In addition, the filing requirement for written fundraising solicitations provides additional context regarding the timeline of lobbying and fundraising activities. See section VIII.E.6, below.

### 3. Contributions and Donations

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Require the disclosure of persons for whom a lobbying entity acts as an intermediary or delivers a contribution.</i>	48.12(C)(5)(c) 48.13(C)(8)(c) 48.14(C)(7)(c)	48.08(B)(6) 48.08(C)(9) 48.09(D)(10)
<i>Make the reporting threshold consistent for behested campaign contributions and charitable donations.</i>	48.12(C)(5)-(7) 48.13(C)(8)-(10) 48.14(C)(7)-(9)	48.08(B)(6) 48.08(B)(8),(9) 48.08(C)(9) 48.08(C)(11),(12) 48.08(D)(10) 48.08(D)(12),(13)

Acting as an intermediary and delivering contributions are closely tied to fundraising. Lobbying entities may solicit contributions on behalf of a City official—even though they may not make their own—and offer to get those contributions to the official. When a lobbyist acts as an intermediary, she writes a check to a candidate or officeholder but tells the recipient that the check is given on behalf of a third person who has reimbursed her for the check. When that same lobbyist delivers a contribution, the third person writes the check directly to the candidate or officeholder but gives it to the lobbyist, who then sends or presents it to the intended recipient.

Currently, lobbying entities must disclose when they act as intermediaries or deliver contributions. They must identify the City candidate or officeholder who benefited, as well as the date and amount of the contributions. Lobbying entities also report the persons for whom they acted as intermediaries. The Commission recommends that this practice continue and that it also apply to contributions that a lobbying entity delivers. When the person behind the contributions that are associated with lobbying entities is disclosed, the public gains valuable information about who is being connected to City candidates and officeholders, and who may be garnering access or influence, through lobbying entities.

For the same reason that it is important to know that fundraising occurs, it is important to require this additional disclosure regarding delivered and intermediary contributions. Such disclosure provides transparency for the public regarding financial connections between City officials and lobbying entities. This is particularly important in the wake of Measure R. In 2005 and 2006, before Measure R took effect, delivered and intermediary contributions accounted for 40 and 42 percent, respectively, of all contributions reported by lobbying entities. In 2007 and 2008, however, delivered and intermediary contributions represented 81 and 83 percent of all reported contributions. These types of contributions now account for the vast majority of all contributions associated with lobbying entities.

Contributors and the dates of their contributions are currently identified on the campaign statements filed by candidates and officeholders, so this recommendation does not subject contributors to any new disclosure. It does, however, create consistency between the two disclosure requirements, as well as identify a link between campaign contributions and the lobbying entities involved in their making.

The MLO also addresses behested contributions and donations (those made at the suggestion of or in coordination with an elected City official or candidate). Currently, lobbying



entities must report campaign contributions and charitable donations that are behested and valued at \$1,000 or more. The Commission recommends that the reporting threshold for behested contributions and donations be made consistent with the existing \$100 reporting threshold for contributions that a lobbying entity makes or delivers or for which a lobbying entity acts as an intermediary.

One of the fundamental policy goals of the reporting requirements is to provide transparency regarding political money that lobbyists use to support candidates, officeholders, and their specific interests. For disclosure purposes, the Commission does not believe there is a meaningful difference between these two types of activities and the potential influence that they could create or appear to create. Rather, the actual and perceived influence is related to the amount of the contribution. So if \$100 is the amount at which the concern over possible influence triggers disclosure for campaign contributions that the filer independently makes or delivers, then the same amount should trigger disclosure for campaign contributions and charitable donations that the filer makes at the behest of a City candidate or officeholder. In both situations, the lobbying entity is providing money to an entity close to the candidate or officeholder and, thereby, potentially garnering favor with the candidate or officeholder. The dollars that trigger reporting in one scenario should trigger reporting in all scenarios.

#### 4. Client Solicitations

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Require lobbyists and lobbying firms to disclose when they solicit political contributions from clients.</i>	48.12(C)(8)(c) 48.13(C)(11)(c)	n/a

Similar to the recommendation that lobbying entities disclose persons for whom they act as intermediaries or deliver contributions is the Commission's recommendation that lobbyists and lobbying firms disclose when they solicit contributions from clients. As discussed above in section VII.C, lobbying firms must identify on their registration statements each client for whom they are authorized to lobby. LAMC § 48.07(E)(4). The Commission believes that it is important for the public to know when lobbyists and lobbying firms solicit political contributions from their clients for City candidates and officeholders. The clients are the entities that have business before the City and for whom the lobbyists are attempting to influence decision makers. The public has a significant interest in knowing when political money may be passed between clients and decision makers at the behest of lobbying entities.

The Commission, therefore, recommends that lobbying firms be required to disclose when they engage in fundraising by soliciting funds from clients who are identified on their registration statements. Similarly, the Commission recommends that traditional lobbyists be required to disclose when they engage in fundraising by soliciting funds from clients identified on their firms' registration statements. This recommendation would not apply to lobbying organizations or in-house lobbyists, because they do not interact with third-party clients.

## 5. Hosts and Sponsors

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Identify a host/sponsor as a person who pays 20% or more of the event costs.</i>	48.02(S)(3)	48.02
<i>Identify a host/sponsor as a person whose name is used on invitations or other event materials.</i>	48.02(S)(4)	n/a

Also central to the issue of fundraising is what it means to host or sponsor a fundraising event. Currently, a lobbying entity hosts or sponsors a fundraiser if the entity does any of the following:

- a. Provides the use of a home or business for the event without charging market value;
- b. Asks more than 25 persons to attend the event;
- c. Pays a majority of the costs of the event; or
- d. Provides more than 25 names to be used for invitations to the event.

The Commission recommends amending that definition in two ways. First, by replacing “a majority of the costs” (in “c”, above) with “20 percent or more of the costs”. Under the current definition, two lobbying entities could each pay half the costs of a fundraising event and not qualify as a host or sponsor—and, therefore, not be required to report the event. To avoid that scenario and to more adequately inform the public about who is participating in City fundraising, we believe that a 20-percent threshold is more appropriate. That threshold was selected because the financial world presumes that a party who holds an interest of 20 percent wields “significant influence” and must report the interest. *See Criteria for Applying the Equity Method of Accounting for Investments in Common Stock, Financial Accounting Standards Board Interpretation No. 35 (May 1981).*

Second, the Commission recommends adding a fifth activity to the definition. Lobbying entities are currently advised that they should disclose their role in fundraising when they permit their names to be included on invitations or other written materials for a fundraising event, and the Commission recommends adding that activity to the definition. Some people’s names carry such value that they can entice others to participate in a fundraising event. When their names are used in that way, the Commission believes those persons should be considered hosts or sponsors.

## 6. Written Solicitations

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Require lobbying entities to file their written fundraising solicitations electronically for public viewing.</i>	48.07(B) 48.15(A)	48.08.5
<i>Require the political solicitation report to be filed concurrently with the solicitation.</i>	48.15(B)	48.08.5

The Commission’s final recommendations regarding fundraising disclosure go to written political fundraising solicitations. Currently, if a lobbying entity produces, pays for, or distributes more than 50 copies of a political fundraising solicitation, a copy of the solicitation

must be filed with the Commission at the time the solicitation is distributed. In addition, on its next quarterly report, the lobbying entity must disclose information about the solicitation, including a general description of the contents, the dates it was distributed, the number of pieces distributed, and the name of the elective City officer, candidate, or ballot measure committee that benefited from the solicitation.

The Commission recommends amending this disclosure requirement so that it applies to every written solicitation, regardless of how many copies are created or distributed. Even one written solicitation can create a financial connection between a City official and a lobbying entity and result in significant fundraising on behalf of the official. The Commission believes the public is best served when it is aware of and, therefore, can hold lobbying entities accountable for the full range of their fundraising activities.

Second, the Commission recommends that copies of written solicitations be filed in an electronic format. A similar requirement exists for campaign literature. *See* LAMC § 49.7.11(C). And the Commission recommends that written communications to neighborhood councils also be filed electronically. *See* section IX.B, below. Finally, the Commission recommends that the report regarding the solicitation be filed concurrently with the copy of the solicitation, itself.

These updates will enable the Commission to easily post solicitations for public viewing. They will provide more comprehensive information about the fundraising solicitations generated by lobbying entities. They will provide far more timely information about the solicitations (avoiding the scenario of a solicitation being on file for three months with no explanatory information), and they will directly link the information with the solicitation.

## E. Summary

The recommendations in this section do not address everything that a lobbying entity must report, because the Commission does not recommend changes to some of the existing disclosure items. For your information, the following table summarizes what each lobbying entity must currently disclose. *See* LAMC §§ 48.08(B)–(D).

**CURRENT DISCLOSURES FOR LOBBYING ENTITIES**

Disclosed Information	Lobbyist	Firm	Organization
City agencies lobbied.	X	X*	
Each item of municipal legislation lobbied.		X	X
Each client represented.		X	
Compensation earned for services to City campaigns.	X	X	
Compensation received under City contracts.	X	X	
Compensation received from clients.		X	
Total expenses incurred in connection with lobbying.		X	X
Lobbying expenses of \$5,000+.		X	X
Activity expenses (itemized if \$25+).	X	X	X
Fundraising activity (date, beneficiary, and funds raised).	X	X	X
City campaign contributions of \$100+.	X	X	X
Behested campaign contributions and charitable donations of \$1,000+.	X	X	X

\*When the firm is a sole proprietorship.

By way of comparison, the table below summarizes the information that the Commission believes each type of lobbying entity should disclose on a quarterly basis and includes the recommendations identified above. See proposed LAMC §§ 48.12–48.14.

**RECOMMENDED DISCLOSURES FOR LOBBYING ENTITIES**

Disclosed Information	Lobbyist	Firm	Organization
City agencies lobbied.	X	X	X
Each municipal decision lobbied.	X	X	X
Each client represented.	X	X	
Compensation earned for services to City campaigns.	X	X	X
Compensation earned under City contracts.	X	X	X
Compensation earned from clients.		X	
Total expenses incurred in connection with lobbying.			X
Lobbying expenses of \$5,000+.		X	X
Payments benefiting a City official (itemized if \$25+).	X	X	X
Fundraising activity (week and beneficiary).	X	X	X
City campaign contributions of \$100+.	X	X	X
Behested campaign contributions and charitable donations of \$100+.	X	X	X

**IX. OTHER DISCLOSURES**

In addition to regular quarterly reporting by lobbying entities, the MLO also requires other types of disclosure—by both lobbying entities and persons who are not otherwise regulated by the MLO.

**A. One-Day Notices**

Recommendation	New Code	Old Code
<i>Eliminate the one-day reporting requirements.</i>	<i>n/a</i>	48.08.6 48.08.7
<i>Amend the corresponding reporting requirements for elected officials.</i>	49.5.16	49.5.16

The MLO requires lobbying entities to file notice with the Commission, under penalty of perjury, within one business day of either of the following occurrences:

- a. The lobbying entity made campaign contributions aggregating more than \$7,000 over a 12-month period to an elective City officer or the officer's City controlled committees (other than ballot measure committees); or
- b. The lobbying entity engaged in fundraising for or delivered contributions to an elective City officer or the officer's City controlled committees (other than ballot measure committees) and that activity resulted in more than \$15,000 for a City Council candidate or more than \$35,000 for a Citywide candidate.

Copies of the notices must be filed with both the city clerk and the elective City officer who benefited from the contributions or the fundraising.

The Commission recommends eliminating these requirements. The likelihood of reaching the \$7,000 contribution threshold was low prior to November 2006 and appears virtually impossible for lobbyists and lobbying firms now that Measure R prohibits them from making campaign contributions to a candidate when they are required to register to lobby the office the candidate seeks or the office the candidate currently holds. To date, in fact, none of these notices has ever been filed.

The one-day reporting requirements were added as part of the 2003 revisions to the MLO, but they were designed to complement a separate recusal requirement that was not adopted in the final package approved by the Council. As a result, these requirements do not serve the purpose for which they were initially drafted. In addition, the information they provide is included in the quarterly reports that are required of lobbying entities. To eliminate duplicative reporting that does not provide the type of helpful public disclosure that was anticipated, the Commission recommends eliminating the one-day reporting requirements.

The Commission also recommends amending a corresponding provision in the GEO for elected officials, to reflect the recommended changes to the MLO. The GEO requires elected officials to provide written disclosure when a lobbying entity has attempted to influence them in a City decision and, in the previous 12 months, has also made contributions or engaged in fundraising at the same levels that trigger the current one-day reporting requirement for lobbying entities. Again, however, the likelihood of lobbyists and lobbying firms reaching the contribution threshold is virtually nonexistent since Measure R, and the transparency envisioned by these requirements has not been achieved. As with the one-day reporting, no reports by City officials have ever been filed. Therefore, the Commission recommends that the GEO be amended to eliminate reference to these dollar thresholds.

## **B. Neighborhood Councils**

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Require written communications with neighborhood councils to be filed electronically.</i>	48.07(B) 48.16(C)	48.08.8

The MLO regulates written communications to neighborhood councils. A lobbying entity must disclose that it delivered or sent the communication. The disclosure must be printed on the communication, itself, and must meet certain specifications regarding legibility and content. The Commission recommends that lobbying entities be required to file copies of these communications in an electronic format. A similar recommendation is made for the filing of written fundraising solicitations. *See* section VIII.E.6, above. By receiving copies of these written communications, the Commission will be better able to inform the public about lobbying activities at the neighborhood council level. The Commission will also be better able to determine whether compliance is being achieved.

### C. Major Filers

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Eliminate quarterly reports by major filers.</i>	<i>n/a</i>	48.02 48.08(A)(2) 48.08(E)

In addition to the regulations placed on lobbying entities, the MLO also regulates persons who attempt to influence City action through public outreach or “grassroots” lobbying. Under current law, a “major filer” is defined as a person who is not a lobbying entity but who spends \$5,000 or more in a calendar quarter for public relations, media relations, advertising, research, investigation, reports, analyses, studies, or similar activities for the purpose of influencing City action. Expenses for routine communications between an organization and its members do not count toward the \$5,000 threshold.

Major filers do not have to register, but they are currently required to file a quarterly report for every quarter in which they reach the expenditure threshold. Their reports must identify who they are, each item of municipal legislation that they attempted to influence during the quarter, and the total payments they made during the quarter to influence each item of municipal legislation.

The Commission recommends that this requirement be eliminated. The requirement was crafted in the wake of significant spending by an entity that did not qualify as a lobbying entity and, as a result, did not report that spending, even though it was designed to influence City decisions regarding a controversial matter. The requirement was added to provide as much transparency as possible regarding who spends substantial sums of money to influence City decisions. Since the requirement was enacted, however, few major filer reports have been filed. The Commission received two reports six years ago but none since. In addition, promoting and securing full compliance with this provision can be problematic, because major filers are not otherwise subject to or familiar with City regulation in this area and because major filer activity can be irregular.

In making this recommendation, the Commission notes that a level of transparency about money spent on community outreach efforts does exist through other means. Both lobbying firms and lobbying organizations are required to itemize expenses of \$5,000 or more, and that includes expenses for community outreach. See LAMC §§ 48.08(C)(8)(c), (D)(6); proposed LAMC §§ 48.13(C)(6), 48.14(C)(5)(b). With this in mind, the Commission concluded that, on balance, eliminating this reporting requirement for persons who are not otherwise subject to the MLO would not result in the public having any less information about these expenditures.

### X. PROHIBITIONS

In addition to the registration and reporting requirements that apply to lobbying entities, City law also regulates certain other conduct by lobbying entities. These regulations are found in both the MLO and in other City laws.

## A. Restrictions in the MLO

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Apply existing prohibitions to all lobbying entities.</i>	48.05	48.04
<i>Apply the Charter's prohibition against campaign contributions to lobbying organizations.</i>	48.05(F)	n/a
<i>Clarify when contributions by committees and businesses affiliated with lobbyists are prohibited.</i>	48.05(F)	n/a

A number of activities are specifically prohibited by the MLO. Under LAMC § 48.04, lobbyists and lobbying firms may not engage in any of the following:

1. Doing anything with the intent of placing a City official under personal obligation to either the lobbyist, the lobbying firm, or a client;
2. Fraudulently deceiving or attempting to deceive a City official regarding a material fact that is pertinent to a City decision;
3. Causing or influencing the introduction of a City matter for the purpose of later being employed to secure its passage or defeat;
4. Causing a communication to be sent to a City official in the name of a nonexistent person or in the name of an existing person without consent; or
5. Making, arranging, or acting as an intermediary in a payment to a City official that would violate the GEO, such as a gift to a City official whose agency the lobbying entity is attempting to influence.

This list represents very serious actions that are likely to significantly undermine the City's decision-making process and the public's confidence in that process. The Commission believes that it is appropriate to maintain each of these prohibitions. The Commission does, however, recommend two changes. The first change is to apply the prohibitions to all lobbying entities—not just lobbyists and lobbying firms. If a lobbying organization's role is such that registration and reporting are appropriate, it is also appropriate for the lobbying organization to abstain from the types of activities that erode the system.

The Commission also recommends adding a sixth prohibition, to mirror Los Angeles City Charter § 470(c)(11). That provision was added by Measure R and prohibits personal contributions from lobbyists and lobbying firms to certain elected City officials and candidates. Including this prohibition in the MLO will help centralize the regulations that apply to lobbying entities and inform them of all laws that apply to them. It will also identify prohibited campaign contributions as an offense that is serious enough to merit special consideration.

More importantly, it will extend the prohibition on campaign contributions to lobbying organizations. Again, lobbying organizations merit their status as lobbying entities, because they can wield significant influence over City decisions. The potential that money might corrupt

government decisions is not eliminated simply because an entity does not outsource its lobbying efforts. Therefore, the Commission believes that it is appropriate to ban campaign contributions from lobbying organizations, as well as from other lobbying entities. This change would create equity by prohibiting contributions from any organization that employs a lobbyist—not just from those that employ traditional lobbyists. It would also help promote the stated purpose of Measure R, to “reduce the power and influence of special interests and their paid lobbyists” and to “make sure that City government is more honest, effective and accountable to the voters.” Argument in Favor of Charter Amendment and Ordinance Proposition R, November 2006.

Finally, the Commission believes the MLO should answer a question that has arisen since the passage of Measure R. The issue is whether a committee that is created or controlled by lobbyists—or a business owned by lobbyists—should be permitted to make campaign contributions when the lobbyists, themselves, would be prohibited. To clarify this matter, the Commission recommends that the MLO mirror a California Political Reform Act regulation. See 2 Cal. Code Regulations § 18572. This would prohibit a contribution if a lobbyist participates in the decision to make the contribution and the contribution is made either by a business entity in which the lobbyist holds an ownership interest of at least 20 percent or by a committee that, at the time of the contribution, is funded at least 20 percent by lobbyists.

The 20-percent threshold was selected to reflect the financial world’s presumption that a party who holds an interest of 20 percent wields “significant influence” and must report the interest. It is also the threshold recommended for determining when a lobbying entity hosts or sponsors a fundraising event. See section VIII.E.5, above. The Commission believes this language appropriately addresses contributions from entities over which lobbyists wield significant influence and which could be used to circumvent the prohibition on contributions from lobbyists.

## B. Restrictions in Other City Laws

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Apply existing gift restrictions to all lobbying entities.</i>	49.5.10(A)(3) 49.5.10(A)(4) 49.5.10(A)(5) 49.5.10(B)(3)	49.5.10(A)(3) 49.5.10(A)(4) 49.5.10(A)(5) 49.5.10(B)(3)

In addition to the prohibitions in the MLO, there are other restrictions in other bodies of law that apply to lobbying entities. The first restriction is found in the GEO and is referred to in the fifth MLO prohibition identified above in section X.A. The GEO prohibits lobbyists and lobbying firms from giving gifts to elected officials, certain members of their staffs, the members of the Commission, the Commission’s executive officer, and certain departmental executives who are considered high-level officials. A lobbyist or lobbying firm is also prohibited from giving gifts to any other City official if the lobbyist or lobbying firm is seeking to influence the official’s agency. Furthermore, lobbyists and lobbying firms may not act as agents or intermediaries in or arrange for the making of a gift, including advances and reimbursements for travel expenses, to any City official.



As with the prohibitions in the MLO, these restrictions on gifts do not currently apply to lobbying organizations. The Commission recommends that the GEO be amended so that the gift restrictions are applied to all lobbying entities. Again, this change would highlight the fact that lobbying organizations are accountable to the public under the MLO, just like lobbyists and lobbying firms are. It will also promote the equitable application of all City laws that affect lobbying entities.

## **XI. ENFORCEMENT**

The MLO (and each of the other laws within the Ethics Commission's jurisdiction) may be enforced in three ways: criminally, civilly, and administratively. The Commission recommends several changes to those enforcement provisions, to create consistency within the MLO and across all of the laws within the Commission's jurisdiction.

### **A. Statute of Limitations**

<b><i>Recommendation</i></b>	<b><i>New Code</i></b>	<b><i>Old Code</i></b>
<i>Make the MLO consistent with the GEO and CFO by making the criminal statute of limitations four year.</i>	<i>48.17(B)(2)</i>	<i>48.09(B)(1)</i>

A person who knowingly or willfully violates—or aids another person in violating—the MLO is guilty of a misdemeanor. *See* LAMC § 48.09(B)(1). The current statute of limitations is one year for criminal prosecution under the MLO. However, the criminal statute of limitations is four years under both the GEO and the Campaign Finance Ordinance (CFO). *See* LAMC §§ 49.5.19(A)(2), 49.7.28(A)(2). In addition, the MLO's existing statute of limitations for civil enforcement is four years. *See* LAMC § 48.09(C)(4). To create consistency both within the MLO and across each of the governmental ethics laws, the Commission recommends amending the MLO's criminal statute of limitations so that it expires four years after the date of the alleged violation.

### **B. Civil Suits**

<b><i>Recommendation</i></b>	<b><i>New Code</i></b>	<b><i>Old Code</i></b>
<i>Make the MLO consistent with the GEO and CFO by permitting the Commission to bring civil suits.</i>	<i>48.17(C)(1)</i>	<i>48.09(C)(1)</i>

The MLO currently authorizes the City Attorney to bring a civil suit against a person who has knowingly engaged in conduct that the MLO prohibits or has intentionally or negligently violated any other provision of the MLO. The GEO and the CFO also authorize civil suits for violations of their provisions, but they do not limit the authority to the City Attorney. A person who violates either of those laws is liable in a civil suit brought by the City Attorney, the Commission, or a person residing within the City. *See* LAMC §§ 49.5.19(B)(1), 49.7.28(B)(1). The Commission recommends amending the MLO so that the Commission may enforce its lobbying laws in civil court, just as it can enforce its governmental ethics and campaign finance laws.

### C. Monetary Penalties

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Make the MLO consistent with the Charter, GEO, and CFO by capping civil penalties at \$5,000, or three times the amount improperly reported, per violation.</i>	48.17(C)(2)	48.09(C)(1)
<i>Make the MLO consistent with the GEO and CFO by eliminating the cap on late filing fees.</i>	48.17(F)	48.09(F)

Three types of monetary penalties are specifically identified in the MLO: administrative penalties, civil penalties, and late filing fees. Civil penalties are currently capped at \$2,000, or the amount improperly reported, per violation. Late filing fees are \$25 per day and are capped at \$500. The Commission recommends amending both of those provisions.

The first recommendation is to adjust the cap on civil penalties to \$5,000, or three times the amount improperly reported, per violation. That would mirror the civil penalties provisions in both the GEO and the CFO. *See* LAMC §§ 49.5.19(B)(1), 49.7.28(B)(1). It would also create consistency within the MLO, itself. Administrative penalties for violations of the MLO, the GEO, and the CFO are established by Charter § 706(c)(3). They may not exceed \$5,000 or three times the amount improperly reported per violation, which is the recommended cap for civil penalties.

The current cap on civil penalties under the MLO is out of step with every other monetary penalty that falls within the Commission's jurisdiction. Therefore, the Commission recommends that the MLO's civil penalties provision be amended so that a court can assign the same level of gravity to MLO violations that it can assign to violations of all other City governmental ethics laws and the same level of gravity the voters have already assigned to MLO violations through the Charter.

The Commission also recommends amending the late filing fees. Public disclosure is the crux of any set of lobbying laws, so a lobbying entity's failure to report in a timely manner should be considered a serious offense. The Commission believes that it is appropriate to hold a filer accountable as long as the filer is out of compliance with a filing requirement and, therefore, recommends eliminating the cap on late filing fees. Both the GEO and the CFO specifically state that their late filing fees continue to accrue until the late statement or report is filed. *See* LAMC §§ 49.5.20, 49.7.29. The same standard should apply to late filings by lobbying entities.

#### D. Other Penalties

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Make the MLO consistent with the GEO and CFO by making the ban on acting as a lobbyist four years following a violation.</i>	48.17(B)(3) 48.17(C)(3)	48.09(B)(3) 48.09(C)(1)
<i>Limit the restriction on lobbying or otherwise attempting to influence municipal decisions to persons who knowingly or criminally engage in prohibited activity.</i>	48.17(B)(3) 48.17(C)(3)	48.09(B)(3) 48.09(C)(1)

The MLO currently restricts the lobbying activities of persons who have violated its provisions. A person convicted of a criminal violation may not act as a lobbyist or otherwise attempt to influence City action for compensation for one year following the conviction. In addition, if a court in a civil case determines that the defendant violated the MLO intentionally, the court may order that the defendant be prohibited from acting as a lobbyist or otherwise attempting to influence City decisions for one year.

Similar provisions also exist within the City's other governmental ethics laws. However, the other provisions impose moratoria of four years, rather than one. The GEO and the CFO both prohibit persons who are convicted of criminally violating their provisions from acting as a lobbyist or as a City contractor for four years following their convictions (unless the court specifically determines otherwise). *See* LAMC §§ 49.5.19(A)(3), 49.7.28(A)(3). In addition, the MLO, itself, prevents a person from acting as a lobbyist or a lobbying firm for four years following an administrative determination that the person has violated the Charter's prohibition against laundering City contributions. *See* LAMC § 48.09(G)(1), Charter § 470(k).

The Commission recommends changing the MLO's one-year bans to four-year bans. Doing that would create internal consistency within the MLO, as well as consistency among all the laws that fall within the Commission's jurisdiction. It would also reflect the serious nature of governmental ethics violations and the importance of upholding the public trust.

However, to avoid unduly penalizing certain persons, the Commission recommends limiting the current restriction to the most egregious offenses. For knowingly or criminally engaging in activity that the MLO specifically prohibits (*see* section X.A, above), the Commission recommends maintaining the current restriction on lobbying or otherwise attempting to influence City decisions. For other violations of the MLO, the recommendation is that the ban apply only to lobbying and not to other attempts to influence City decisions, such as speaking on the record at a public meeting on behalf of another person for compensation.

## **XII. MISCELLANEOUS**

### **A. Training**

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Require lobbyists to take an ethics course upon their initial registration.</i>	48.09(B)	48.07(I)
<i>Establish more flexibility in the format for the course.</i>	48.09(B)	48.07(I)

The MLO currently requires all registered lobbyists to attend an information session conducted by the Ethics Commission at least once every two years. If the lobbyist has not been registered in the previous two years, he must attend the information session within six months of registration. All other lobbyists must attend an information session every other year.

The Commission recommends amending that requirement to create flexibility that will better address both the needs of the lobbying community and the best use of the Commission's resources. First, the Commission recommends that an ethics course be required within 60 days of a lobbyist's initial registration under the new ordinance, rather than on a fixed, two-year schedule. This will give lobbyists timely information about what it means to be registered with the City when it is most critical for them to receive it.

The Commission also recommends eliminating the requirement that the course be conducted in person. Since the formal training requirement was first enacted in 1999, technology has changed significantly. The Commission's online ethics course for City officials is working well, and a similar online format for lobbyists will permit them to access the course whenever and wherever it is most convenient.

Improved technology also helps the Commission stay in regular contact with lobbying entities. For example, the Commission routinely communicates with them through our electronic messaging system. And the Commission's *Lobbyist Bulletin* provides timely reminders for registrations, quarterly reports, and other items of interest. See, e.g., <http://ethics.lacity.org/newsletter/bulletins/lobbyist/2009-1/index.htm>. The bulletins also serve as an educational tool and are used to highlight changes in the lobbying program and in other governmental ethics or campaign finance laws that could affect the lobbying community. Thus, the need for ongoing formal training is diminished.

### **B. Commission Reports**

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Require the Commission to produce a public report on lobbying activity no less than annually.</i>	48.18	48.10

Just as it has changed the education of lobbying entities, technology has also changed how the Commission conveys the information it receives about lobbying activity in the City. The MLO currently requires the Commission to prepare reports for the Mayor and the City Council regarding lobbying activity and expenditures during the previous quarter. When that

requirement was established, those reports were the only means of providing the public with a global view of lobbying activity in the City.

Since then, however, LEFS has changed the reporting landscape. Now, detailed information about lobbying entities, clients, lobbying activity, and fundraising is available to everyone 24 hours a day, at the push of a button. *See, e.g.*, <http://ethics.lacity.org/efs2003/index.cfm?fuseaction=lobsearch.mainmenu>. The Commission plans to add new features to our Web site (after the implementation of any changes that result from this review), to provide additional tools and snapshots that will help summarize all lobbying data on demand.

In addition, the Commission believes that annual reports provide a better sense of lobbying activity than quarterly reports do. Client payments, for example, may be very high in one quarter of a particular year but average into a normal range over the course of the year. For all of these reasons, the Commission recommends that the reporting provision be amended to require lobbying reports on an annual basis, rather than a quarterly basis.

### C. Technical Changes

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Improve the MLO's user-friendliness by renumbering its provisions.</i>	<i>Throughout</i>	<i>n/a</i>
<i>Ensure that the MLO is clear and consistent by streamlining its language.</i>	<i>Throughout</i>	<i>n/a</i>

In addition to the substantive changes that are recommended, the Commission also recommends a number of technical improvements. The first is to renumber the provisions in the MLO so that they are more user-friendly. In the definition section (LAMC § 48.02), for example, that means creating a distinct subsection for each of the defined terms. For quarterly reports, that means breaking one very long section into separate sections that each address a specific type of filer. The Commission also recommends updating the language that is used in the MLO. This will streamline the ordinance and help ensure that it is clear and internally consistent.

### D. GEO Amendments

<b>Recommendation</b>	<b>New Code</b>	<b>Old Code</b>
<i>Make technical amendments to the GEO so that its lobbying definitions are the same as the MLO's.</i>	<i>49.5.2</i>	<i>49.5.2</i>
	<i>49.5.9</i>	<i>49.5.9</i>
	<i>49.5.10</i>	<i>49.5.10</i>
	<i>49.5.11</i>	<i>49.5.11</i>
	<i>49.5.12</i>	<i>49.5.12</i>
	<i>49.5.13</i>	<i>49.5.13</i>
	<i>49.5.19</i>	<i>49.5.19</i>

The GEO makes reference to both lobbying entities and lobbying activities. The GEO's definitions for those terms are currently different from the MLO's definitions. The Commission

recommends technical amendments to the GEO as part of this review, simply to ensure consistency between the two ordinances.

#### **E. Council Motions**

When the lobbying ordinance review was in its initial stages, several City Council motions regarding lobbying were either introduced or reintroduced. **Council File Number 05-1425** (Perry/Parks/Smith) asks for a report on the Commission's enforcement procedures and enforcement actions regarding persons who should be registered as lobbying entities but are not. Pending enforcement cases are confidential, but the new procedural aspects of the Commission's recommendations are identified above in section XI. This motion highlights concern regarding the enforceability of the MLO, and the Commission's recommendations are designed to substantially improve that enforceability. *See* section VI.D.1.

**Council File Number 07-3005-S1** (Hahn/Garcetti) asks the Commission to consider a requirement that persons who hire traditional lobbyists notify the Commission if the lobbying activity involves more than \$2,000 in billings over three months or 10 hours of time. As with the previous motion, this one also attempts to address the concern of ensuring that everyone who qualifies as a lobbying entity is properly registered. The enforceability of the MLO has been a primary concern throughout this review, and the Commission's recommendations regarding who qualifies as a lobbyist and when registration is required will significantly enhance the MLO's enforceability. Moving to a contacts-based threshold—and away from a monetary or hourly threshold—will provide much more clarity about who is required to register as a lobbying entity. Because of the enhanced clarity and enforceability that its recommendations carry, the Commission does not believe it is necessary to impose a reporting requirement on the clients of traditional lobbyists and lobbying firms. They are not the persons regulated by the MLO and, more importantly, their reporting will be unnecessary under the Commission's recommendations.

### **XIII. CONCLUSION**

The Commission recommends a comprehensive update to the MLO, to improve its application, clarity, and enforceability. After thoroughly reviewing experiences under the existing law, soliciting extensive input from the public, and taking the time to grapple with the complex issue of lobbying within the City, the Commission urges the City Council to adopt the revised MLO in Appendix C and the revised provisions of the GEO in Appendix D.



Los Angeles Municipal Lobbying Ordinance  
**Recommended Changes v. Current Law**  
 September 2009

Issue	Current	Proposed
<b>Lobbying defined</b>	<i>"Lobbying activities" include the following and similar compensated conduct when that conduct is related to a direct communication to influence municipal legislation: engaging in communication with a City official; drafting ordinances, resolutions, or regulations; providing advice or recommending strategy to a client; conducting research, investigating, and gathering information; engaging in public or press relations; and attending or monitoring City meetings.</i>	Engaging in a direct communication for the purpose of attempting to influence a municipal decision on behalf of another person for compensation.
<b>Direct communication defined</b>	<i>Appearing as a witness before, talking to, corresponding with, or answering questions or inquiries from a City official, either personally or through an agent.</i>	<p>Talking to, corresponding with, or answering questions or inquiries from a City official, either personally or through an agent. The term does <i>not</i> include the following:</p> <ol style="list-style-type: none"> <li>1. Communicating with a City official or agency on the record at a publicly noticed meeting that is open to the general public. If the individual has already qualified as a lobbyist, the communication must identify the client for whom the lobbyist is appearing.</li> <li>2. Submitting a document, including written testimony, that is a public record in connection with an item on an agenda for a publicly noticed meeting.</li> <li>3. Making a sales call in connection with an agency purchase that is required to go through a competitive contracting process.</li> <li>4. Submitting a bid or responding to a solicitation, or participating in an interview related to the solicitation, as long as the information is provided only to the City official or agency specifically designated in the solicitation to receive the information.</li> <li>5. Negotiating the terms of a contract after being selected to enter into the contract.</li> <li>6. Communicating regarding the administration of or performance under an existing contract with the City official who administers or provides legal advice regarding the contract.</li> <li>7. Providing information compelled by a subpoena, law, or regulation.</li> </ol>



Issue	Current	Proposed
		<ol style="list-style-type: none"> <li>8. Requesting advice or the interpretation of a law, regulation, or policy.</li> <li>9. Responding to an enforcement proceeding as the subject of or a witness in that proceeding.</li> <li>10. Communicating as an official representative of a recognized City employee organization with a City official other than the Mayor, a member of the City Council, or an official in the Mayor's office or a City Council office with regard to one of the following:               <ol style="list-style-type: none"> <li>a. The establishment, amendment, administration, or interpretation of a collective bargaining agreement or MOU;</li> <li>b. A management decision regarding the working conditions of represented employees that relates to a collective bargaining agreement or MOU; or</li> <li>c. A proceeding before the Civil Service Commission or the Employee Relations Board.</li> </ol> </li> <li>11. Providing legal representation as a licensed attorney for a party in litigation or an enforcement proceeding with an agency.</li> <li>12. Providing only technical data, analysis, or expertise on behalf of a client whose registered lobbyist is informed of and discloses the communication on the next quarterly report.</li> <li>13. Requesting that the City provide basic municipal services, such as maintenance, utility, sanitation, and safety services.</li> <li>14. Communicating regarding a ministerial step in an application for a license, permit, or entitlement for use.</li> <li>15. Communicating under circumstances similar to those above, after having received written advice from the Commission that the communication is exempt.</li> </ol>
<b>Attempt to influence defined</b>	<i>Promoting, supporting, opposing, or seeking to modify or delay an action on municipal legislation by any means, including but not limited to providing or using persuasion, information, statistics, analyses, or studies..</i>	Promoting, supporting, opposing, or seeking to modify or delay an action on a municipal decision by any means, including but not limited to providing or using persuasion, information, statistics, analyses, or studies.

Issue	Current	Proposed
<b>Municipal decision defined</b>	<i>"Municipal legislation" is defined as a legislative or administrative matter proposed or pending before a City agency. The definition excludes requests for advice or interpretations; direct responses to Ethics Commission enforcement proceedings; ministerial acts; actions related to collective bargaining agreements or MOUs; or maps, plot plans, and other technical data prepared for the Planning Department.</i>	A determination regarding a legislative or administrative matter that is proposed or pending before a City official or agency, including a charter amendment, ordinance, resolution, rule, regulation, policy, nomination, contract, expenditure, regulatory proceeding, quasi-judicial proceeding, enforcement action, personnel action, license, permit, entitlement for use, project, report, or other matter generated, considered, or acted upon by a City official or agency. The term does not include ministerial acts.
<b>Lobbyist defined</b>	<i>An individual who is compensated to spend 30 or more hours in a consecutive three-month period engaged in lobbying activities, which include at least one direct communication with a City official, for the purpose of attempting to influence municipal legislation on behalf of another person.</i>	<p><u>Traditional Lobbyist</u>: An individual who is entitled to receive compensation for lobbying and has engaged in one direct communication for that purpose. The term does not include in-house lobbyists or individuals who lobby only on behalf of their employers.</p> <p><u>In-House Lobbyist</u>: An individual who is entitled to receive compensation for lobbying on behalf of the individual's employer and has engaged in five direct communications for that purpose in a calendar quarter.</p>
<b>Lobbying firm defined</b>	<i>An entity that receives or becomes entitled to receive \$1,000 or more for engaging in lobbying activities during a consecutive three-month period, as long as a partner, owner, shareholder, office, or employee qualifies as a lobbyist.</i>	A person, other than a lobbying organization, that has a partner, owner, shareholder, officer, or employee who qualifies as a traditional lobbyist.
<b>Lobbying organization defined</b>	<i>An entity, other than a lobbying firm, that employs a lobbyist in-house to lobby on its behalf. Referred to as "lobbyist employer".</i>	A person that has one or more partners, owners, shareholders, officers, or employees who are entitled to receive compensation for lobbying on the organization's behalf and have collectively engaged in five direct communications for that purpose in a calendar quarter.
<b>Payment benefiting a City official defined</b>	<i>A payment, including a gift, made by a lobbying entity to or in direct benefit of a City official or a member of the City official's immediate family. Referred to as an "activity expense".</i>	A payment, including a gift, made by a lobbying entity to or in direct benefit of a City official or a member of the City official's immediate family.
<b>Host or sponsor defined</b>	<ol style="list-style-type: none"> <li><i>1. Provide the use of a home or business for the event without charging market value; or</i></li> <li><i>2. Ask more than 25 persons to attend the event; or</i></li> <li><i>3. Pay a majority of the costs of the event; or</i></li> <li><i>4. Provide more than 25 names to be used for invitations to the event.</i></li> </ol>	<ol style="list-style-type: none"> <li><i>1. Provide the use of a home or business for the event without charging market value; or</i></li> <li><i>2. Ask 25 or more persons to attend the event; or</i></li> <li><i>3. Pay 20 percent or more of the costs of the event; or</i></li> <li><i>4. Provide 25 or more names to be used for invitations to the event; or</i></li> <li><i>5. Permit name to be used on invitations or other written materials for the event.</i></li> </ol>

Issue	Current	Proposed
<b>When registration is required</b>	<i>Lobbyists and lobbying firms must register with the Ethics Commission, within 10 days after the end of the month in which qualification occurs. Lobbying organizations are not required to register.</i>	Lobbyists, lobbying firms, and lobbying organizations must register with the Ethics Commission within five business days of qualifying. Persons who have not qualified may also register, but they are then subject to all City laws that would apply if they had qualified.
<b>Persons exempt from the MLO</b>	<ol style="list-style-type: none"> <li><i>1. Public officials and government employees acting in their official capacities.</i></li> <li><i>2. Entities engaged in mass media that publishes news, editorials, or advertising that attempts to influence a municipal decision. The exemption also applies to owners and employees of those entities for the same activity.</i></li> <li><i>3. 501(c)(3) organizations and their employees, if the organizations receive government funding to represent indigent persons, exist primarily to provide direct services to indigent persons, and do not require payment from those persons for representation. The exemption does not apply when an organization attempts to influence decisions regarding City funding on its own behalf.</i></li> </ol>	<ol style="list-style-type: none"> <li>1. Public officials and government employees acting in their official capacities.</li> <li>2. Entities engaged in mass media that publishes news, editorials, or advertising that attempts to influence a municipal decision. The exemption also applies to owners and employees of those entities for the same activity.</li> <li>3. 501(c)(3) organizations and their employees, if the organizations are created primarily to provide social assistance services directly to individuals and do not require economically disadvantaged individuals to pay full market value for those services. The exemption does not apply when an organization attempts to influence municipal decisions regarding City funding, property, or permits on its own behalf.</li> <li>4. Agency consultants.</li> </ol>
<b>Registration fee for lobbyists</b>	<i>\$450 per year (\$337 if they register in the last quarter of the year).</i>	\$100 per year for in-house lobbyists of 501(c)(3) organizations. \$450 per year for all others.
<b>Registration fee for lobbying firms</b>	<i>\$75 per year for every client from whom the firm is entitled to receive \$250 or more in a quarter (\$56 if the client is registered in the last quarter).</i>	\$75 for every client from whom the firm is entitled to receive \$250 or more.
<b>Registration fee for lobbying organizations</b>	<i>Lobbying organizations are not required to register and, therefore, do not pay registration fees. The first in-house lobbyist to register for the organization pays a \$75 client fee.</i>	\$100 per year for 501(c)(3) organizations. \$450 per year for all others.
<b>Client authorization letters</b>	<i>Lobbyists and lobbying firms must provide client authorization letters to register.</i>	Not required.
<b>Filing method</b>	<i>Registration and quarterly report statements must be filed online and verified under penalty of perjury with original signatures on paper copies of the filings.</i>	Registration and quarterly report statements, solicitations, and written communications with neighborhood councils must be filed electronically and verified under penalty of perjury. Electronic signatures may be used instead of original signatures.

Issue	Current	Proposed
<b>Registration statements by lobbyists</b>	<ol style="list-style-type: none"> <li><i>The lobbyist's name, address, and phone.</i></li> <li><i>Each lobbying firm of which the lobbyist is an employee, partner, or owner.</i></li> <li><i>If the lobbyist is not an employee, partner, officer, or owner of a lobbying firm, the name, address, and phone of the lobbyist's employer (along with a letter from the employer authorizing the lobbyist to lobby on behalf of the employer).</i></li> <li><i>Each agency the lobbyist has the authority to lobby.</i></li> <li><i>A statement that the lobbyist has reviewed and understands the MLO.</i></li> </ol>	<ol style="list-style-type: none"> <li>The lobbyist's name, address, phone, and email.</li> <li>Each lobbying firm/organization of which the lobbyist is an employee, partner, officer, or owner.</li> <li>Each agency the lobbyist is registering to lobby.</li> <li>Each act of lobbying that occurred prior to registration, including the date of the direct communication, the agency that was lobbied, and a description of the municipal decision.</li> <li>If the lobbyist is pre-registering, a statement that the lobbyist has not engaged in the qualifying number of direct communications.</li> <li>If the lobbyist is a former City official, each agency at which the lobbyist served and the dates of that service.</li> <li>A statement that the lobbyist has reviewed and understands the MLO.</li> </ol>
<b>Registration statements by lobbying firms</b>	<ol style="list-style-type: none"> <li><i>The firm's name, address, and phone.</i></li> <li><i>The name of the person responsible for preparing the statement.</i></li> <li><i>The name of each lobbyist who is a partner, owner, shareholder, officer, or employee of the firm.</i></li> <li><i>The registration statement of each identified lobbyist (attached to the firm's statement).</i></li> <li><i>The name, address, and phone of each client from which the firm earned \$250 in compensation during the quarter.</i></li> <li><i>The period during which representation for each client will occur.</i></li> <li><i>The item of municipal legislation (or a description of the types of legislation) for which the firm was retained by each client.</i></li> <li><i>Each agency the firm has the authority to lobby on behalf of each client.</i></li> <li><i>A letter from each client authorizing the firm to represent the client.</i></li> <li><i>For individual contract lobbyists, a statement that they have reviewed and understand the MLO.</i></li> </ol>	<ol style="list-style-type: none"> <li>The firm's name, address, and phone.</li> <li>The name, address, phone, and email of the person responsible for preparing the statement.</li> <li>The name of each lobbyist who is a partner, owner, shareholder, officer, or employee of the firm.</li> <li>The name, address, phone, and email of each client on whose behalf the firm has the authority to lobby.</li> <li>Each agency the lobbying firm is registering to lobby.</li> <li>Each act of lobbying that occurred prior to registration, including the client for whom the lobbying occurred, the date of the direct communication, the individuals who engaged in the direct communication, the agency that was lobbied, and a description of the municipal decision.</li> <li>If the firm is pre-registering, a statement that no partner, owner, shareholder, officer, or employee of the firm has qualified as a lobbyist and that no direct communication occurred prior to registration.</li> <li>A statement that a person responsible for the firm has reviewed and understands the MLO.</li> </ol>

Issue	Current	Proposed
<b>Registration statements by lobbying organizations</b>	<i>None.</i>	<ol style="list-style-type: none"> <li>1. The organization's name, address, and phone.</li> <li>2. The name, address, phone, and email of the person responsible for preparing the statement.</li> <li>3. The name of each lobbyist who is a partner, owner, shareholder, officer, or employee of and lobbies on behalf of the organization.</li> <li>4. Each agency the organization is registering to lobby.</li> <li>5. Each act of lobbying that occurred prior to registration, including the date of the direct communication, the individuals who engaged in the communication on behalf of the organization, the agency that was lobbied, and a description of the municipal decision.</li> <li>6. If the organization is pre-registering, a statement that no partner, owner, shareholder, officer, or employee of the organization has qualified as an in-house lobbyist and that the qualifying number of direct communications has not occurred.</li> <li>7. A statement that a person responsible for the organization has reviewed and understands the MLO.</li> </ol>
<b>Quarterly disclosures by lobbyists</b>	<ol style="list-style-type: none"> <li>1. <i>City agencies lobbied.</i></li> <li>2. <i>Compensation earned for services to City campaigns.</i></li> <li>3. <i>Compensation received under City contracts.</i></li> <li>4. <i>Payments benefiting City officials (itemized if \$25+).</i></li> <li>5. <i>Campaign contributions of \$100 or more.</i></li> <li>6. <i>Behested contributions/donations of \$1,000 or more.</i></li> <li>7. <i>Fundraising for City officials (amount attributable to lobbyist).</i></li> </ol>	<ol style="list-style-type: none"> <li>1. City agencies lobbied.</li> <li>2. Municipal decisions lobbied.</li> <li>3. Dates of direct communications.</li> <li>4. Clients and firms represented.</li> <li>5. Each person claiming an exemption for expert communications.</li> <li>6. Compensation earned for services to City campaigns.</li> <li>7. Compensation earned under City contracts.</li> <li>8. Payments benefiting City officials (itemized if \$25+).</li> <li>9. Campaign contributions of \$100 or more.</li> <li>10. Behested contributions/donations of \$100 or more.</li> <li>11. Fundraising for City officials, including the week it occurred and whether clients were solicited.</li> <li>12. Written communications to neighborhood councils.</li> </ol>

Issue	Current	Proposed
<b>Quarterly disclosures by lobbying firms</b>	<ol style="list-style-type: none"> <li>1. City agencies lobbied.</li> <li>2. Municipal decisions lobbied.</li> <li>3. Clients represented.</li> <li>4. Individuals who lobbied for the firm (and their original quarterly reports).</li> <li>5. Compensation received from clients.</li> <li>6. Compensation earned for services to City campaigns.</li> <li>7. Compensation received under City contracts.</li> <li>8. Payments to lobbyists and other employees.</li> <li>9. Expenses incurred in connection with lobbying (itemized if \$5,000+).</li> <li>10. Payments benefiting City officials (itemized if \$25+).</li> <li>11. Campaign contributions of \$100 or more.</li> <li>12. Behested contributions/donations of \$1,000 or more.</li> <li>13. Fundraising for City officials (amount attributable to firm).</li> </ol>	<ol style="list-style-type: none"> <li>1. City agencies lobbied.</li> <li>2. Municipal decisions lobbied.</li> <li>3. Dates of direct communications.</li> <li>4. Individuals who engaged in direct communications.</li> <li>5. Clients represented.</li> <li>6. Compensation earned from clients.</li> <li>7. Compensation earned for services to City campaigns.</li> <li>8. Compensation earned under City contracts.</li> <li>9. Expenses (except overhead and payments to employees) attributable to lobbying and valued at \$5,000 or more.</li> <li>10. Payments benefiting City officials (itemized if \$25+).</li> <li>11. Campaign contributions of \$100 or more.</li> <li>12. Behested contributions/donations of \$100 or more.</li> <li>13. Fundraising for City officials, including the week it occurred and whether clients were solicited.</li> <li>14. Written communications to neighborhood councils.</li> </ol>
<b>Quarterly disclosures by lobbying organizations</b>	<ol style="list-style-type: none"> <li>1. Municipal decisions lobbied.</li> <li>2. Individuals who lobbied for the organization (and their original quarterly reports).</li> <li>3. Payments to lobbyists and other employees.</li> <li>4. Expenses incurred in connection with lobbying (itemized if \$5,000+).</li> <li>5. Payments benefiting City officials (itemized if \$25+).</li> <li>6. Campaign contributions of \$100 or more.</li> <li>7. Behested contributions/donations of \$1,000 or more.</li> <li>8. Fundraising for City officials (amount attributable to organization).</li> </ol>	<ol style="list-style-type: none"> <li>1. City agencies lobbied.</li> <li>2. Municipal decisions lobbied.</li> <li>3. Dates of direct communications.</li> <li>4. Individuals who engaged in direct communications.</li> <li>5. Expenses (except overhead) related to lobbying (itemized if \$5,000+).</li> <li>6. Compensation earned under City contracts.</li> <li>7. Payments benefiting City officials (itemized if \$25+).</li> <li>8. Campaign contributions of \$100 or more.</li> <li>9. Behested contributions/donations of \$100 or more.</li> <li>10. Fundraising for City officials, including the week it occurred and whether clients were solicited.</li> <li>11. Written communications to neighborhood councils.</li> </ol>
<b>One-day reporting requirements</b>	<p>The following must be reported within one business day: a) contributions to an elective official totaling more than \$7,000 in 12 months; and b) fundraising activity for an elective officer resulting in \$15,000 (council) or \$35,000 (citywide) in 12 months.</p>	<p>None.</p>

Issue	Current	Proposed
<b>Other disclosures</b>	<ol style="list-style-type: none"> <li>1. Lobbying entities must file copies of fundraising solicitations and report on the solicitations in their next quarterly reports.</li> <li>2. Lobbying entities must include disclaimers on written communications to neighborhood councils.</li> <li>3. Persons who attempt to influence municipal legislation through public outreach must file a report for each quarter in which they spend \$5,000 or more toward that effort.</li> </ol>	<ol style="list-style-type: none"> <li>1. Lobbying entities must file electronic copies of fundraising solicitations and concurrently report on the solicitations.</li> <li>2. Lobbying entities must include disclaimers on written communications to neighborhood councils and file electronic copies of the communications.</li> </ol>
<b>Prohibited activities</b>	<p>Lobbyists and lobbying firms may not:</p> <ol style="list-style-type: none"> <li>1. Do anything with the intent of placing a City official under personal obligation.</li> <li>2. Fraudulently deceive or attempt to deceive a City official about a material fact.</li> <li>3. Cause the introduction of a matter for the purpose of being retained to influence it.</li> <li>4. Send a communication to a City official in the name of a nonexistent person or in the name of an existing person without permission.</li> <li>5. Make or arrange for a payment to a City official that violates the GEO.</li> </ol>	<p>Lobbying entities may not:</p> <ol style="list-style-type: none"> <li>1. Do anything with the intent of placing a City official under personal obligation.</li> <li>2. Fraudulently deceive or attempt to deceive a City official about a material fact.</li> <li>3. Cause the introduction of a matter for the purpose of being retained to influence it.</li> <li>4. Send a communication to a City official in the name of a nonexistent person or in the name of an existing person without permission.</li> <li>5. Make or arrange for a payment to a City official that violates the GEO.</li> <li>6. Make a contribution to an elected City official or candidate when the lobbying entity is required to register to lobby the individual's current or prospective office.</li> </ol>
<b>Criminal statute of limitations</b>	One year.	Four years (the same as the MLO's statute of limitations for civil enforcement and the same as the criminal statutes of limitations in the GEO and the CFO).
<b>Civil enforcement</b>	The city attorney may bring a civil action to enforce the MLO.	The city attorney and the Ethics Commission may bring a civil action to enforce the MLO.
<b>Monetary penalties</b>	<ol style="list-style-type: none"> <li>1. Late filing fees of \$25 per day, capped at \$500.</li> <li>2. Administrative penalties capped at \$5,000, or three times the amount improperly reported, per violation.</li> <li>3. Civil penalties capped at \$2,000, or the amount improperly reported, per violation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Late filing fees of \$25 per day.</li> <li>2. Administrative penalties capped at \$5,000, or three times the amount improperly reported, per violation.</li> <li>3. Civil penalties capped at \$5,000, or three times the amount improperly reported, per violation.</li> </ol>
<b>Other penalties</b>	<ol style="list-style-type: none"> <li>1. A person convicted of a criminal violation or found in a civil court to have intentionally violated the MLO may not act as a lobbyist or otherwise attempt to influence City decisions for one year.</li> <li>2. A person who has engaged in money-laundering in a City campaign may not act as a lobbyist or lobbying firm or otherwise attempt to influence City decisions for four years.</li> </ol>	<ol style="list-style-type: none"> <li>1. A person who knowingly or criminally engages in prohibited activity may not act as a lobbying entity or otherwise attempt to influence City decisions for four years. A person who otherwise violates the MLO may not act as a lobbying entity for four years.</li> <li>2. A person who has engaged in money-laundering in a City campaign may not act as a lobbying entity or otherwise attempt to influence City decisions for four years.</li> </ol>

Issue	Current	Proposed
<b>Education for lobbyists</b>	<i>Lobbyists must attend a live Ethics Commission training session every two years</i>	Lobbyists must take an ethics course provided by the Ethics Commission within 60 days of first registering after January 1, 2010 (or the effective date of any changes to the MLO).
<b>Reports on lobbying activity</b>	<i>The Ethics Commission must provide quarterly reports on lobbying in the City, in a form that best describes the activities, receipts, and expenditures of persons subject to the MLO.</i>	The Ethics Commission must provide reports regarding lobbying activity at least annually, in a form that best describes the activities, receipts, and expenditures of persons subject to the MLO.







# **What Makes a "Lobbyist"?** *Laws in Other Jurisdictions*

Jurisdiction	Single Contact	Multiple Contacts	Dollar Threshold (up to \$1,000)	Dollar Threshold (\$1,000 or more)	Hourly Threshold (up to 30 hours)	Hourly Threshold (30 hours or more)
<b>Los Angeles</b>						
City of Los Angeles						X 30 hours in 3 months
County of Los Angeles		X 5 contacts in 3 months OR		X \$1,000 per month in compensation OR		
Unified School District						X 30 hours per quarter
Metropolitan Transportation Authority	X <sup>1</sup>					
<b>California Cities</b>						
Sacramento				X \$3,200 in 3 months in compensation or \$5,000 in 3 months in expenses		
San Diego	X OR <sup>2</sup>	X 10 contacts in 60 days OR		X \$5,000 per quarter in expenses OR		
San Francisco		X 25 contacts in 2 months OR		X \$3,200 in 3 months in compensation or expenses OR		
San Jose				X \$1,000 in 3 months in compensation or \$5,000 per year in expenses OR	X 10 hours in 12 months for in-house lobbyists OR	
<b>Non California Cities</b>						
Chicago, IL				X \$5,000 per year in compensation or expenses		
El Paso, TX			X \$200 in compensation or expenses			
Jacksonville, FL	X					

Jurisdiction	Single Contact	Multiple Contacts	Dollar Threshold (up to \$1,000)	Dollar Threshold (\$1,000 or more)	Hourly Threshold (up to 30 hours)	Hourly Threshold (30 hours or more)
Madison, WI	X Must register within 5 days					
Milwaukee, WI					X 2 hours per quarter	
Miami, FL	X					
Minneapolis, MN	X OR		X \$250 per year in expenses OR			
New York, NY				X \$2,000 per year in compensation or expenses		
Orlando, FL	X Must register within 1 day					
Phoenix, AZ	X Must register within 5 days					
Portland, OR					X 8 hours per quarter	
Seattle, WA	X					
<b>Non California Counties</b>						
Clark County, NV	X					
Cook County, IL	X Must register within 30 days					
King County, WA	X Must register within 7 days					
Lake County, FL	X Must register each contact					
Lee County, FL	X					
Milwaukee County, WI		X Contacts on 3 days in the reporting period				
Orange County, FL	X					
Palm Beach County, FL	X					
Salt Lake County, UT	X					

## APPENDIX 2

Jurisdiction	Single Contact	Multiple Contacts	Dollar Threshold (up to \$1,000)	Dollar Threshold (\$1,000 or more)	Hourly Threshold (up to 30 hours)	Hourly Threshold (30 hours or more)
<b>States and DC</b>						
Alabama	X OR		X \$100 per year in expenses OR			
Alaska						X 40 hours in 30 days
Arizona	X Must register within 5 days					
Arkansas			X \$400 per quarter in compensation or expenses			
California				X \$2,000 per month in compensation		
Colorado	X					
Connecticut				X \$2,000 per year in compensation or expenses		
Delaware	X					
District of Columbia			X \$250 in 3 months in compensation or expenses			
Florida	X					
Georgia	X					
Hawaii			X \$750 per month in expenses OR		X 5 hours in a reporting period OR	
Idaho	X					
Illinois	X Must register within 2 days					
Indiana			X \$500 per year in compensation or expenses			
Iowa	X					

Jurisdiction	Single Contact	Multiple Contacts	Dollar Threshold (up to \$1,000)	Dollar Threshold (\$1,000 or more)	Hourly Threshold (up to 30 hours)	Hourly Threshold (30 hours or more)
Kansas	X OR		X \$100 per year in expenses OR			
Kentucky	X Must register within 7 days					
Louisiana	X Must register within 5 days					
Maine					X 8 hours per month	
Maryland	X (depending on lobbying activity) OR		X (depending on lobbying activity) OR	X (depending on lobbying activity) OR		
Massachusetts	X					
Michigan			X \$250 per year in expenses for a single official OR	X \$1,000 per year in expenses OR		
Minnesota			X \$250 per year in expenses OR	X \$3,000 per year in compensation OR		
Mississippi	X Must register within 5 days if a new lobbyist					
Missouri	X Must register within 5 days					
Montana	X Must register within 1 week					
Nebraska	X					
Nevada	X Must register within 2 days					
New Hampshire	X					
New Jersey	X OR				X 20 hours per year OR	
New Mexico	X					

Jurisdiction	Single Contact	Multiple Contacts	Dollar Threshold (Up to \$1,000)	Dollar Threshold (\$1,000 or more)	Hourly Threshold (up to 30 hours)	Hourly Threshold (30 hours or more)
New York				X \$5,000 per year in compensation and expenses		
North Carolina	X Must register within 1 day					
North Dakota	X					
Ohio	X Must register within 10 days					
Oklahoma	X Must register within 5 days					
Oregon			X \$100 per quarter in expenses OR		X 24 hours per quarter OR	
Pennsylvania	X Must register within 10 days					
Rhode Island	X Must register within 7 days					
South Carolina	X Must register within 15 days					
South Dakota	X					
Tennessee	X Must register within 5 days					
Texas			X \$200 per quarter in compensation or expenses			
Utah	X					
Vermont			X \$500 per year in compensation or expenses			
Virginia	X Must register within 15 days if lobbying outside capitol					

Jurisdiction	Single Contact	Multiple Contacts	Dollar Threshold (up to \$1,000)	Dollar Threshold (\$1,000 or more)	Hourly Threshold (up to 30 hours)	Hourly Threshold (30 hours or more)
Washington	X					
West Virginia	X					
Wisconsin		X 5 days within a reporting period				
Wyoming			X \$500 in compensation in a reporting period			
<b>Federal Government</b>						
United States		X 2 or more				
<b>TOTALS<sup>1</sup></b>	52 (54%)	6 (6%)	15 (16%)	13 (14%)	7 (7%)	3 (3%)

<sup>1</sup> Unless otherwise indicated, single-contact jurisdictions require registration prior to engaging in lobbying activity.

<sup>2</sup> "Or" indicates that the jurisdiction has multiple ways of defining a lobbyist.

<sup>3</sup> Because some jurisdictions define "lobbyist" in more than one way, the totals and percentages are greater than the number of surveyed jurisdictions.







# **Municipal Lobbying Ordinance**

LAMC §§ 48.01 et seq.

## **SEC. 48.01 Title and Findings**

- A. **Title.** This Article is and may be cited as the Los Angeles Municipal Lobbying Ordinance.
- B. **Findings.** The following findings are adopted in conjunction with the enactment of this Article:
1. City government functions to serve the needs of all citizens.
  2. Lobbying is a legitimate means of informing City decision makers. However, the citizens of the City of Los Angeles have a right to know the identities of the interests that attempt to influence City government decisions.
  3. All persons engaged in compensated lobbying activities aimed at influencing decisions by City government must, when so engaged, be subject to the same regulations, restrictions, and requirements, regardless of their background, training, licensing, or other professional qualifications.
  4. Complete public disclosure of the full range of activities by and financing of lobbyists, as well as the identities of those who employ their services, is essential to maintain citizen confidence in the integrity of City government.
  5. It is in the public interest to ensure that lobbyists do not misrepresent facts or their positions, attempt to deceive City officials through false communications, place City officials under personal obligation to themselves or their clients, or represent that they can control the actions of City officials.
  6. It is in the public interest to adopt these amendments to the City's regulations of lobbyists to ensure adequate and effective disclosure of information about compensated efforts to lobby City government that are not otherwise available to the public.

## **SEC. 48.02 Definitions**

The following definitions apply to terms used in this Article. Definitions in the California Political Reform Act of 1974 and in the regulations of the California Fair Political Practices Commission apply to terms not defined in this Article.

- A. **"Agency"** means the City of Los Angeles; any department, bureau, office, board, or commission of the City; or any other government agency that is required to adopt a conflict of interests code subject to City Council approval. The term

includes but is not limited to the City's Community Redevelopment Agency and the Los Angeles City Housing Authority.

- B. **"At the behest"** means under the control of, at the direction of, in cooperation, consultation, coordination, or concert with, at the request or suggestion of, or with the express prior consent of an elective City officer or candidate. A donation is not made at the behest of an elective City officer or candidate if the donation is solicited through a newspaper publication, through radio, television, or other mass media, or through a suggestion made to the entire audience at a public gathering. A donation is not made at the behest of an elective City officer or candidate solely because the name of the officer or candidate is listed with other names on written materials used to solicit donations or the officer or candidate makes a speech to the entire audience or is honored and given an award at an event sponsored by the organization.
- C. **"Attempt to influence"** means to promote, support, oppose, or seek to modify or delay an action on a municipal decision by any means, including but not limited to providing or using persuasion, information, statistics, analyses, or studies.
- D. **"Ballot measure committee"** means a committee established to support or oppose a City ballot measure.
- E. **"Candidate"** means an individual who is seeking an elective City office.
- F. **"City official"** means an individual who is an elective City officer, a City officer under Section 200 of the Los Angeles City Charter, a member or employee of an agency, or an agency consultant who qualifies as a public official within the meaning of the Political Reform Act and whose official duties include participating in a municipal decision other than in a purely ministerial capacity.
- G. **"Client"** means either of the following:
  - 1. A person who compensates a lobbying entity for lobbying; or
  - 2. A person on whose behalf a lobbying entity lobbies, even if the lobbying entity is compensated by another person.

A member of an organization is not a client of a lobbying entity that represents the organization unless the member pays for personal representation in addition to usual membership fees.
- H. **"Commission"** means the Los Angeles City Ethics Commission.
- I. **"Compensation"** means anything of value that is paid, promised, or owed in exchange for services. The term does not include reimbursement of or payment for travel expenses.

- J. **"Controlled committee"** means a committee controlled by an elective City officer or candidate. The term includes but is not limited to campaign, officeholder, legal defense fund, and ballot measure committees.
- K. **"Days"** means calendar days, except where specified as business days.
- L. **"Direct communication"** means talking to, corresponding with, or answering questions or inquiries from a City official, either personally or through an agent. The term does not include the following:
1. Communicating on the record at a publicly noticed meeting that is open to the general public. If the individual has already qualified or registered as a lobbyist, the communication on the record must identify the client on whose behalf the lobbyist is appearing or testifying.
  2. Submitting a document, including written testimony, that is a public record in connection with an item on an agenda for a publicly noticed meeting.
  3. Making a sales call in connection with an agency purchase that is required to go through a competitive contracting process.
  4. Submitting a bid or responding to a request for proposals or other solicitation, or participating in an interview related to the solicitation, as long as the information is provided only to the City official or agency specifically designated in the solicitation to receive the information.
  5. Negotiating the terms of a contract with a City official who has the authority to make a decision regarding the contract after being selected by an agency to enter into the contract.
  6. Communicating regarding the administration of or performance under an existing City contract with a City official who administers the contract or provides legal advice regarding the contract. This exclusion does not apply to change orders.
  7. Providing information compelled by a subpoena, law, or regulation.
  8. Requesting advice or the interpretation of a law, regulation, or policy.
  9. Responding to an agency enforcement proceeding as the subject of or a witness in that proceeding.
  10. Communicating as an official representative of a recognized City employee organization with a City official other than the Mayor, a member of the City

Council, or an official in the Mayor's office or a City Council office with regard to one of the following:

- a. The establishment, amendment, administration, implementation, or interpretation of a collective bargaining agreement or memorandum of understanding between an agency and a recognized City employee organization;
  - b. A management decision regarding the working conditions of represented employees that relates to a collective bargaining agreement or memorandum of understanding between an agency and a recognized City employee organization; or
  - c. A proceeding before the Civil Service Commission or the Employee Relations Board.
- 11. Providing legal representation as a licensed attorney for a party in litigation or an enforcement proceeding with an agency.
  - 12. Providing only technical data, analysis, or expertise on behalf of a client whose registered lobbyist is informed of and discloses the communication on the next quarterly report.
  - 13. Requesting that the City provide basic municipal services, such as maintenance, utility, sanitation, and safety services.
  - 14. Communicating regarding a ministerial step in an application for a license, permit, or entitlement for use.
  - 15. Communicating under circumstances similar to those identified above, after having received written advice from the Commission under Charter Section 705(b) that the communication is exempt.
- M. **"Donation"** means a payment to a religious, charitable, or other tax-exempt organization for which full and adequate consideration is not received.
- N. **"Elective City officer"** means an individual who is appointed or elected to serve as the Mayor, the City Attorney, the Controller, or a member of the City Council.
- O. **"Entitled to receive compensation"** means a lobbying entity has agreed to provide or has provided services in exchange for compensation, regardless of whether or when the compensation is actually received and regardless of whether payment is contingent on the lobbying entity accomplishing the client's purposes.
- P. **"Fundraiser"** means a person who receives compensation to engage in fundraising activity.

- Q. **"Fundraising activity"** means soliciting a contribution to an elective City officer, candidate, controlled committee, or ballot measure committee; hosting or sponsoring a fundraising event; or hiring a fundraiser to solicit contributions or conduct a fundraising event.
- R. **"Fundraising event"** means an event designed primarily for soliciting, delivering, or making contributions to or for an elective City officer, candidate, controlled committee, or ballot measure committee.
- S. **"Hosting or sponsoring"** means engaging in one or more of the following activities regarding a fundraising event:
1. Providing a home or business at which to hold the event without charging at least fair market value for the use of that location;
  2. Asking 25 or more persons to attend the event;
  3. Paying 20 percent or more of the costs of the event;
  4. Permitting one's name to be included on the invitation to or other written materials associated with the event; or
  5. Providing 25 or more names to be used for invitations to the event.
- T. **"In-house lobbyist"** means an individual who is entitled to receive compensation for lobbying on behalf of the individual's employer and has engaged in five direct communications for that purpose in a calendar quarter.
- U. **"Lobbying"** means engaging in a direct communication for the purpose of attempting to influence a municipal decision on behalf of another person for compensation. The term applies only to the non-exempt activities of persons identified in Section 48.03.
- V. **"Lobbying entity"** means a lobbyist, a lobbying firm, or a lobbying organization.
- W. **"Lobbying firm"** means a person, other than a lobbying organization, that has a partner, owner, shareholder, officer, or employee who qualifies as a traditional lobbyist. The term includes an individual who is self-employed and qualifies as a traditional lobbyist.
- X. **"Lobbying organization"** means a person that has one or more partners, owners, shareholders, officers, or employees who are entitled to receive compensation for lobbying on the organization's behalf and have collectively engaged in five direct communications for that purpose in a calendar quarter.

- Y. **"Lobbyist"** means either a traditional lobbyist or an in-house lobbyist.
- Z. **"Ministerial"** means not requiring the exercise of discretion concerning the outcome or a course of action.
- AA. **"Municipal decision"** means a determination regarding a legislative or administrative matter that is suggested to, discussed with, or pending before a City official or agency, including a charter amendment, ordinance, resolution, rule, regulation, policy, nomination, contract, expenditure, regulatory proceeding, quasi-judicial proceeding, enforcement action, personnel action, license, permit, entitlement for use, project, report, or other matter acted upon by a City official or agency. The term does not include a ministerial act.
- BB. **"Payment benefiting a City official"** means a payment, including a gift, made by a lobbying entity to or in direct benefit of a City official or a member of the City official's immediate family.
- CC. **"Person"** means an individual, business entity, trust, corporation, association, committee, or any other organization or group of persons acting in concert.
- DD. **"Soliciting"** means asking, personally or through an agent, that another person make either a donation or a contribution to an elective City officer, candidate, controlled committee, or ballot measure committee. The term includes allowing one's signature to be used on a written request for funds. The term does not include making a public request for funds to at least a majority of the persons in attendance at a public gathering or making a request that is published in a newspaper or broadcast through radio, television, or other mass media.

A lobbying entity solicits a contribution for an elective City officer, candidate, or controlled committee only when the lobbying entity does so in one of the following scenarios:

1. At the behest of the elective City officer or candidate, the campaign treasurer or campaign manager for the elective City officer or candidate, or a person who engages in fundraising activity on behalf of the elective City officer or candidate; or
  2. By informing an elective City officer or candidate, either personally or through an agent, that contributions are being solicited on that individual's behalf.
- EE. **"Traditional lobbyist"** means an individual who is entitled to receive compensation for lobbying and has engaged in one direct communication for that purpose. The term does not include in-house lobbyists or individuals who lobby only on behalf of their employers.



## **SEC. 48.03 Exemptions**

The following persons are exempt from the requirements of this Article:

- A. Public officials acting in their official capacities and government employees acting within the scope of their employment.
- B. A newspaper, a regularly published periodical, a radio or television station or network, or a public site on the Internet that publishes or broadcasts news, editorials or other comments, or paid advertising that attempts to influence a municipal decision. This exemption also applies to individuals who own or are employed by those entities and engage in that activity. This exemption does not apply to any other activity by those entities or their owners or employees.
- C. An organization that is exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, if it is created primarily to provide food, shelter, child care, health, legal, vocational, relief, or other similar social services directly to disadvantaged individuals and provides those services free of charge, at a below-market rate, or based on the individual's income or ability to pay. This exemption also applies to persons who are employed by the organization and are acting within the scope of their employment. This exemption does not apply to lobbying related to funding, property, or a permit that the organization is seeking from the City on its own behalf.
- D. A person who is entitled to receive compensation for providing consulting services to an agency when acting on that agency's behalf under the terms of the consulting arrangement.

## **SEC. 48.04 Contract Bidder Certification of Compliance With Lobbying Laws.**

- A. A bidder for a contract, as those terms are defined in Los Angeles Administrative Code Section 10.40.1, must submit with its bid a certification, on a form prescribed by the Commission, that the bidder acknowledges and agrees to comply with the disclosure requirements and prohibitions established in this Article if the bidder qualifies as a lobbying entity under Section 48.02. The form must be maintained with the bid documents by the agency that solicited the bid. The exemptions contained in Section 48.03(B), Section 48.03(C), and Los Angeles Administrative Code Section 10.40.4 do not apply to this subsection.
- B. Each agency must include this Article in each invitation for bids, request for proposals, request for qualifications, or other solicitation related to entering into a contract with the City. The ordinance must be provided in at least 10-point font and may be provided on paper, in an electronic format, or through a link to an online

version of the ordinance. The ordinance is not required to be printed in a newspaper notice of the solicitation.

- C. This subsection does not apply to the renewal, extension, or amendment of an existing contract, as long as the solicitation for the original contract met the requirements in Paragraphs 1 and 2 above and the renewal, extension, or amendment does not involve a new solicitation.
- D. For purposes of this section only, "agency" does not include a state agency operating solely within the City, such as the Community Redevelopment Agency or Los Angeles City Housing Authority.

#### **SEC. 48.05            Prohibitions**

Lobbying entities may not do the following:

- A. Perform an act with the purpose or intent of placing a City official under personal obligation to the lobbying entity or the lobbying entity's client.
- B. Fraudulently deceive or attempt to deceive a City official with regard to a material fact pertinent to a pending or proposed municipal decision.
- C. Cause or influence the introduction of a municipal decision for the purpose of thereafter being employed or retained to secure its passage or defeat.
- D. Cause a communication to be sent to a City official in the name of a nonexistent person or in the name of an existing person without the person's consent.
- E. Make, arrange for, or act as an intermediary in a payment or a gift to a City official if doing so would violate the City's Governmental Ethics Ordinance (Sections 49.5.1 *et seq.*).
- F. Make a contribution to an elective City officer, a candidate, or a controlled committee if the lobbying entity is required to register to lobby the elective City office sought by or the current agency of the elective City officer or candidate. A lobbying entity makes a contribution when payment is made from the lobbying entity's own funds or assets. A lobbyist also makes a contribution when the lobbyist participates in the decision to make the contribution and payment is made by one of the following entities:
  - 1. A business entity in which the lobbyist holds an ownership interest of 20 percent or more; or
  - 2. A committee that, at the time of the contribution, has received 20 percent or more of its funding from one or more lobbyists.

## **SEC. 48.06 Record Keeping Responsibilities**

- A. Lobbying entities must prepare and retain detailed records needed to comply with the requirements of this Article, including but not limited to written communications to certified neighborhood councils under Section 48.16 and records detailing contributions and donations that result from their fundraising activities.
- B. A record required by this Article must be retained for at least four years following either the date of the record or the date of the filing that includes information contained in the record, whichever is later.

## **SEC. 48.07 Filing Methods**

- A. All registrations, reports, and other statements required by this Article are submitted under penalty of perjury and must be filed in a format prescribed by the Commission. The Commission must provide public access to all filings.
- B. Lobbying entities must file registration statements, amendments, terminations, quarterly report statements, solicitations, written communications with neighborhood councils, and other filings designated by the Commission in an electronic method and format prescribed by the Commission.
- C. If a paper document must be filed, it must be properly addressed and bear the correct postage and is considered filed on the date of the postmark or on the date of receipt by the Commission, whichever is earlier. A document bearing only a private or commercial postage meter label is considered filed on the date of receipt by the Commission.

## **SEC. 48.08 General Registration Requirements**

- A. A person who has qualified as a lobbying entity must register with the Commission within five business days of qualifying. A person who has qualified as a lobbying entity may not lobby another City official until after registering to lobby the City official's agency.
- B. A person who has not qualified as a lobbying entity may register with the Commission at any time. Once registered as a particular type of lobbying entity, a person is subject to all City laws that apply to persons who have qualified as that type of lobbying entity.
- C. A person who registers as a lobbying entity retains that status through December 31 of that year unless the person terminates that status under Subsection E.

- D. A lobbying entity must file an amendment to its registration statement whenever a change occurs in the information reported on the registration statement.
- E. A lobbying entity that has ceased all activity governed by this Article must indicate on the next quarterly report that it is terminating its registration statement and the date on which it ceased all activity governed by this Article.
- F. A lobbying entity must pay a registration fee each time it registers. Registration is not complete until the Commission has received the required fee.
  - 1. The fee for a 501(c)(3) lobbying organization's in-house lobbyist is \$100. The fee for all other lobbyists is \$450.
  - 2. The fee for a lobbying firm is \$75 for every client from which the lobbying firm is entitled to receive compensation valued at \$250 or more. If a lobbying firm becomes entitled to receive compensation valued at \$250 or more from a client after registration is complete, the lobbying firm must amend its registration to identify the client and pay the fee for the client within 10 business days after becoming entitled to receive the compensation.
  - 3. The fee for a 501(c)(3) lobbying organization is \$100. The fee for all other lobbying organizations is \$450.

**SEC. 48.09                      Registration of Lobbyists**

- A. A lobbyist's registration statement must contain the following information:
  - 1. The lobbyist's name, address, telephone number, and electronic mail address.
  - 2. Each lobbying firm or lobbying organization of which the lobbyist is an employee, partner, officer, or owner.
  - 3. Each agency that the lobbyist is registering to lobby.
  - 4. Each act of lobbying that occurred prior to registration, including the following:
    - a. The date of the direct communication;
    - b. The agency that was lobbied; and

- c. A description of the municipal decision that the lobbyist attempted to influence, including any City reference number that is associated with the decision.
- 5. If the lobbyist is registering prior to qualification, a statement that the lobbyist has not engaged in the qualifying number of direct communications.
- 6. If the lobbyist is a former City official, each agency at which the lobbyist served and the dates of that service.
- 7. A statement that the lobbyist has reviewed and understands the requirements of this Article.
- 8. Any other information required by the Commission.
- B. A lobbyist must take an ethics course provided by the Commission and, on a form provided by the Commission, certify completion of the course within 60 days of the lobbyist's first registration after January 1, 2010.

#### **SEC. 48.10 Registration of Lobbying Firms**

A lobbying firm's registration statement must contain the following information:

- A. The name, address, and telephone number of the lobbying firm.
- B. The name, address, telephone number, and electronic mail address of the person who is responsible for preparing the statement.
- C. The name of each lobbyist who is a partner, owner, shareholder, officer, or employee of the firm.
- D. The name, address, telephone number, and electronic mail address of each client on whose behalf the firm has the authority to lobby.
- E. Each agency that the lobbying firm is registering to lobby. At a minimum, the firm must register to lobby each agency that its lobbyists have registered to lobby.
- F. Each act of lobbying that occurred prior to registration, including the following:
  - 1. The client on whose behalf the lobbying occurred;
  - 2. The date of the direct communication;
  - 3. The individuals who engaged in the direct communication on behalf of the client;

4. The agency that was lobbied; and
  6. A description of the municipal decision that the lobbying firm attempted to influence, including any City reference number that is associated with the decision.
- G. If the lobbying firm is registering prior to qualification, a statement that no partner, owner, shareholder, officer, or employee of the firm has qualified as a lobbyist and that no direct communication occurred prior to registration.
- H. A statement that a person responsible for the lobbying firm has reviewed and understands the requirements of this Article.
- I. Any other information required by the Commission.

#### **SEC. 48.11 Registration of Lobbying Organizations**

A lobbying organization's registration statement must contain the following information:

- A. The name, address, and telephone number of the lobbying organization.
- B. The name, address, telephone number, and electronic mail address of the person who is responsible for preparing the statement.
- C. The name of each lobbyist who is a partner, owner, shareholder, officer, or employee of the organization and lobbies on behalf of the organization.
- D. Each agency that the lobbying organization is registering to lobby on its own behalf. At a minimum, the organization must register to lobby each agency identified in Subsection E(4).
- E. Each act of lobbying that occurred prior to registration, including the following:
  1. The date of the direct communication;
  2. The individuals who engaged in the direct communication on behalf of the lobbying organization;
  3. The agency that was lobbied; and
  4. A description of the municipal decision that the lobbying organization attempted to influence, including any City reference number that is associated with the municipal decision.

- F. If the lobbying organization is registering prior to qualification, a statement that no partner, owner, shareholder, officer, or employee of the organization has qualified as an in-house lobbyist for the organization and that the qualifying number of direct communications has not occurred.
- G. A statement that a person responsible for the lobbying organization has reviewed and understands the requirements of this Article.
- H. Any other information required by the Commission.

#### **SEC. 48.12            Quarterly Reports by Lobbyists**

- A. An individual must file a quarterly report statement for every calendar quarter during which the individual is a registered lobbyist. An individual who qualifies as both a lobbyist and a lobbying firm must file under Section 48.13 only.
- B. Quarterly reports must be filed by the last day of the month following each calendar quarter. If the last day of the month falls on a Saturday, Sunday, or holiday, the report is due the following business day.
- C. Quarterly reports by lobbyists must contain the following information:
  - 1. The lobbyist's name, address, telephone number, and electronic mail address.
  - 2. Each lobbying firm and lobbying organization of which the lobbyist is a partner, owner, shareholder, officer, employee, or consultant during the reporting period.
  - 3. For each act of lobbying during the reporting period:
    - a. A description of the municipal decision at issue, including any City reference number that is associated with it;
    - b. The date of the direct communication;
    - c. Each agency that was lobbied;
    - d. Each client on whose behalf the lobbying was conducted;
    - e. Each lobbying firm the lobbyist represented; and
    - f. The name and area of expertise for each person who claims an exemption under Section 48.02(L)(12) and has asked the lobbyist to disclose the direct communication.

4. For payments benefiting a City official made during the reporting period:
  - a. The total amount of all payments benefiting a City official; and
  - b. For each payment benefiting a City official valued at \$25 or more:
    - i. The date, amount, and description of the payment;
    - ii. The name and title of the City official benefiting from the payment;
    - iii. The name and address of the payee; and
    - iv. The client, if any, on whose behalf the payment was made. A payment is made on behalf of a client if the client requested or authorized the payment or if the payment was made in connection with lobbying conducted on the client's behalf.
5. For contributions of \$100 or more that the lobbyist made or delivered or for which the lobbyist acted as an intermediary:
  - a. The date and amount of the contribution.
  - b. The name of the elective City officer, candidate, controlled committee, or ballot measure committee that received the contribution; and
  - c. If the contribution was made by a person other than the lobbyist, the name and address of that person and whether the lobbyist solicited the contribution.
6. For contributions aggregating \$100 or more made by the lobbyist at the behest of an elective City or officer during the reporting period:
  - a. The date and amount of each contribution;
  - b. The name and address of each elective City officer, candidate, controlled committee, or ballot measure committee that received the contributions; and
  - c. The name of each elective City officer or candidate who behested the contributions and the dates of the behests.
7. For donations aggregating \$100 or more made by the lobbyist at the behest of an elective City officer or candidate during the reporting period:



- a. The date and amount of each donation;
  - b. The name and address of each organization that received the donations; and
  - c. The name of each elective City officer or candidate who behested the donations and the dates of the behests.
8. For fundraising activity during the reporting period:
- a. The calendar week in which the activity occurred;
  - b. The name of the elective City officer, candidate, controlled committee, or ballot measure committee that benefited from the fundraising activity;
  - c. Whether the lobbyist solicited one or more of the clients of a lobbying firm that must be identified on the lobbyist's registration statement; and
  - d. Whether the lobbyist distributed one or more written solicitations and, if so, the date that each solicitation was filed with the Commission under Section 48.15.
9. For services, including consulting services, that were provided to a campaign for an elective City officer or candidate or a campaign for or against a City ballot measure and for which the lobbyist became entitled to receive compensation during the reporting period:
- a. The name of the elective City officer, candidate, or City ballot measure committee;
  - b. The elective City office sought or the number or letter of the ballot measure;
  - c. The date of the election;
  - d. A description of the services provided; and
  - e. The amount of compensation the lobbyist became entitled to receive for the services.

This information must be reported if the lobbyist personally provided the services or if the services were provided by a business entity in which the lobbyist holds an ownership interest of ten percent or more.

10. For services, including consulting services, that were provided to an agency under contract and for which the lobbyist became entitled to receive compensation during the reporting period:

- a. The contract number;
- b. The agency to which the services were provided;
- c. A description of the services provided; and
- d. The amount of compensation the lobbyist became entitled to receive for the services.

This information must be reported if the lobbyist personally provided the services or if the services were provided by a business entity in which the lobbyist holds an ownership interest of ten percent or more.

11. Whether the lobbyist participated in preparing or distributing a written communication to a neighborhood council and, if so, the date the communication was filed with the Commission under Section 48.16
12. Any other information required by the Commission.

#### **SEC. 48.13            Quarterly Reports by Lobbying Firms**

- A. A lobbying firm must file a quarterly report statement for every calendar quarter during which the firm is a registered lobbying firm.
- B. Quarterly reports must be filed by the last day of the month following each calendar quarter. If the last day of the month falls on a Saturday, Sunday, or holiday, the report is due the following business day.
- C. Quarterly reports by lobbying firms must contain the following information:
  - 1. The lobbying firm's name, address, and telephone number.
  - 2. The name, address, telephone number, and electronic mail address of the person who is responsible for preparing the quarterly report.
  - 3. The name of each lobbyist who is a partner, owner, shareholder, officer, or employee of the lobbying firm during the reporting period.
  - 4. For each client for whom lobbying was performed during the reporting period:

- a. The name, address, telephone number, and electronic mail address.
  - b. A description of each act of lobbying during the reporting period, including the following:
    - i. The municipal decision at issue, including any City reference number that is associated with it;
    - ii. The date of the direct communication;
    - iii. Each individual who engaged in the direct communication on behalf of the client; and
    - iv. Each agency that was lobbied.
  - c. Compensation and expense reimbursements related to lobbying that the lobbying firm became entitled to receive from the client.
5. Total compensation and expense reimbursements related to lobbying that the lobbying firm became entitled to receive from all clients during the reporting period.
6. For each expense, other than overhead and payments to employees, that is attributable to lobbying and valued at \$5,000 or more:
  - a. The date, amount, and description of the expense;
  - b. The name and address of the payee;
  - c. The municipal decision associated with the expense, if applicable; and
  - d. The client on whose behalf the expense was incurred, if applicable. An expense is made on behalf of a client if the client requested or authorized the expense or if the expense was incurred in connection with lobbying conducted on the client's behalf.
7. For payments benefiting a City official made during the reporting period:
  - a. The total amount of all payments benefiting a City official; and
  - b. For each payment benefiting a City official valued at \$25 or more:
    - i. The date, amount, and description of the payment;

- ii. The name and title of the City official benefiting from the payment;
  - iii. The name and address of the payee; and
  - iv. The client, if any, on whose behalf the payment was made. A payment is made on behalf of a client if the client requested or authorized the payment or if the payment was made in connection with lobbying conducted on the client's behalf.
- 8. For contributions of \$100 or more that the lobbying firm made or delivered or for which the lobbying firm acted as an intermediary:
  - a. The date and amount of the contribution.
  - b. The name of the elective City officer, candidate, controlled committee, or ballot measure committee that received the contribution; and
  - c. If the contribution was made by a person other than the lobbying firm, the name and address of that person and whether the lobbying firm solicited the contribution.
- 9. For contributions aggregating \$100 or more made by the lobbying firm at the behest of an elective City officer during the reporting period:
  - a. The date and amount of each contribution;
  - b. The name and address of each elective City officer, candidate, controlled committee, or ballot measure committee that received the contributions; and
  - c. The name of each elective City officer or candidate who behested the contributions and the dates of the behests.
- 10. For donations aggregating \$100 or more made by the lobbying firm at the behest of an elective City officer or candidate during the reporting period:
  - a. The date and amount of each donation;
  - b. The name and address of each organization that received the donations; and
  - c. The name of each elective City officer or candidate who behested the donations and the dates of the behests.

11. For fundraising activity during the reporting period:
  - a. The calendar week in which the activity occurred;
  - b. The name of the elective City officer, candidate, controlled committee, or ballot measure committee that benefited from the fundraising activity;
  - c. Whether the lobbying firm solicited one or more of its clients; and
  - d. Whether the lobbying firm distributed one or more written solicitations and, if so, the date that each solicitation was filed with the Commission under Section 48.15.
12. For services, including consulting services, that were provided to a campaign for an elective City officer or candidate or a campaign for or against a City ballot measure and for which the lobbying firm became entitled to receive compensation during the reporting period:
  - a. The name of the elective City officer, candidate, or City ballot measure campaign;
  - b. The elective City office sought or the number or letter of the ballot measure;
  - c. The date of the election;
  - d. A description of the services provided; and
  - e. The amount of compensation the lobbying firm became entitled to receive for the services.

For a lobbyist who qualifies as a lobbying firm, this information must be reported if the lobbyist personally provided the services or if the services were provided by a business entity in which the lobbyist holds an ownership interest of ten percent or more.

13. For services, including consulting services, that were provided to an agency under contract and for which the lobbying firm became entitled to receive compensation during the reporting period:
  - a. The contract number;
  - b. The agency to which the services were provided;
  - c. A description of the services provided; and

- d. The amount of compensation the lobbying firm became entitled to receive for the services.

For a lobbyist who qualifies as a lobbying firm, this information must be reported if the lobbyist personally provided the services or if the services were provided by a business entity in which the lobbyist holds an ownership interest of ten percent or more.

- 14. Whether the lobbying firm made a written communication to a neighborhood council and, if so, the date the communication was filed with the Commission under Section 48.16
- 15. Any other information required by the Commission.

#### **SEC. 48.14                      Quarterly Reports by Lobbying Organizations**

- A. A lobbying organization must file a quarterly report statement for every calendar quarter during which the organization is a registered lobbying organization.
- B. Quarterly reports must be filed by the last day of the month following each calendar quarter. If the last day of the month falls on a Saturday, Sunday, or holiday, the report is due the following business day.
- C. Quarterly reports by lobbying organizations must contain the following information:
  - 1. The lobbying organization's name, address, and telephone number.
  - 2. The name, address, telephone number, and electronic mail address of the person who is responsible for preparing the quarterly report.
  - 3. The name of each lobbyist who is an employee of the lobbying organization during the reporting period.
  - 4. For each act of lobbying that was performed during the reporting period:
    - a. A description of the municipal decision at issue, including any City reference number that is associated with it;
    - b. The date of the direct communication;
    - c. Each individual who engaged in the direct communication on behalf of the lobbying organization; and
    - d. Each agency that was lobbied.

5. For expenses, other than overhead, related to lobbying during the reporting period, including expenses for activities undertaken in support or anticipation of or in response to a direct communication:
  - a. Total expenses; and
  - b. For each expense, other than payments to employees, that is valued at \$5,000 or more:
    - i. The date, amount, and description of the expense;
    - ii. The name and address of the payee; and
    - iii. The municipal decision associated with the expense, if applicable.
6. For payments benefiting a City official made during the reporting period:
  - a. The total amount of all payments benefiting a City official; and
  - b. For each payment benefiting a City official valued at \$25 or more:
    - i. The date, amount, and description of the payment;
    - ii. The name and title of the City official benefiting from the payment;
    - iii. The name and address of the payee; and
    - iv. The client, if any, on whose behalf the payment was made. A payment is made on behalf of a client if the client requested or authorized the payment or if the payment was made in connection with lobbying conducted on the client's behalf.
7. For contributions of \$100 or more that the lobbying organization made or delivered or for which the lobbying organization acted as an intermediary:
  - a. The date and amount of the contribution.
  - b. The name of the elective City officer, candidate, controlled committee, or ballot measure committee that received the contribution; and
  - c. If the contribution was made by a person other than the lobbying organization, the name and address of that person and whether the lobbying organization solicited the contribution.

8. For contributions aggregating \$100 or more made by the lobbying organization at the behest of an elective City officer during the reporting period:
  - a. The date and amount of each contribution;
  - b. The name and address of each elective City officer, candidate, controlled committee, or ballot measure committee that received the contributions; and
  - c. The name of each elective City officer or candidate who behested the contributions and the dates of the behests.
9. For donations aggregating \$100 or more made by the lobbying organization at the behest of an elective City officer or candidate during the reporting period:
  - a. The date, amount, and description of each donation;
  - b. The name and address of each organization that received the donations; and
  - c. The name of each elective City officer or candidate who behested the donations and the dates of the behests.
10. For fundraising activity during the reporting period:
  - a. The calendar week in which the activity occurred;
  - b. The name of the elective City officer, candidate, controlled committee, or ballot measure committee that benefited from the fundraising activity; and
  - c. Whether the lobbying organization distributed one or more written solicitations and, if so, the date that each solicitation was filed with the Commission under Section 48.15.
11. For services, including consulting services, that were provided to a campaign for an elective City officer or candidate or a campaign for or against a City ballot measure and for which the lobbying organization became entitled to receive compensation during the reporting period:
  - a. The name of the elective City officer, candidate, or City ballot measure campaign;



- b. The elective City office sought or the number or letter of the ballot measure;
  - c. The date of the election;
  - d. A description of the services provided; and
  - e. The amount of compensation the lobbying organization became entitled to receive for the services.
12. For services, including consulting services, that were provided to an agency under contract and for which the lobbying organization became entitled to receive compensation during the reporting period:
- a. The contract number;
  - b. The agency to which the services were provided;
  - c. A description of the services provided; and
  - d. The amount of compensation the lobbying organization became entitled to receive for the services.
13. Whether the lobbying organization made a written communication to a neighborhood council and, if so, the date the communication was filed with the Commission under Section 48.16.
14. Any other information required by the Commission.

#### **SEC. 48.15            Copies of Solicitations**

- A. Each lobbying entity that produces, pays for, or distributes a written fundraising solicitation for an elective City officer, candidate, controlled committee, or ballot measure committee must file a copy of the solicitation with the Commission within five business days of the date the solicitation is first distributed. The Commission may not comment upon or edit the contents of the solicitation.
- B. At the time a solicitation is filed with the Commission, the lobbying entity must report the dates on which the solicitation was distributed, a general description of the solicitation, the number of pieces distributed, and the name of the elective City officer, candidate, controlled committee, or ballot measure committee for which the funds were solicited.

**Sec. 48.16****Written Communications to Neighborhood Councils**

- A. A written communication made by a lobbying entity on behalf of a client to a certified neighborhood council must include a disclaimer that the communication was distributed by a lobbying entity.
- B. The disclaimer must be printed clearly and legibly on the written communication in no less than 8-point type and in a color that contrasts with the background. The disclaimer must include all of the following information:
  - 1. The name of each lobbyist who participated in preparing or distributing the written communication;
  - 2. The name of each lobbying firm or lobbying organization responsible for preparing, paying for, or distributing the communication; and
  - 3. For traditional lobbyists and lobbying firms, each client on whose behalf the communication was made.
- C. A copy of the communication must be filed with the Commission within five business days of the date of the communication. The Commission may not comment upon or edit the contents of the written communication.

**SEC. 48.17****Compliance Measures and Enforcement**

- A. **Audits.** The Commission may audit reports, documents, and statements that are required and conduct that is regulated pursuant to this Article.
- B. **Criminal Penalties.**
  - 1. A person who knowingly or willfully violates this Article is guilty of a misdemeanor. A person who knowingly or willfully causes another person to violate this Article or who knowingly or willfully aides or abets another person in violating this Article is guilty of a misdemeanor.
  - 2. Prosecution must be commenced within four years after the date on which the violation occurred.
  - 3. An individual who is criminally convicted for conduct that violates Section 48.05 may not act as a lobbyist or otherwise attempt to influence a municipal decision for compensation for four years after the conviction or for as long as the individual is incarcerated or on probation, whichever is longer. An individual who is criminally convicted for conduct that violates any other provision of this Article may not act as a lobbyist for four years after the

conviction or for as long as the individual is incarcerated or on probation, whichever is longer.

**C. Civil Enforcement.**

1. A person is liable in a civil action brought by the City Attorney or the Commission for either of the following:
  - a. Knowingly violating Section 48.05; or
  - b. Intentionally or negligently violating any other provision of this Article.
2. Failure to properly report a receipt or expenditure may result in civil penalties up to \$5,000 or three times the amount not properly reported, whichever is greater. Other violations may result in civil penalties up to \$5,000. In determining the amount of liability, the court must consider the seriousness of the violation and the defendant's degree of culpability.
3. If the court determines that a violation was intentional, the court may order that the defendant be prohibited from acting as a lobbying entity for four years. If the defendant knowingly violated Section 48.05, the court may order that the defendant be prohibited from acting as a lobbying entity and from otherwise attempting to influence a municipal decision for compensation for four years.
4. If two or more persons are responsible for a violation, they are jointly and severally liable.
5. A civil action may not be filed more than four years after the date the violation occurred.

**D. Injunction.** The City Attorney may seek injunctive relief to enjoin violations of or to compel compliance with this Article.

**E. Administrative Penalties.** The Commission may impose penalties and issue orders for violations of this Article pursuant to its authority under Charter Section 706 and Los Angeles Administrative Code Section 24.1.2.

**F. Late Filing Fees.** In addition to any other penalty or remedy available, a person who fails to timely file a report or statement required by this Article is liable to the Commission for late filing fees in the amount of \$25 per day after the deadline until the statement or report is filed. Liability need not be enforced by the Commission if its executive director determines that the late filing was not willful and that enforcement of the penalty would not further the purposes of this Article. However, liability may not be waived if a statement or report is not filed within 10 days after the Commission has given the filer written notice of the filing requirement.

- G. **Restriction on Person Who Violates Certain Laws.** A person may not act as a lobbying entity or otherwise attempt to influence a municipal decision for compensation for four years after that person has been found by the Commission, either following an administrative hearing pursuant to Charter Section 706 or through a stipulation, to have violated Charter Section 470(k).

#### **SEC. 48.18 Ethics Commission Reports**

The Commission must provide reports regarding lobbying activity at least annually, in a form that, in the opinion of the Commission, best describes the activities, receipts, and expenditures of persons subject to the requirements of this Article.

#### **SEC. 48.19 Severability**

The provisions of this Article are severable. If a court holds that a provision of this Article or its application to any person or circumstance is invalid, the remainder of this Article and the invalidated provision's application to other persons and circumstances are not affected by such invalidity and remain in effect.

# Municipal Lobbying Ordinance

LAMC §§ 48.01 et seq.

## SEC. 48.01 Title and Findings

- A. **Title.** This Article shall be known ~~is~~ and may be cited as the Los Angeles Municipal Lobbying Ordinance.
- B. **Findings.** The following findings are adopted in conjunction with the enactment of this Article:
1. City Government government functions to serve the needs of all citizens.
  2. ~~The Lobbying is a legitimate means of informing City decision makers. However, the~~ citizens of the City of Los Angeles have a right to know the ~~identity~~ identities of ~~the~~ interests ~~which that~~ attempt to influence decisions of City government, ~~as well as the means employed by those~~ interests decisions.
  3. All persons engaged in compensated lobbying activities aimed at influencing decisions by City government must, when so engaged, be subject to the same regulations, restrictions, and requirements, regardless of their background, training, licensing, or other professional qualifications ~~or license~~.
  4. Complete public disclosure of the full range of activities by and financing of lobbyists ~~and, as well as the identities of those who employ their services,~~ is essential to ~~the maintenance of~~ maintain citizen confidence in the integrity of local City government.
  5. It is in the public interest to ensure that lobbyists do not misrepresent facts, ~~or their positions, or attempt to deceive~~ City officials through false communications, ~~do not place~~ City officials under personal obligation to themselves or their clients, ~~and do not~~ or represent that they can control the actions of City officials.
  6. It is in the public interest to adopt these amendments to the City's regulations of lobbyists to ensure adequate and effective disclosure of information about compensated efforts to lobby City government that are not otherwise available to the public.

## SEC. 48.02 Definitions

The following definitions apply to terms used in this Article ~~shall have the meanings set forth below. Other terms used in this Article shall have the meanings set forth~~ Definitions in the California Political Reform Act of 1974, ~~as amended,~~ and in the regulations of the

California Fair Political Practices Commission, ~~as amended, if defined therein~~ apply to terms not defined in this Article.

**"Activity expense"** means ~~any payment, including any gift, made to or directly benefiting any City official or member of his or her immediate family, made by a lobbyist, lobbying firm, or lobbyist employer.~~

A. **"Agency"** means the City of Los Angeles ~~or~~ any department, bureau, office, board, or commission, other agency of the City, ~~or any other government agency, that is required to adopt a conflict of interests code subject to City Council approval, and.~~ The term includes but is not limited to the City's Community Redevelopment Agency and the Los Angeles City Housing Authority.

B. **"At the behest"** means under the control of, at the direction of, in cooperation, consultation, coordination, or concert with, at the request or suggestion of, or with the express prior consent of ~~any~~ an elective City officer or candidate ~~for elective City office.~~ A donation to a religious, charitable, or other nonprofit organization is not made at the behest of an elective City officer or candidate if the donation is solicited through a newspaper publication, through radio, television, or other mass media, or through a suggestion made to the entire audience at a public gathering. A donation ~~to a religious, charitable, or other nonprofit organization~~ is not made at the behest of an elective City officer or candidate solely because the name of the officer or candidate is listed with other names on written materials used to ~~request~~ solicit donations or the officer or candidate makes a speech to the entire audience or is honored and given an award at an event sponsored by the organization.

C. **"Attempting to influence"** means ~~promoting, supporting, opposing or seeking to promote, support, oppose, or seek to modify or delay any~~ an action on a municipal ~~legislation~~ decision by any means, including but not limited to providing or using persuasion, information, statistics, analyses, or studies. ~~A person attempts to influence municipal legislation when he or she engages in lobbying activities for the purpose of influencing a decision.~~

D. **"Ballot measure committee"** means a committee established to support or oppose a City ballot measure.

E. **"Candidate"** means an individual who is seeking elective City office.

F. **"City official"** means ~~any~~ an individual who is ~~an~~ an elective or appointed City officer, a City officer under Section 200 of the Los Angeles City Charter, a member, or employee of an agency, or an agency consultant (who qualifies as a public official within the meaning of the Political Reform Act) of any agency, who, as part of his or her official duties, participates and whose official duties include participating in the consideration of any a municipal ~~legislation~~ decision other than in a purely clerical, secretarial or ministerial capacity.

G. "Client" means both either of the following:

- (1). theA person who compensates a lobbyist or lobbying firmentity for the purpose of attempting to influence municipal legislation andlobbying; or
- (2). theA person on whose behalf a lobbyist or lobbying firm attempts to influence such municipal legislationentity lobbies, even if the lobbyist or lobbying firmentity is compensated by another person for such representation.

However, if a lobbyist or lobbying firm represents a membership organization and individual members of that organization, an individualA member of an organization is not a client solely because the member is individually represented by the lobbyist or lobbying firmof a lobbying entity that represents the organization unless the member makes a payment for suchpays for personal representation in addition to usual membership fees.

"Compensated services" means services for which compensation was paid during a reporting period or for which the lobbyist or lobbying firm became entitled to compensation during that period.

H. "Commission" means the Los Angeles City Ethics Commission.

I. "Compensation" means anything of value that is paid, promised, or owed in exchange for services. The term does not include reimbursement of or payment for travel expenses.

J. "Controlled committee" means anya committee controlled by an elective City officer or candidate for any elective City office, including any. The term includes but is not limited to campaign, officeholder, legal defense fund, orand ballot measure committees.

K. "Days" means calendar days, except where specified as business days.

L. "Direct communication" means appearing as a witness before, talking to (either by telephone or in person), corresponding with, or answering questions or inquiries from, any a City official or employee, either personally or through an agent who acts under one's direct supervision, control or direction. The term does not include the following:

1. Communicating on the record at a publicly noticed meeting that is open to the general public. If the individual has already qualified or registered as a lobbyist, the communication on the record must identify the client on whose behalf the lobbyist is appearing or testifying.
2. Submitting a document, including written testimony, that is a public record in connection with an item on an agenda for a publicly noticed meeting.

3. Making a sales call in connection with an agency purchase that is required to go through a competitive contracting process.
4. Submitting a bid or responding to a request for proposals or other solicitation, or participating in an interview related to the solicitation, as long as the information is provided only to the City official or agency specifically designated in the solicitation to receive the information.
5. Negotiating the terms of a contract with a City official who has the authority to make a decision regarding the contract after being selected by an agency to enter into the contract.
6. Communicating regarding the administration of or performance under an existing City contract with a City official who administers the contract or provides legal advice regarding the contract. This exclusion does not apply to change orders.
7. Providing information compelled by a subpoena, law, or regulation.
8. Requesting advice or the interpretation of a law, regulation, or policy.
9. Responding to an agency enforcement proceeding as the subject of or a witness in that proceeding.
10. Communicating as an official representative of a recognized City employee organization with a City official other than the Mayor, a member of the City Council, or an official in the Mayor's office or a City Council office with regard to one of the following:
  - a. The establishment, amendment, administration, implementation, or interpretation of a collective bargaining agreement or memorandum of understanding between an agency and a recognized City employee organization;
  - b. A management decision regarding the working conditions of represented employees that relates to a collective bargaining agreement or memorandum of understanding between an agency and a recognized City employee organization; or
  - c. A proceeding before the Civil Service Commission or the Employee Relations Board.
11. Providing legal representation as a licensed attorney for a party in litigation or an enforcement proceeding with an agency.



12. Providing only technical data, analysis, or expertise on behalf of a client whose registered lobbyist is informed of and discloses the communication on the next quarterly report.
13. Requesting that the City provide basic municipal services, such as maintenance, utility, sanitation, and safety services.
14. Communicating regarding a ministerial step in an application for a license, permit, or entitlement for use.
15. Communicating under circumstances similar to those identified above, after having received written advice from the Commission under Charter Section 705(b) that the communication is exempt.
- M. "Donation" means a payment to a religious, charitable, or other tax-exempt organization for which full and adequate consideration is not received.
- N. "Elective cityCity officer" means an individual who is appointed or elected to serve as the Mayor, the City Attorney, the Controller and Member, or a member of the City Council.
- "Elective officer" means any person who is a City Council Member, City Attorney, Controller or Mayor, whether appointed or elected.
- O. "Entitled to receive compensation" means a lobbying entity has agreed to provide or has provided services in exchange for compensation, regardless of whether or when the compensation is actually received and regardless of whether payment is contingent on the lobbying entity accomplishing the client's purposes.
- P. "Fundraiser" means an individual a person who receives compensation to engage in fundraising activity as defined in this section.
- Q. "Fundraising activity" means soliciting a contribution or to an elective City officer, candidate, controlled committee, or ballot measure committee; hosting or sponsoring a fundraising event; or hiring a fundraiser or contractor to solicit contributions or conduct any event designed primarily for political fundraising at which contributions for an elective City officer, candidate for elective City office, or any of his or her controlled committees are solicited, delivered or made a fundraising event.
- R. "Fundraising event" means an event designed primarily for soliciting, delivering, or making contributions to or for an elective City officer, candidate, controlled committee, or ballot measure committee.

S. "Hosting or sponsoring" means to provide the use of a home or business to hold a political~~engaging in one or more of the following activities regarding a fundraising event;~~

1. Providing a home or business at which to hold the event without charging at least fair market value for the use of that location;
2. to ask more than~~Asking 25 or more persons to attend the event;~~
3. to pay for at least a majority~~Paying 20 percent or more of the costs of the event;~~
4. Permitting one's name to be included on the invitation to or other written materials associated with the event; or
5. to provide the candidate, campaign, committee and/or fundraiser more than~~Providing 25 or more names to be used for invitations to the event.~~

~~"Lobbying activities" includes the following and similar compensated conduct when that conduct is related to a direct communication to influence any municipal legislation:~~

- ~~(1) — engaging in, either personally or through an agent, written or oral direct communication with a City official;~~
- ~~(2) — drafting ordinances, resolutions or regulations;~~
- ~~(3) — providing advice or recommending strategy to a client or others;~~
- ~~(4) — research, investigation and information gathering;~~
- ~~(5) — seeking to influence the position of a third party on municipal legislation or an issue related to municipal legislation by any means, including but not limited to engaging in community, public or press relations activities; and~~
- ~~(6) — attending or monitoring City meetings, hearings or other events.~~

T. "In-house lobbyist" means an individual who is entitled to receive compensation for lobbying on behalf of the individual's employer and has engaged in five direct communications for that purpose in a calendar quarter.

U. "Lobbying" means engaging in a direct communication for the purpose of attempting to influence a municipal decision on behalf of another person for compensation. The term applies only to the non-exempt activities of persons identified in Section 48.03.

V. "Lobbying entity" means a lobbyist, a lobbying firm, a lobbying organization or lobbyist employer, as defined in this article~~a lobbying organization.~~

W. "Lobbying firm" means any entity a person, other than a lobbying organization, including an individual lobbyist, which receives or becomes entitled to receive \$1,000 or more in monetary or in-kind compensation for engaging in lobbying activities (either personally or through its agents) during any consecutive three-month period, for the purpose of attempting to influence municipal legislation on behalf of any other person, provided any that has a partner, owner, shareholder, officer, or employee of the entity who qualifies as a traditional lobbyist. The term includes an individual who is self-employed and qualifies as a traditional lobbyist. ~~Compensation does not include reimbursement of or payment for reasonable travel expenses. An entity receives compensation within the meaning of this definition whether or not the compensation is received solely for activities regulated by this article or is received for other activities as well; however, only that portion of compensation received for the lobbying activities shall count toward the qualification threshold. An entity "becomes entitled to receive compensation" when the entity agrees to provide services regulated by this Article, or performs those services, whether or not payment is contingent on the accomplishment of the client's purposes.~~

X. "Lobbyist" means any individual who is compensated to spend 30 or more hours in any consecutive three-month period engaged in lobbying activities which include at least one direct communication with a City official or employee, conducted either personally or through agents for the purpose of attempting to influence municipal legislation on behalf of any other person either a traditional lobbyist or an in-house lobbyist.

~~Compensation does not include reimbursement of or payment for reasonable travel expenses. A person receives compensation within the meaning of this definition whether or not the compensation is received solely for activities regulated by this Article or is received for both lobbying activities and other activities as well. However, only the compensation for the lobbying activities shall be calculated to determine whether an individual qualifies as a lobbyist. An individual "becomes entitled to receive compensation" when the individual or the entity in which the individual is an employee, partner, owner, shareholder or officer, agrees to provide services regulated by this Article, or performs those services, regardless of whether payment is contingent on the accomplishment of the client's purposes. A lobbyist includes a person who owns an investment in a business entity if that person attempts to influence municipal legislation on behalf of the business entity and if the person acquires the investment as compensation for his or her lobbying services or in contemplation of performing those services.~~

Y. "Lobbyist employerLobbying organization" means an entity, other than a lobbying firm, a person that employs a lobbyist in-house to lobby~~has partners, owners, shareholders, officers, or employees who are entitled to receive~~

compensation for lobbying on its the organization's behalf and have collectively engaged in five direct communications for that purpose in a calendar quarter.

~~"Major filer" means any person who makes payments or incurs expenditures totaling \$5,000 or more during any calendar quarter for public relations, media relations, advertising, public outreach, research, investigation, reports, analyses, studies, or similar activities, for the purpose of attempting to influence action on any proposed or pending matter of municipal legislation, if these payments or expenditures are not required to be reported on a lobbyist or lobbying firm quarterly report. A "major filer" does not include a lobbyist, lobbyist employer, or lobbying firm. Expenditures and payments for regularly published newsletters or other routine communications between an organization and its members shall not be counted for the purpose of this.~~

Z. "Ministerial" means not requiring the exercise of discretion concerning the outcome or a course of action.

AA. "Municipal legislation decision" means any a determination regarding a legislative, quasi-judicial, or administrative matter proposed that is suggested to, discussed with, or pending before any a City official or agency (as defined in this Article), including but not limited to those involving the granting, denial, revocation, restriction or modification of a license, permit, or entitlement for use (including all land use permits) if the Mayor, the City Council, any of its committees, any agency board, commission, committee, or general manager, or any agency officer or employee charged by law with holding a hearing and making a decision, is charged by law with making a final decision on the matter. However, "municipal legislation", including a charter amendment, ordinance, resolution, rule, regulation, policy, nomination, contract, expenditure, regulatory proceeding, quasi-judicial proceeding, enforcement action, personnel action, license, permit, entitlement for use, project, report, or other matter acted upon by a City official or agency. The term does not include any of the following: a ministerial act.

- (1) ~~A request for advice or for an interpretation of laws, regulations, City approvals or policies, or a direct response to an enforcement proceeding with the City Ethics Commission.~~
- (2) ~~Any ministerial action. An action is ministerial if it does not require the City official or employees involved to exercise discretion concerning any outcome or course of action.~~
- (3) ~~Any action relating to the establishment, amendment, administration, implementation or interpretation of a collective bargaining agreement or memorandum of understanding between an agency and a recognized employee organization, or a proceeding before the Civil Service Commission or the Employee Relations Board. Further, it does not include management decisions as to the working conditions of represented employees that clearly relate to the terms of such collective bargaining agreement or memorandum~~

of understanding. Nevertheless, "**municipal legislation**" does include any action relating to collective bargaining taken by the City Council, any of its committees or members (including the staffs of such members), or by the Mayor or his or her office.

- ~~(4) Preparation or compilation of any radius map, vicinity map, plot plan, site plan, property owners or tenants list, abutting property owners list, photographs of property, proof of ownership or copy of lease, or neighbor signatures required to be submitted to the City Planning Department.~~

**BB. "Payment benefiting a City official"** means a payment, including a gift, made by a lobbying entity to or in direct benefit of a City official or a member of the City official's immediate family.

**CC. "Person"** means any individual, business entity, trust, corporation, association, committee, or any other organization or group of persons acting in concert.

**DD. "Soliciting"** means ~~to asking~~, personally or through an agent, that another person make either a donation or a contribution to an elective City officer or candidate for City office, or controlled committee, including or ballot measure committee. The term includes allowing one's signature to be used on a written request for funds. The term does not include making a public request for funds to at least a majority of the persons in attendance at a public gathering or making a request that is published in a newspaper or broadcast through radio, television, or other mass media.

~~For purposes of this article, a~~ lobbying entity solicits a contribution for an elective City officer, candidate, or controlled committee only when the lobbying entity does so in one of the following scenarios:

- (i1) ~~at~~ At the behest of the elective City officer or candidate for elective City office, or his or her the campaign treasurer, or campaign manager for the elective City officer or candidate, or member of his or her fundraising committee a person who engages in fundraising activity on behalf of the elective City officer or candidate; or
- (ii2) ~~if the lobbying entity has informed the~~ By informing an candidate or elective City officer or candidate, either personally or through an agent, that the person is soliciting the contributions are being solicited on that individual's behalf.

~~A person does not solicit, however, by making a request for funds publicly to at least a majority of persons who attend any public gathering, or by making a request that appears published in a newspaper, on radio or television.~~

**EE. "Traditional lobbyist"** means an individual who is entitled to receive compensation for lobbying and has engaged in one direct communication for that purpose. The

term does not include in-house lobbyists or individuals who lobby only on behalf of their employers.

## **SEC. 48.03 Exemptions**

The following persons are exempt from the requirements of this Article:

- A. Any ~~p~~Public officials acting in his or her~~the~~ official capacity, capacities and any government employees acting within the scope of his or her~~the~~ employment.
- B. A newspaper or other, a regularly published periodical, a radio or television station or network, including any individual who owns, publishes or is employed by such newspaper, periodical or station or network, when, in the ordinary course of its business, it or a public site on the Internet that publishes or broadcasts news, editorials or other comments, or paid advertising, which directly or indirectly that attempts to influence action on a municipal legislative decision. This exemption also applies to individuals who own or are employed by those entities and engage in that activity. This exemption does not apply to any other action activity by any such newspaper, periodical, station or network, or by any such person, to attempt to influence municipal legislation, if such activity otherwise regulated by this Article those entities or their owners or employees.
- C. A person acting without any compensation or consideration other than reimbursement or payment of reasonable travel expenses An organization that is exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, if it is created primarily to provide food, shelter, child care, health, legal, vocational, relief, or other similar social services directly to disadvantaged individuals and provides those services free of charge, at a below-market rate, or based on the individual's income or ability to pay. This exemption also applies to persons who are employed by the organization and are acting within the scope of their employment. This exemption does not apply to lobbying related to funding, property, or a permit that the organization is seeking from the City on its own behalf.
- D. Any person whose only activity is submitting a bid on a competitively bid contract, submitting a written response to or participating in an oral interview for a request for proposals or qualifications, or negotiating the terms of a written agreement with any City agency if selected pursuant to that bid or request for proposals or qualifications. Except with regard to persons covered by subsections E and F, this exemption shall not apply to any person who attempts to influence the action of the Mayor or Mayor's staff, any member of the City Council or their staffs, or any board or commission member with regard to any such contract A person who is entitled to receive compensation for providing consulting services to an agency when acting on that agency's behalf under the terms of the consulting arrangement.

- ~~E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, which receives funding from any federal, state, or local government agency for the purpose of representing the interests of indigent persons and whose primary purpose is to provide direct services to those persons, if the individual or individuals represented by the organization before any City agency provide no payment to the organization for that representation. This exemption shall not apply to direct contracts with a City official in other than a publicly noticed meeting, for the purpose of attempting to influence a City decision with regard to any City funding which the organization is seeking.~~
- ~~F. Any person employed by an organization described in Subsection E with respect to his or her activities as an employee of the organization.~~

**SEC. 48.04 Contract Bidder Certification of Compliance With Lobbying Laws.**

- A. A bidder for a contract, as those terms are defined in Los Angeles Administrative Code Section 10.40.1, must submit with its bid a certification, on a form prescribed by the Commission, that the bidder acknowledges and agrees to comply with the disclosure requirements and prohibitions established in this Article if the bidder qualifies as a lobbying entity under Section 48.02. The form must be maintained with the bid documents by the agency that solicited the bid. The exemptions contained in Section 48.03(B), Section 48.03(C), and Los Angeles Administrative Code Section 10.40.4 do not apply to this subsection.
- B. Each agency must include this Article in each invitation for bids, request for proposals, request for qualifications, or other solicitation related to entering into a contract with the City. The ordinance must be provided in at least 10-point font and may be provided on paper, in an electronic format, or through a link to an online version of the ordinance. The ordinance is not required to be printed in a newspaper notice of the solicitation.
- C. This subsection does not apply to the renewal, extension, or amendment of an existing contract, as long as the solicitation for the original contract met the requirements in Paragraphs 1 and 2 above and the renewal, extension, or amendment does not involve a new solicitation.
- D. For purposes of this section only, "agency" does not include a state agency operating solely within the City, such as the Community Redevelopment Agency or Los Angeles City Housing Authority.

**SEC. 48.045 Prohibitions**

No lobbyist or lobbying firm subject to the requirements of this Article shall Lobbying entities may not do the following:

- A. ~~Do any~~ Perform an act with the purpose and/or intent of placing any City official under personal obligation to the lobbyist, the lobbying firm, or to the lobbyist's or firm's employer entity or the lobbying entity's client.
- B. Fraudulently deceive or attempt to deceive any City official with regard to any material fact pertinent to any pending or proposed municipal legislation decision.
- C. Cause or influence the introduction of any municipal legislation decision for the purpose of thereafter being employed or retained to secure its passage or defeat.
- D. Cause any communication to be sent to any City official in the name of any nonexistent person or in the name of any existing person without the person's consent ~~of such person.~~
- E. ~~Make or, arrange for any, or act as an intermediary in a payment or a gift to a City official, or act as an agent or intermediary in making any such payment by any other person, if the arrangement or the payment doing so would violate any provision of the City's Governmental Ethics Ordinance (Los Angeles Municipal Code Sections 49.5.1, et seq et seq.).~~
- F. Make a contribution to an elective City officer, a candidate, or a controlled committee if the lobbying entity is required to register to lobby the elective City office sought by or the current agency of the elective City officer or candidate. A lobbying entity makes a contribution when payment is made from the lobbying entity's own funds or assets. A lobbyist also makes a contribution when the lobbyist participates in the decision to make the contribution and payment is made by one of the following entities:
1. A business entity in which the lobbyist holds an ownership interest of 20 percent or more; or
  2. A committee that, at the time of the contribution, has received 20 percent or more of its financing from one or more lobbyists.

#### **SEC. 48.056      Record Keeping Responsibilities**

- A. ~~Lobbying entities and major filers shall~~ must prepare and retain detailed records (including all books, papers, and other documents) needed to comply with the requirements of this Article, including but not limited to written communications to certified neighborhood councils under Section 48.16 and records detailing contributions and donations that result from their fundraising activities. Treasurers and fundraisers for elective City officeholders and City candidates, or for any elective City officer's or City candidate's controlled committees shall prepare and retain detailed contribution activity records for any contributions received as a result of fundraising activity engaged in by a lobbyist, lobbying firm or lobbyist employer,



as defined by this article. These records shall be retained for not less than four years.

- B. ~~If a lobbying entity engages in fundraising activities as defined in Section 48.02 of this Code at the behest of a candidate or officeholder running for elective City office, the lobbying entity shall maintain records detailing any contributions that they know or have reason to know resulted from the fundraising activities. A record required by this Article must be retained for at least four years following either the date of the record or the date of the filing that includes information contained in the record, whichever is later.~~
- C. ~~If an officeholder or a candidate running for elective City office contracts with a lobbying entity to engage in fundraising activity as described in Section 48.02 of this Code, the committee treasurer and fundraiser shall maintain records detailing any contributions that they know or have reason to know resulted from the fundraising activities. The treasurer and fundraiser shall make the records available to the lobbying entity upon request of the lobbying entity.~~
- D. ~~If a lobbying entity delivers or sends written communications to a certified neighborhood council in an attempt to influence municipal legislation as described in Section 48.08.8 of this Article, the lobbying entity shall prepare and maintain detailed records of these written communications for not less than four years.~~

#### **SEC. 48.067      Registration/Disclosure Forms Filing Methods**

- A. All lobbyist and lobbying firm registrations, reports, and all other statements required by this Article shall be verified are submitted under penalty of perjury and shall must be filed on forms provided in a format prescribed by the City Ethics Commission and as otherwise required by this Article in section 48.06.1. The Commission must provide public access to all filings.
- B. Lobbying entities must file registration statements, amendments, terminations, quarterly report statements, solicitations, written communications with neighborhood councils, and other filings designated by the Commission in an electronic method and format prescribed by the Commission.
- C. AnyIf a paper report or statement document is required, it must be properly addressed and bearing the correct postage shall beand is considered filed on the date of the postmark or on the date of delivery to receipt by the City Ethics Commission, whichever is earlier. A document bearing only a private or commercial postage meter label is considered filed on the date of receipt by the Commission.

**SEC. 48.06.1 — Online Filing of Lobbying Registration and Disclosure Statements**

- A. — ~~Any person required by this Article to file registration and quarterly report statements with the City Ethics Commission shall file those statements online, using the Commission's Lobbyist Electronic Filing System (LEFS). Once any person is required to file registration and quarterly report statements online, that person shall continue to file statements online until the person's status as a lobbyist, lobbying firm or lobbyist employer has officially terminated. Any person who qualifies as a "Major Filer" as defined in section 48.02 of this Article is not subject to this online filing requirement.~~
- B. — ~~A person required by subsection A to file statements online also shall file a paper copy of each statement required by this Article. Each paper copy of a required statement shall contain an original signature. Paper copies of statements shall continue to be filed until the person's status as a lobbyist, lobbying firm or lobbyist employer has officially terminated. Until otherwise permitted under City law, the signed paper copy shall continue to be the original statement for audit and other legal purposes.~~
- C. — ~~In addition to any late filing penalties that may be imposed for a late filing of a paper copy pursuant to this Article, any person who fails to comply with the online filing requirement of this section will, in addition, be subject to an additional late filing penalty of \$25 per day after the deadline for the filing of the online copy.~~
- D. — ~~The information contained on a statement filed online shall be the same as that contained on the paper copy of the same statement that is filed with the Commission.~~
- E. — ~~The Lobbyist Electronic Filing System (LEFS) is an internet based, interactive computer program developed by the Los Angeles City Ethics Commission and available on its website and allows persons to file, view and search statements and reports filed with the Commission online.~~

**SEC. 48.078      General Registration Requirements**

- A.    **Requirement.** ~~An individual~~A person who qualifies~~has qualified~~ as a lobbyist shall register with the City Ethics Commission within 10 days after the end of the calendar month in which the individual qualifies as a lobbyist~~lobbying entity must register with the Commission within five business days of qualifying. A person who has qualified as a lobbying entity may not lobby another City official until after registering to lobby the City official's agency. A person, including an individual lobbyist, shall register with the City Ethics Commission as a lobbying firm within 10 days after the end of the calendar month in which a partner, owner, shareholder, officer or employee qualifies as a lobbyist. If a person is not registered as a lobbyist or lobbying firm, but is performing acts which would require that person to so~~

~~register, that person may continue to act as a lobbyist or lobbying firm so long as the person registers with the City Ethics Commission within 10 days after the person knew or should have known of the obligation to register. A lobbyist or lobbying firm shall register each client on whose behalf or from which the lobbyist or lobbying firm receives or becomes entitled to receive \$250 or more in a calendar quarter for engaging in lobbying activities related to attempting to influence municipal legislation.~~

B. A person who has not qualified as a lobbying entity may register with the Commission at any time. Once registered as a particular type of lobbying entity, a person is subject to all City laws that apply to persons who have qualified as that type of lobbying entity.

BC. **Duration of Status.** A person who registers as a lobbyist or lobbying firm shall retain entity retains that status through December 31 of that year unless and until that the person terminates the that status as set forth below under Subsection E.

CD. **Registration Fees.** Every lobbyist shall pay an annual registration fee of \$450 plus \$75 for each client on whose behalf or from which the lobbyist receives or becomes entitled to receive \$250 or more in a calendar quarter. Persons who initially register during the last quarter of a calendar year (October through December) shall pay prorated registration fees of \$337 for each lobbyist plus \$56 for each client. A lobbying entity must file an amendment to its registration statement whenever a change occurs in the information reported on the registration statement.

DE. A lobbying entity that has ceased all activity governed by this Article must indicate on the next quarterly report that it is terminating its registration statement and the date on which it ceased all activity governed by this Article. **Contents of Registration Statements — Lobbyists.** Registration statements of lobbyists shall contain the following:

1. — The lobbyist's name, business address, and business telephone number.
2. — The lobbying firm, if any, of which the lobbyist is an employee, partner, officer or owner.
3. — If the lobbyist is not an employee, partner, officer or owner of a lobbying firm, the name, address and telephone number of the lobbyist's employer, together with a letter from the employer authorizing the lobbyist to lobby on behalf of the employer.
4. — Each City agency that the lobbyist has the authority to attempt to influence on behalf of any client or employer.
5. — A statement that the lobbyist has reviewed and understands the requirements of this Article.

6. ~~Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.~~

EF. A lobbying entity must pay a registration fee each time it registers. Registration is not complete until the Commission has received the required fee. **Contents of Registration Statements — Lobbying Firms** ~~Registration statements of lobbying firms (including individual contract lobbyists) shall contain the following:~~

1. ~~The name, address and telephone number of the firm~~ The fee for a lobbyist other than an in-house lobbyist for a 501(c)(3) organization is \$450. The fee for a 501(c)(3) organization's in-house lobbyist is \$100.
2. ~~The name of each lobbyist who is a partner, owner, shareholder, officer or employee of the firm~~ The fee for a lobbying firm is \$75 for every client from which the lobbying firm is entitled to receive compensation valued at \$250 or more. If a lobbying firm becomes entitled to receive compensation valued at \$250 or more from a client after registration is complete, the lobbying firm must amend its registration to identify the client and pay the fee for the client within 10 business days after becoming entitled to receive the compensation.
3. ~~The registration statement prepared by each lobbyist so identified, appended to the statement~~ The fee for a lobbying organization other than a 501(c)(3) organization is \$450. The fee for a 501(c)(3) organization is \$100.
4. ~~For each client on whose behalf or from which the firm received or became entitled to receive \$250 in compensation during the calendar quarter for engaging in lobbying activities related to attempting to influence municipal legislation within the meaning of this Article:~~
  - (a) ~~The client's name, business or residence address and business or residence telephone number.~~
  - (b) ~~The period during which the representation will occur.~~
  - (c) ~~The item or items of municipal legislation for which the firm was retained to represent the client, or, if no specific items of municipal legislation for which the firm was retained to represent the client can be identified, a description of the types of municipal legislation for which the firm was retained to represent the client.~~
  - (d) ~~Each City agency that the lobbying firm has the authority to attempt to influence on behalf of the client.~~
  - (e) ~~A letter from the client authorizing the firm to represent the client.~~

(f) ~~In the case of a lobbyist who is an individual contract lobbyist, a statement that he or she has reviewed and understands the requirements of this Article.~~

(g) ~~The name of the person or persons responsible for preparing the statement.~~

(h) ~~Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.~~

F. ~~**Filing Registration Statements.** Every lobbying firm shall file its registration statement with the City Ethics Commission and shall attach the registration statements of all lobbyists who are partners, owners, shareholders, officers or employees of the firm. Every lobbyist who is not a partner, owner, shareholder, officer or employee of a lobbying firm shall file his or her registration statement with the City Ethics Commission.~~

G. ~~**Amendments to Registrations.** Lobbyists and lobbying firms shall file amendments to their registration statements within 10 days of any change in information required to be set forth on the registration statement.~~

H. ~~**Termination.** Any person registered under this Article shall file a Registration Termination form with the City Ethics Commission within 20 days after ceasing all activity governed by this Article.~~

I. ~~**Education Requirement.** Every individual who is required to register as a lobbyist shall attend a City lobbying information session conducted by the City Ethics Commission no less than once every two calendar years, according to the following schedule:~~

- ~~(1) An individual who has not registered as a lobbyist in the immediately preceding two calendar years shall attend a City lobbying information session within six months of his or her registration date as a lobbyist.~~
- ~~(2) A registered lobbyist who did not attend a City lobbying information session during the previous calendar year shall attend a City lobbying session by the end of the current calendar year.~~
- ~~(3) A registered lobbyist who attends a City lobbying information session during the current calendar year is not required to attend a City lobbying information session during the following calendar year.~~

## **SEC. 48.09                    Registration of Lobbyists**

A.     A lobbyist's registration statement must contain the following information:

1.     The lobbyist's name, address, telephone number, and electronic mail address.
2.     Each lobbying firm or lobbying organization of which the lobbyist is an employee, partner, officer, or owner.
3.     Each agency that the lobbyist is registering to lobby.
4.     Each act of lobbying that occurred prior to registration, including the following:
  - a.     The date of the direct communication;
  - b.     The agency that was lobbied; and
  - c.     A description of the municipal decision that the lobbyist attempted to influence, including any City reference number that is associated with the decision.
5.     If the lobbyist is registering prior to qualification, a statement that the lobbyist has not engaged in the qualifying number of direct communications.
6.     If the lobbyist is a former City official, each agency at which the lobbyist served and the dates of that service.
7.     A statement that the lobbyist has reviewed and understands the requirements of this Article.
8.     Any other information required by the Commission.

B.     A lobbyist must take an ethics course provided by the Commission and, on a form provided by the Commission, certify completion of the course within 60 days of the lobbyist's first registration after January 1, 2010.

## **SEC. 48.10                    Registration of Lobbying Firms**

A lobbying firm's registration statement must contain the following information:

A.     The name, address, and telephone number of the lobbying firm.

- B. The name, address, telephone number, and electronic mail address of the person who is responsible for preparing the statement.
- C. The name of each lobbyist who is a partner, owner, shareholder, officer, or employee of the firm.
- D. The name, address, telephone number, and electronic mail address of each client on whose behalf the firm has the authority to lobby.
- E. Each agency that the lobbying firm is registering to lobby. At a minimum, the firm must register to lobby each agency that its lobbyists have registered to lobby.
- F. Each act of lobbying that occurred prior to registration, including the following:
1. The client on whose behalf the lobbying occurred;
  2. The date of the direct communication;
  3. The individuals who engaged in the direct communication on behalf of the client;
  4. The agency that was lobbied; and
  5. A description of the municipal decision that the lobbying firm attempted to influence, including any City reference number that is associated with the municipal decision.
- G. If the lobbying firm is registering prior to qualification, a statement that no partner, owner, shareholder, officer, or employee of the firm has qualified as a lobbyist and that no direct communication occurred prior to registration.
- H. A statement that a person responsible for the lobbying firm has reviewed and understands the requirements of this Article.
- I. Any other information required by the Commission.

#### **SEC. 48.11 Registration of Lobbying Organizations**

A lobbying organization's registration statement must contain the following information:

- A. The name, address, and telephone number of the lobbying organization.
- B. The name, address, telephone number, and electronic mail address of the person who is responsible for preparing the statement.

- C. The name of each lobbyist who is a partner, owner, shareholder, officer, or employee of the organization and lobbies on behalf of the organization.
- D. Each agency that the lobbying organization is registering to lobby on its own behalf. At a minimum, the organization must register to lobby each agency identified in Subsection E(4).
- E. Each act of lobbying that occurred prior to registration, including the following:
1. The date of the direct communication;
  2. The individuals who engaged in the direct communication on behalf of the lobbying organization;
  3. The agency that was lobbied; and
  4. A description of the municipal decision that the lobbying organization attempted to influence, including any City reference number that is associated with the municipal decision.
- F. If the lobbying organization is registering prior to qualification, a statement that no partner, owner, shareholder, officer, or employee of the organization has qualified as an in-house lobbyist for the organization and that the qualifying number of direct communications has not occurred.
- G. A statement that a person responsible for the lobbying organization has reviewed and understands the requirements of this Article.
- H. Any other information required by the Commission.

#### **SEC. 48.0812      Disclosure Quarterly Reports by Lobbyists**

- A. **Reporting Requirement.** ~~Every lobbyist, lobbying firm, lobbyist employer and major filer shall file the quarterly disclosure reports required by this section on or before the last day of the month following each calendar quarter. A report properly addressed and bearing the correct postage shall be considered filed on the date of the postmark or on the date of delivery to the City Ethics Commission, whichever is earlier.~~ An individual must file a quarterly report statement for every calendar quarter during which the individual is a registered lobbyist. An individual who qualifies as both a lobbyist and a lobbying firm must file under Section 48.13 only.
1. ~~All lobbyists and lobbying firms shall file quarterly reports for every calendar quarter during which they retain that status. An individual who qualifies both as a lobbyist and lobbying firm shall file only a lobbying firm quarterly report. Lobbyist employers shall file quarterly reports for every calendar quarter~~



during which any individual employed by that employer retains the status as lobbyist. Information required to be disclosed concerning compensation—received or expenditures made for lobbying shall be disclosed either by the lobbyist or by his or her lobbying firm or employer.

2. Major filers shall file quarterly reports for every calendar quarter during which they made qualifying payments or incurred qualifying expenditures totaling \$5,000 or more.
3. Quarterly reports shall disclose all required information for the calendar quarter immediately prior to the month in which the report is required to be filed. The reports shall be filed in duplicate (one original and one copy).

B. Quarterly reports must be filed by the last day of the month following each calendar quarter. If the last day of the month falls on a Saturday, Sunday, or holiday, the report is due the following business day. **Quarterly Reports by Lobbyists—Contents.** Quarterly reports by lobbyists shall contain the following information:

1. The lobbyist's name, business address and business telephone number.
2. The lobbying firm, if any, of which the lobbyist is a partner, owner, shareholder, officer or employee.
3. If the lobbyist is not a partner, officer or owner of a lobbying firm, the name, address and telephone number of the lobbyist's employer.
4. The date, amount and description of each activity expense of \$25 or more made by the lobbyist during the reporting period, the name and title of the City official benefiting from the expense, the name and address of the payee, and the client, if any, on whose behalf the expense was made. An activity expense shall be considered to be made on behalf of a client if the client requested or authorized the expense or if the expense was made in connection with an event at which the lobbyist attempted to influence the official on behalf of the client.
5. The total amount of activity expenses made by the lobbyist during the reporting period, whether or not itemized.
6. The name of any elective City officer, candidate for elective City office, or any controlled committee of the officer or candidate to which the lobbyist made contributions of \$100 or more, or which were delivered by the lobbyist, or in connection with which the lobbyist acted as an intermediary during the reporting period, and the date and amount of the contribution.
7. The name of any elective City officer, candidate for elective City office, or any City controlled committee of the officer or candidate for which the

lobbyist engaged in any fundraising activity during the reporting period, the date(s) of the activity and the amount of funds the lobbyist knows or has reason to know were raised as a result of the activity.

8. ~~The date and amount of one or more contributions aggregating more than \$1,000 made by the lobbyist at the behest of an elective City officer or candidate for elective City office during the reporting period to any and all controlled committees of any other elective City officer or candidate for elective City office, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest.~~
9. ~~The date, amount and description of one or more donations aggregating \$1,000 or more made by the lobbyist at the behest of an elective City officer or candidate for elective City office during the reporting period to any religious, charitable or other nonprofit organization, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest.~~
10. ~~If, during the quarterly reporting period, the lobbyist provided compensated services, including consulting services, to the campaign of any candidate for elective City office, or to a campaign for or against any City ballot measure, the name of the candidate, the elective City office sought by the candidate, the ballot number or letter of the ballot measure, the date of the election, the amount of compensation earned for the compensated services, and a description of the nature of the services provided. Such information shall be reported if the lobbyist personally provided the services, or if the services were provided by a business entity in which the lobbyist owns at least a 10% investment, whether the compensation was provided directly to the lobbyist or to such business entity.~~
11. ~~If, during the quarterly reporting period, the lobbyist provided compensated services under contract with the City or with any City agency, including consulting services, the amount of compensation received, the agency for which the services were provided, a description or other identification of the contract and the nature of the services provided. Such information shall be reported if the lobbyist personally provided the services, or if the services were provided by a business entity in which the lobbyist owns at least a 10% investment, whether the compensation was provided directly to the lobbyist or to such business entity.~~
12. ~~Each City agency that the lobbyist attempted to influence.~~
13. ~~Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.~~

C. Quarterly reports by lobbyists must contain the following information:

1. The lobbyist's name, address, telephone number, and electronic mail address.
2. Each lobbying firm and lobbying organization of which the lobbyist is a partner, owner, shareholder, officer, employee, or consultant during the reporting period.
3. For each act of lobbying during the reporting period:
  - a. A description of the municipal decision at issue, including any City reference number that is associated with it;
  - b. The date of the direct communication;
  - c. Each agency that was lobbied; and
  - d. Each client on whose behalf the lobbying was conducted;
  - e. Each lobbying firm the lobbyist represented; and
  - f. The name and area of expertise for each person who claims an exemption under Section 48.02(L)(12) and has asked the lobbyist disclose the direct communication.
4. For payments benefiting a City official made during the reporting period:
  - a. The total amount of all payments benefiting a City official; and
  - b. For each payment benefiting a City official valued at \$25 or more:
    - i. The date, amount, and description of the payment;
    - ii. The name and title of the City official benefiting from the payment;
    - iii. The name and address of the payee; and
    - iv. The client, if any, on whose behalf the payment was made. A payment is made on behalf of a client if the client requested or authorized the payment or if the payment was made in connection with lobbying conducted on the client's behalf.
5. For contributions of \$100 or more that the lobbyist made or delivered or for which the lobbyist acted as an intermediary:

- a. The date and amount of the contribution.
  - b. The name of the elective City officer, candidate, controlled committee, or ballot measure committee that received the contribution; and
  - c. If the contribution was made by a person other than the lobbyist, the name and address of that person and whether the lobbyist solicited the contribution.
6. For contributions aggregating \$100 or more made by the lobbyist at the behest of an elective City officer or candidate during the reporting period:
- a. The date and amount of each contribution;
  - b. The name and address of each elective City officer, candidate, controlled committee, or ballot measure committee that received the contributions; and
  - c. The name of each elective City officer or candidate who behested the contributions and the dates of the behests.
7. For donations aggregating \$100 or more made by the lobbyist at the behest of an elective City officer or candidate during the reporting period:
- a. The date and amount of each donation;
  - b. The name and address of each organization that received the donations; and
  - c. The name of each elective City officer or candidate who behested the donations and the dates of the behests.
8. For fundraising activity during the reporting period:
- a. The calendar week in which the activity occurred;
  - b. The name of the elective City officer, candidate, controlled committee, or ballot measure committee that benefited from the fundraising activity;
  - c. Whether the lobbyist solicited one or more of the clients of a lobbying firm that must be identified on the lobbyist's registration statement; and

d. Whether the lobbyist distributed one or more written solicitations and, if so, the date that each solicitation was filed with the Commission under Section 48.15.

9. For services, including consulting services, that were provided to a campaign for an elective City officer or candidate or a campaign for or against a City ballot measure and for which the lobbyist became entitled to receive compensation during the reporting period:

a. The name of the elective City officer, candidate, or City ballot measure committee;

b. The elective City office sought or the number or letter of the ballot measure;

c. The date of the election;

d. A description of the services provided; and

e. The amount of compensation the lobbyist became entitled to receive for the services.

This information must be reported if the lobbyist personally provided the services or if the services were provided by a business entity in which the lobbyist holds an ownership interest of ten percent or more.

10. For services, including consulting services, that were provided to an agency under contract and for which the lobbyist became entitled to receive compensation during the reporting period:

a. The contract number;

b. The agency to which the services were provided;

c. A description of the services provided; and

d. The amount of compensation the lobbyist became entitled to receive for the services.

This information must be reported if the lobbyist personally provided the services or if the services were provided by a business entity in which the lobbyist holds an ownership interest of ten percent or more.

11. Whether the lobbyist participated in preparing or distributing a written communication to a neighborhood council and, if so, the date the communication was filed with the Commission under Section 48.16

12. Any other information required by the Commission.

**SEC. 48.13 Quarterly Reports by Lobbying Firms**

GA. A lobbying firm must file a quarterly report statement for every calendar quarter during which the firm is a registered lobbying firm. **Quarterly Reports by Lobbying Firms—Contents.** Quarterly reports by lobbying firms, including individual contract lobbyists, shall contain the following information:

1. ~~The name, address and telephone number of the firm.~~
2. ~~The name of each lobbyist who is a partner, owner, shareholder, officer or employee of the firm and whose quarterly report is required to be attached to the report.~~
3. ~~The original quarterly report of each lobbyist identified pursuant to subdivision 2 above, attached as an exhibit to the report of the lobbying firm.~~
4. ~~The name, address and telephone number of each client that is required to be registered and was represented by the firm during the reporting period; a description of each item of municipal legislation for which the firm or its lobbyists represented the client during the reporting period; the total amount of payments received by the firm from each client (including all fees, reimbursements for expenses and other payments) during the reporting period for such representation.~~
5. ~~The total payments received from clients required to be registered by the firm during the reporting period in connection with the firm's representation of clients on municipal legislation.~~
6. ~~The date, amount and description of each activity expense of \$25 or more made by the lobbying firm during the reporting period, the name and title of the City official benefiting from the expense, the name and address of the payee, and the client, if any, on whose behalf the expense was made. An activity expense shall be considered to be made on behalf of a client if the client requested or authorized the expense or if the expense was made in connection with an event at which the lobbying firm attempted to influence the official on behalf of the client.~~
7. ~~The total amount of activity expenses made by the lobbying firm during the reporting period, whether or not itemized.~~
8. ~~The total amount of expenses incurred in connection with attempts by the firm to influence municipal legislation. These expenses shall include:~~

- ~~(a) — total payments to lobbyists employed by the firm;~~
  - ~~(b) — total payments to employees of the firm, other than lobbyists, who engaged in attempts to influence municipal legislation during the reporting period; and~~
  - ~~(c) — all expenses attributable to attempts to influence municipal legislation, other than overhead, and other expenses that would not be incurred but for the attempts to influence. Each such expense of \$5,000 or more shall be itemized and described.~~
- ~~9. — The name of any elective City officer, candidate for elective City office, or any controlled committee of the officer or candidate to which the lobbying firm made contributions of \$100 or more, or which were delivered by the lobbying firm, or in connection with which the lobbying firm acted as an intermediary during the reporting period, and the date and amount of the contribution.~~
- ~~10. — The name of any elective City officer, candidate for elective City office, or any City controlled committee of the officer or candidate for which the lobbying firm engaged in any fundraising activity during the reporting period, the date(s) of the activity and the amount of funds the lobbying firm knows or has reason to know were raised as a result of the activity.~~
- ~~11. — The date and amount of one or more contributions aggregating more than \$1,000 made by the lobbying firm at the behest of an elective City officer or candidate for elective City office during the reporting period to any and all controlled committees of any other elective City officer or candidate for elective City office, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest.~~
- ~~12. — The date, amount and description of one or more donations aggregating \$1,000 or more made by the lobbying firm at the behest of an elective City officer or candidate for elective City office during the reporting period to any religious, charitable or other nonprofit organization, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest.~~
- ~~13. — If, during the quarterly reporting period, the lobbying firm provided compensated services, including consulting services, to the campaign of any candidate for elective City office, or to a campaign for or against any City ballot measure, the name of the candidate, the elective City office sought by the candidate, the ballot number or letter of the ballot measure, the date of~~

~~the election, the amount of compensation earned for the compensated services and a description of the services provided.~~

- ~~14. If, during the quarterly reporting period, the lobbying firm provided compensated services under contract with the City or with any agency, including consulting services, the amount of compensation received, the agency for which the services were provided, a description or other identification of the contract and the nature of the services provided. For an individual contract lobbyist who qualifies as a lobbying firm, such information shall be reported if the lobbyist personally provided the services, or if the services were provided by a business entity in which the lobbyist owns at least a 10% investment, regardless of whether the compensation was provided directly to the lobbyist or to such business entity.~~
- ~~15. For an individual contract lobbyist who qualifies as a lobbying firm, each City agency that the lobbyist attempted to influence.~~
- ~~16. The name, address and telephone number of the person responsible for preparing the report.~~
- ~~17. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.~~

B. Quarterly reports must be filed by the last day of the month following each calendar quarter. If the last day of the month falls on a Saturday, Sunday, or holiday, the report is due the following business day.

C. Quarterly reports by lobbying firms must contain the following information:

1. The lobbying firm's name, address, and telephone number.
2. The name, address, telephone number, and electronic mail address of the person who is responsible for preparing the quarterly report.
3. The name of each lobbyist who is a partner, owner, shareholder, officer, or employee of the lobbying firm during the reporting period.
4. For each client for whom lobbying was performed during the reporting period:
  - a. The name, address, telephone number, and electronic mail address.
  - b. A description of each act of lobbying during the reporting period, including the following:
    - i. The municipal decision at issue, including any City reference number that is associated with it;



- ii. The date of the direct communication;
    - iii. Each individual who engaged in the direct communication on behalf of the client; and
    - iv. Each agency that was lobbied.
  - c. Compensation and expense reimbursements related to lobbying that the lobbying firm became entitled to receive from the client.
- 5. Total compensation and expense reimbursements related to lobbying that the lobbying firm became entitled to receive from all clients during the reporting period.
- 6. For each expense, other than overhead and payments to employees, that is attributable to lobbying and valued at \$5,000 or more:
  - a. The date, amount, and description of the expense;
  - b. The name and address of the payee;
  - c. The municipal decision associated with the expense, if applicable; and
  - d. The client on whose behalf the expense was incurred, if applicable. An expense is made on behalf of a client if the client requested or authorized the expense or if the expense was incurred in connection with lobbying conducted on the client's behalf.
- 7. For payments benefiting a City official made during the reporting period:
  - a. The total amount of all payments benefiting a City official; and
  - b. For each payment benefiting a City official valued at \$25 or more:
    - i. The date, amount, and description of the payment;
    - ii. The name and title of the City official benefiting from the payment;
    - iii. The name and address of the payee; and
    - iv. The client, if any, on whose behalf the payment was made. A payment is made on behalf of a client if the client requested or authorized the payment or if the payment was made in connection with lobbying conducted on the client's behalf.

8. For contributions of \$100 or more that the lobbying firm made or delivered or for which the lobbying firm acted as an intermediary:
  - a. The date and amount of the contribution.
  - b. The name of the elective City officer, candidate, controlled committee, or ballot measure committee that received the contribution; and
  - c. If the contribution was made by a person other than the lobbying firm, the name and address of that person and whether the lobbying firm solicited the contribution.
9. For contributions aggregating \$100 or more made by the lobbying firm at the behest of an elective City or officer during the reporting period:
  - a. The date and amount of each contribution;
  - b. The name and address of each elective City officer, candidate, controlled committee, or ballot measure committee that received the contributions; and
  - c. The name of each elective City officer or candidate who behested the contributions and the dates of the behests.
10. For donations aggregating \$100 or more made by the lobbying firm at the behest of an elective City officer or candidate during the reporting period:
  - a. The date and amount of each donation;
  - b. The name and address of each organization that received the donations; and
  - c. The name of each elective City officer or candidate who behested the donations and the dates of the behests.
11. For fundraising activity during the reporting period:
  - a. The calendar week in which the activity occurred;
  - b. The name of the elective City officer, candidate, controlled committee, or ballot measure committee that benefited from the fundraising activity;
  - c. Whether the lobbying firm solicited one or more of its clients; and

d. Whether the lobbying firm distributed one or more written solicitations and, if so, the date that each solicitation was filed with the Commission under Section 48.15.

12. For services, including consulting services, that were provided to a campaign for an elective City officer or candidate or a campaign for or against a City ballot measure and for which the lobbying firm became entitled to receive compensation during the reporting period:

a. The name of the elective City officer, candidate, or City ballot measure campaign;

b. The elective City office sought or the number or letter of the ballot measure;

c. The date of the election;

d. A description of the services provided; and

e. The amount of compensation the lobbying firm became entitled to receive for the services.

For a lobbyist who qualifies as a lobbying firm, this information must be reported if the lobbyist personally provided the services or if the services were provided by a business entity in which the lobbyist holds an ownership interest of ten percent or more.

13. For services, including consulting services, that were provided to an agency under contract and for which the lobbying firm became entitled to receive compensation during the reporting period:

a. The contract number;

b. The agency to which the services were provided;

c. A description of the services provided; and

d. The amount of compensation the lobbying firm became entitled to receive for the services.

For a lobbyist who qualifies as a lobbying firm, this information must be reported if the lobbyist personally provided the services or if the services were provided by a business entity in which the lobbyist holds an ownership interest of ten percent or more.

14. Whether the lobbying firm made a written communication to a neighborhood council and, if so, the date the communication was filed with the Commission under Section 48.16

15. Any other information required by the Commission.

**SEC. 48.14**      **Quarterly Reports by Lobbying Organizations**

~~DA.~~ A lobbying organization must file a quarterly report statement for every calendar quarter during which the organization is a registered lobbying organization. ~~Quarterly Reports by Lobbyist Employers—Contents.~~ Quarterly reports by lobbyist employers shall contain the following information:

- ~~1. The name, address and telephone number of the entity filing the report.~~
- ~~2. The name of each lobbyist who is employed by the entity and whose quarterly report is required to be attached as an exhibit to the report.~~
- ~~3. The original quarterly report of each lobbyist identified pursuant to Subdivision 2 above, attached as an exhibit to the report of the lobbyist employer.~~
- ~~4. Total payments during the reporting period to lobbyists employed by the entity. Such payments shall include solely payments for compensation and reimbursement of expenses relating to the lobbyists' attempts to influence municipal legislation.~~
- ~~5. Total payments to employees of the entity, other than lobbyists, who engaged in attempts to influence municipal legislation during the reporting period. Such payments shall include payments for compensation and reimbursement of expenses relating to such persons' attempts to influence municipal legislation.~~
- ~~6. Total payments for expenses incurred in connection with attempts by the entity during the reporting period to influence municipal legislation. These expenses shall include all expenses attributable to attempts to influence municipal legislation, other than overhead, and other expenses that would not be incurred but for the attempts to influence. Each such expense of \$5,000 or more shall be itemized and described.~~
- ~~7. A description of each item of municipal legislation which the entity attempted to influence during the reporting period.~~
- ~~8. The date, amount and description of each activity expense of \$25 or more made by the lobbyist employer during the reporting period, the name and~~

~~title of the City official benefiting from the expense, and the name and address of the payee.~~

- ~~9. The total amount of activity expenses made by the lobbyist employer during the reporting period, whether or not itemized.~~
  - ~~10. The name of any elective City officer, candidate for elective City office, or any controlled committee of the officer or candidate to which the lobbyist employer made contributions of \$100 or more, or which were delivered by the lobbyist employer, or in connection with which the lobbyist employer acted as an intermediary during the reporting period, and the date and amount of the contribution.~~
  - ~~11. The name of any elective City officer, candidate for elective City office, or any City controlled committee of the officer or candidate for which the lobbyist employer engaged in any fundraising activity during the reporting period, the date(s) of the activity and the amount of funds the lobbyist employer knows or has reason to know were raised as a result of the activity.~~
  - ~~12. The date and amount of one or more contributions aggregating more than \$1,000 made by the lobbyist employer at the behest of an elective City officer or candidate for elective City office during the reporting period to any and all controlled committees of any other elective City officer or candidate for elective City office, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest.~~
  - ~~13. The date, amount and description of one or more donations aggregating \$1,000 or more made by the lobbyist employer at the behest of an elective City officer or candidate for elective City office during the reporting period to any religious, charitable or other nonprofit organization, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest.~~
  - ~~14. The name, address and telephone number of the person responsible for preparing the report.~~
  - ~~15. Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provisions of this Article.~~
- B. Quarterly reports must be filed by the last day of the month following each calendar quarter. If the last day of the month falls on a Saturday, Sunday, or holiday, the report is due the following business day.
- C. Quarterly reports by lobbying organizations must contain the following information:

1. The lobbying organization's name, address, and telephone number.
2. The name, address, telephone number, and electronic mail address of the person who is responsible for preparing the quarterly report.
3. The name of each lobbyist who is an employee of the lobbying organization during the reporting period.
4. For each act of lobbying that was performed during the reporting period:
  - a. A description of the municipal decision at issue, including any City reference number that is associated with it;
  - b. The date of the direct communication;
  - c. Each individual who engaged in the direct communication on behalf of the lobbying organization; and
  - d. Each agency that was lobbied.
5. For expenses, other than overhead, related to lobbying during the reporting period, including expenses for activities undertaken in support or anticipation of or in response to a direct communication:
  - a. Total expenses; and
  - b. For each expense, other than payments to employees, that is valued at \$5,000 or more:
    - i. The date, amount, and description of the expense;
    - ii. The name and address of the payee; and
    - iii. The municipal decision associated with the expense, if applicable.
6. For payments benefiting a City official made during the reporting period:
  - a. The total amount of all payments benefiting a City official; and
  - b. For each payment benefiting a City official valued at \$25 or more:
    - i. The date, amount, and description of the payment;

- ii. The name and title of the City official benefiting from the payment;
  - iii. The name and address of the payee; and
  - iv. The client, if any, on whose behalf the payment was made. A payment is made on behalf of a client if the client requested or authorized the payment or if the payment was made in connection with lobbying conducted on the client's behalf.
7. For contributions of \$100 or more that the lobbying organization made or delivered or for which the lobbying organization acted as an intermediary:
- a. The date and amount of the contribution.
  - b. The name of the elective City officer, candidate, controlled committee, or ballot measure committee that received the contribution; and
  - c. If the contribution was made by a person other than the lobbying organization, the name and address of that person and whether the lobbying organization solicited the contribution.
8. For contributions aggregating \$100 or more made by the lobbying organization at the behest of an elective City officer during the reporting period:
- a. The date and amount of each contribution;
  - b. The name and address of each elective City officer, candidate, controlled committee, or ballot measure committee that received the contributions; and
  - c. The name of each elective City officer or candidate who behested the contributions and the dates of the behests.
9. For donations aggregating \$100 or more made by the lobbying organization at the behest of an elective City officer or candidate during the reporting period:
- a. The date, amount, and description of each donation;
  - b. The name and address of each organization that received the donations; and
  - c. The name of each elective City officer or candidate who behested the donations and the dates of the behests.

10. For fundraising activity during the reporting period:

- a. The calendar week in which the activity occurred;
- b. The name of the elective City officer, candidate, controlled committee, or ballot measure committee that benefited from the fundraising activity; and
- c. Whether the lobbying organization distributed one or more written solicitations and, if so, the date that each solicitation was filed with the Commission under Section 48.15.

11. For services, including consulting services, that were provided to a campaign for an elective City officer or candidate or a campaign for or against a City ballot measure and for which the lobbying organization became entitled to receive compensation during the reporting period:

- a. The name of the elective City officer, candidate, or City ballot measure campaign;
- b. The elective City office sought or the number or letter of the ballot measure;
- c. The date of the election;
- d. A description of the services provided; and
- e. The amount of compensation the lobbying organization became entitled to receive for the services.

12. For services, including consulting services, that were provided to an agency under contract and for which the lobbying organization became entitled to receive compensation during the reporting period:

- a. The contract number;
- b. The agency to which the services were provided;
- c. A description of the services provided; and
- d. The amount of compensation the lobbying organization became entitled to receive for the services.



13. Whether the lobbying organization made a written communication to a neighborhood council and, if so, the date the communication was filed with the Commission under Section 48.16.

14. Any other information required by the Commission.

E. ~~Quarterly Reports by Major Filers — Contents.~~ Quarterly reports by major filers shall contain the following information:

1. ~~The name, address and telephone number of the person filing the report.~~
2. ~~A description of each item of municipal legislation which the entity attempted to influence during the reporting period.~~
3. ~~The total payments made during the reporting period for the purpose of attempting to influence action on each proposed or pending matter of municipal legislation.~~
4. ~~The name, address and telephone number of the person responsible for preparing the report.~~
5. ~~Any other information required by regulation of the City Ethics Commission, consistent with the purposes and provision of this Article.~~

#### **SEC. 48.08.515      Copies of Solicitations**

A. ~~Each lobbying entity that produces, pays for, mails or distributes more than 50 substantially similar copies of a written political fundraising solicitation for anyan elective City officer, candidate, or controlled committee of an elective City officer or candidate relating to seeking or holding City elective office or supporting or opposing a City ballot measure shall send~~must file a copy of the solicitation to~~with the City Ethics Commission for public access, at the time~~within five business days of the date the solicitation is sent or otherwise first distributed, and shall. The Commission may not comment upon or edit the contents of the solicitation.

B. At the time a solicitation is filed with the Commission, the lobbying entity must report on its next quarterly report the date(s) on which it is mailed or the solicitation was distributed and, a general description of the content of the solicitation, the number of pieces mailed or distributed, and the name of the elective City officer, or candidate or City ballot measure, controlled committee, or ballot measure committee for which the funds were solicited.

#### **SEC. 48.08.6 — Lobbying Disclosure — Political Contributions**

- A. ~~Each lobbying entity, which makes one or more contributions to an elective City officer and/or to any or all of his or her controlled committees, shall file a notice with the City Ethics Commission each time the making of a contribution results in the lobbying entity having made contributions aggregating more than \$7,000 to the officer and/or his or her controlled committees within the past 12 months. The notice shall be filed on a form prescribed by the Commission within one business day after making a contribution that triggers the filing requirement. The notice shall contain the following information:~~
1. ~~The name, address and telephone number of the filer, the name of the elective City officer, and/or any or all of his or her controlled committees, to which the lobbying entity made contributions aggregating more than \$7,000 during the past twelve months, and the date and amount of each contribution.~~
  2. ~~For purposes of this section, a "controlled committee" does not include any committee controlled by an elective City officer that is~~
    - (a) ~~formed to support or oppose a ballot measure or~~
    - (b) ~~formed to support the election of that officer to other than elective City office.~~
- B. ~~The original notice shall be filed with the City Ethics Commission, and copies shall be filed with the City Clerk and the elective City officer involved. Each notice may only include information relative to one elective officer.~~
- C. ~~The form shall be considered filed on the date of the postmark or on the date of delivery to the City Ethics Commission, whichever is earlier.~~
- D. ~~The form shall be verified under penalty of perjury by the individual filing it or by an officer of the entity authorized to file it.~~
- E. ~~The City Ethics Commission shall post the information in the notice on its website within one business day of its receipt of the notice. The City Clerk shall make the notice available for inspection within one business day of its receipt.~~

#### **SEC. 48.08.7 — Lobbying Disclosure — Fundraising Activity**

- A. ~~Every lobbying entity who within any 12 month period (i) engaged in fundraising activities on behalf of an elective City officer and/or any and all of his or her controlled committees, and which knows or has reason to know that the fundraising activities resulted in contributions, and/or (ii) delivered or acted as an intermediary for one or more contributions to the elective City officer and/or any and all of his or~~

~~her controlled committees, shall file a notice with the City Ethics Commission any time the activities identified in (i) and/or (ii) aggregate more than \$15,000 in the case of a member of the City Council, or more than \$35,000 in the case of the Mayor, City Attorney, or Controller. The notice shall be filed on a form prescribed by the City Ethics Commission within one business day after any of these thresholds is exceeded. The notice shall contain the following information:~~

- ~~1. The name, address and telephone number of the filer, the name of the elective City officer, and/or any or all of his or her controlled committees, on whose behalf the lobbying entity engaged in fundraising activities, or delivered or acted as intermediary for one or more contributions to the elective City officer and/or any and all of his or her controlled committees, the date of the fundraising activity, and the amount of contributions raised, delivered or in connection with which the lobbying entity acted as an intermediary.~~
  - ~~2. For purposes of this section, a "controlled committee" does not include any committee controlled by an elective City officer that is~~
    - ~~(a) formed to support or oppose a ballot measure or~~
    - ~~(b) formed to support the election of that officer to other than elective City office.~~
  - ~~3. For purposes of this notification, if a fundraising event is sponsored or hosted by more than one person, the amount of contributions received at or as a result of the event shall be attributed to each lobbying entity who hosted or sponsored the event according to the amount of the contributions that resulted from that lobbying entity's fundraising activities. If a contribution results from the fundraising of more than one person and/or lobbying entity, that contribution shall be apportioned equally to each of the persons and/or lobbying entity that engaged in the fundraising activity.~~
- ~~B. The original notice shall be filed with the City Ethics Commission, and copies shall be filed with the City Clerk and the elective City officer involved. Each notice may only include information relative to one elective officer.~~
- ~~C. The form shall be considered filed on the date of the postmark or on the date of delivery to the City Ethics Commission, whichever is earlier.~~
- ~~D. The form shall be verified under penalty of perjury by the individual filing it or by an officer of the entity authorized to file it.~~
- ~~E. The City Ethics Commission shall post the information in the notice on its website within one business day of its receipt of the notice. The City Clerk shall make the notice available for inspection within one business day of its receipt.~~

**Sec. 48.08.816**

**~~Lobbying Disclosure~~ — Written Communications to  
Neighborhood Councils**

- ~~(a)A.~~ No lobbying entity registered with the City of Los Angeles shall deliver or send to a written communication made by a lobbying entity on behalf of a client to a certified neighborhood council a written communication on behalf of a client, including, but not limited to, letters, faxes, electronic messages, and flyers, without a disclosure indicating must include a disclaimer that the communication was delivered or sent distributed by that a lobbying entity.
- ~~(b)B.~~ For purposes of subsection (a), the required disclosure shallThe disclaimer must be printed clearly and legibly on the written communication in no less than 8-point type and in a color or print that contrasts with the background so as to be legible and shall be presented in a clear and conspicuous manner in the written communication. The disclosure shall disclaimer must include all of the following information applicable to the written communication:
- ~~(1)1.~~ The name of the lobbyist(s) that prepares, delivers or send each lobbyist who participated in preparing or distributing the written communication;
- ~~(2)2.~~ The name of the registered lobbying firm(s) or lobbyist employer(s) who employs the lobbyist(s) that prepares, delivers or sends the written communication each lobbying firm or lobbying organization responsible for preparing, paying for, or distributing the communication; and,
- ~~(3)3.~~ The name of the client or clients For traditional lobbyists and lobbying firms, each client on whose behalf the lobbying entity prepares, delivers, or sends the written communication in an attempt to influence municipal legislation communication was made.
- C. A copy of the communication must be filed with the Commission within five business days of the date of the communication. The Commission may not comment upon or edit the contents of the written communication.

**SEC. 48.0917**

**Compliance Measures and Enforcement**

- A. Audits.** The City Ethics Commission shall have the authority to conduct audits of may audit reports, documents, and statements filed that are required and conduct that is regulated pursuant to this Article. Such audits may be conducted on a random basis or when the City Ethics Commission staff has reason to believe that a report or statement may be inaccurate or has not been filed.

**B. Criminal Penalties.**

1. ~~Any~~A person who knowingly or willfully violates ~~any provision of this Article~~ is guilty of a misdemeanor. ~~Any~~A person who knowingly or willfully causes any ~~other~~another person to violate ~~any provision of this article, Article~~ or who knowingly or willfully aides ~~and~~or abets ~~any other~~another person in violation of ~~any provision of violating this article, Article~~ is guilty of a misdemeanor.
2. Prosecution for ~~violation of any provision of this article~~ must be commenced within ~~one year~~four years after the date on which the violation occurred.
3. ~~No person~~An individual who is criminally convicted for conduct that violates Section 48.05 may not act as a lobbyist or otherwise attempt to influence a municipal decision for compensation for four years after the conviction or for as long as the individual is incarcerated or on probation, whichever is longer. An individual who is criminally convicted of a violation or for conduct that violates any other provision of this Article may not act as a lobbyist or otherwise attempt to influence municipal legislation for compensation for one yearfour years after such~~the~~ conviction or for as long as the individual is incarcerated or on probation, whichever is longer.

**C. Civil Enforcement.**

1. ~~Any~~A person who knowingly violates ~~any provision of Section 48.04~~ shall ~~be~~ liable in a civil action brought by the City Attorney or for either of the following:
  - a. Knowingly violating Section 48.04; or
  - b. Any person who intentionally~~Intentionally~~ or negligently ~~violates~~violating any other provisions of this Article ~~shall be liable in a civil action brought by the City Attorney.~~
2. Failure to properly report any receipt or expenditure may result in civil penalties not to exceed the amount not properly reported, or \$2,000 up to \$5,000 or three times the amount not properly reported, whichever is greater. Any otherOther violations may result in civil penalties no greater than \$2,000 up to \$5,000. In determining the amount of liability, the court must consider the seriousness of the violation and the defendant's degree of culpability.
3. If the court determines that a violation was intentional, the court may order that the defendant be prohibited from acting as a lobbyist or otherwise attempting to influence municipal legislation for one yearlobbying entity for four years. If the defendant knowingly violated Section 48.05, the court may order that the defendant be prohibited from acting as a lobbying entity and

from otherwise attempting to influence a municipal decision for compensation for four years.

2. ~~In determining the amount of liability pursuant to this subsection, the court shall take into account the seriousness of the violation and the degree of culpability of the defendant.~~
34. If two or more persons are responsible for any violation, they shall be jointly and severally liable.
45. ~~No~~ civil action alleging a violation of this Article shall may not be filed more than four years after the date the violation occurred.
- D. **Injunction.** The City Attorney ~~on behalf of the people of the City of Los Angeles~~ may seek injunctive relief to enjoin violations of or to compel compliance with the ~~provisions of this article~~ this Article.
- E. **Administrative Penalties.** The City Ethics Commission may impose penalties and issue orders for violations of this Article pursuant to its authority under Charter Section 706(e) and Los Angeles Administrative Code Section 24.1.2.
- F. **Late Filing PenaltiesFees.** In addition to any other penalty or remedy available, if any person who fails to timely file any report or statement required by this Article, ~~after any deadline imposed by this Article, such person shall be~~ is liable to the City Ethics Commission for late filing fees in the amount of twenty-five dollars (\$25) per day after the deadline until the statement or report is filed, ~~up to a maximum amount of \$500.~~ Liability need not be enforced by the Commission if its ~~Executive Officer~~ executive director determines that the late filing was not willful and that enforcement of the penalty would not further the purposes of this Article. ~~No~~ However, liability shall may not be waived if a statement or report is not filed within 10 days after the Commission has sent specific written notice ~~to~~ given the filer written notice of the filing requirement.
- G. **Restriction on Person Who Violates Certain Laws.** 1. ~~No~~ A person shall act or continue to act as a registered lobbyist or lobbying firm if, ~~within the~~ may not act as a lobbying entity or otherwise attempt to influence a municipal decision for compensation for four years, after that person has been found by the City Ethics Commission, ~~in a proceeding~~ either following an administrative hearing pursuant to Charter Section 706 or through a stipulation, to have violated City Charter Section 470(k) on any occasion. That determination shall be based either on a finding of the City Ethics Commission made after an administrative hearing or on a stipulation by the lobbyist or lobbying firm entered into with the City Ethics Commission within the previous four years.
2. ~~If the City Ethics Commission makes a finding that the person has either~~

- (1) ~~accepted responsibility for the violation in the form of having entered into a stipulation with the City Ethics Commission in which the party admits the violation, or otherwise exhibits evidence of having accepted such responsibility, or~~
- (2) ~~mitigated the wrongdoing by taking prompt remedial or corrective action, then the City Ethics Commission may reduce the time period during which the above prohibition would apply to a period of not less than one year.~~

#### **H. ~~Contract Bidder Certification of Compliance With Lobbying Laws.~~**

1. ~~Any bidder for a contract, as those terms are defined in Los Angeles Administrative Code Section 10.40.1, shall submit with its bid a certification, on a form prescribed by the City Ethics Commission, that the bidder acknowledges and agrees to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if the bidder qualifies as a lobbying entity under Section 48.02 of this article. The exemptions contained in Section 48.03 of this article and Los Angeles Administrative Code Section 10.40.4 shall not apply to this subsection.~~
2. ~~Each agency shall include the Municipal Lobbying Ordinance in each invitation for bids, request for proposals, request for qualifications, or other solicitation related to entering into a contract with the City. The ordinance must be provided in at least 10 point font and may be provided on paper, in an electronic format, or through a link to an online version of the ordinance. The ordinance is not required to be printed in a newspaper notice of the solicitation.~~
3. ~~This subsection does not apply to the renewal, extension, or amendment of an existing contract, as long as the solicitation for the original contract met the requirements in Paragraphs 1 and 2 above and the renewal, extension, or amendment does not involve a new solicitation.~~
4. ~~For purposes of this subsection, "agency" does not include a state agency operating solely within the City such as the Community Redevelopment Agency or Los Angeles City Housing Authority.~~

#### **SEC. 48.4018      Ethics Commission Reports**

~~As soon as practicable after the close of each quarterly reporting period, the City Ethics Commission shall prepare a report to the Mayor and City Council of~~must provide reports regarding lobbying activity which occurred during the reporting period. Such report shall be at least annually, in a form which that, in the opinion of the Commission, best describes the activities, receipts, and expenditures of persons subject to the requirements of this articleArticle.

**SEC. 48.4419****Severability**

The provisions of this Article are severable. If any court holds that a provision of this article, Article or its application to any person or circumstance, is held invalid by any court, the remainder of this article Article and its the invalidated provision's application to other persons and circumstances, other than that which has been held invalid, shall not be  
are not affected by such invalidity, and to that extent the provisions of this article are declared to be severable and remain in effect.







# **Governmental Ethics Ordinance**

*LAMC §§ 49.5.1 et seq. (selected provisions only)*

## **SEC. 49.5.2 Definitions**

**“Administrative action”** [deleted].

**“Attempt to influence”** means to promote, support, oppose, or seek to modify or delay an action on a municipal decision by any means, including but not limited to providing or using persuasion, information, statistics, analyses, or studies.

**“Compensation”** means anything of value that is paid, promised, or owed in exchange for services. The term includes but is not limited to salary, wages, fees, partnership or other similar financial interest, and any other payment or reimbursement for a person's services or time.

**“Direct communication”** means appearing as a witness before, talking to, corresponding with, or answering questions or inquiries from a City official, either personally or through an agent.

**“Legislative action”** [deleted].

**“Lobbying entity”** means a lobbyist, a lobbying firm, or a lobbying organization, as those terms are defined in Section 48.02, or a person who has registered as a lobbyist, a lobbying firm, or a lobbying organization under Section 48.08(B).

**“Lobbying firm”** [deleted].

**“Lobbyist”** [deleted].

**“Lobbyist employer”** [deleted].

**“Ministerial”** means not requiring the exercise of discretion concerning the outcome or a course of action.

**“Municipal decision”** means a determination regarding a legislative or administrative matter that is suggested to, discussed with, or pending before a City official or agency, including a charter amendment, ordinance, resolution, rule, regulation, policy, nomination, contract, expenditure, regulatory proceeding, quasi-judicial proceeding, enforcement action, personnel action, license, permit, entitlement for use, project report, or other matter acted upon by a City official or agency. For purposes of this Article, the term does not include the following:

1. A ministerial act;
2. A request for advice or the interpretation of a law, regulation, or policy;

3. An action relating to the establishment, amendment, administration, implementation, or interpretation of a collective bargaining agreement or memorandum of understanding between an agency and a recognized City employee organization, as long as a direct communication regarding the matter does not occur with the Mayor, a member of the City Council, or a City official in either the Mayor's office or a City Council office;
4. A management decision regarding the working conditions of represented employees that relates to a collective bargaining agreement or memorandum of understanding between an agency and a recognized City employee organization, as long as a direct communication regarding the matter does not occur with the Mayor, a member of the City Council, or a City official in either the Mayor's office or a City Council office;
5. A proceeding before the Civil Service Commission or the Employee Relations Board, as long as a direct communication regarding the matter does not occur with the Mayor, a member of the City Council, or a City official in either the Mayor's office or a City Council office; or
6. The preparation or compilation of a radius map, vicinity map, plot plan, site plan, list of property owners or tenants or abutting property owners, photograph of property, proof of ownership, copy of lease, or neighbor signatures that must be submitted to the City's planning department.

**"Restricted source"** means the following with regard to each of the following classes of City officials.

- (1) With regard to high level filers and high level officials, "restricted source" means:
  - (a) a lobbying entity;
- (2) With regard to filers other than high level filers and officials other than high level officials, "restricted source" means:
  - (a) a lobbying entity seeking to influence a municipal decision in the filer's agency;
- (3) With regard to all filers and all City officials, a restricted source does not include an individual (other than a lobbyist, as that term is defined in Section 48.02) who is employed by a restricted source, provided that the gift or income is neither paid for by the employer nor provided at the direction of the employer.

## **SEC. 49.5.9            Restrictions on Honoraria and Outside Earned Income**

### **B.     Restrictions on Honoraria and Other Outside Earned Income — Other Full Time City Officials and Employees.**

2.     The approval required by Subdivision 1 must be denied if the general manager, other Chief administrative officer, or City Ethics Commission determines that the receipt of the income would be inconsistent, incompatible, or in conflict with or inimical to the City official's official duties or functions. In so determining, the general manager, other Chief administrative officer, and City Ethics Commission must consider whether one or more of the following factors applies:
  - (c)    Whether the City official is in a position to make, to participate in making, or to influence a municipal decision that could foreseeably have a material financial effect on the source of income;

## **SEC. 49.5.10          Restrictions on Gifts and Travel Expenses**

### **A.     Restrictions on Gifts.**

3.     A person who is a restricted source may not offer or make, and a City official may not accept from a restricted source, a gift that would cause the cumulative amount of gifts from that source to the City official to exceed \$100 during any calendar year. This subdivision does not apply to lobbying entities.
4.     A lobbying entity may not make a gift to a City official and a City official may not accept a gift from a lobbying entity if the lobbying entity is a restricted source as to that official.
5.     A lobbying entity may not act as an agent or intermediary in the making of a gift or arrange for the making of a gift by another person to a City official.

### **B.     Restrictions on Travel Advances and Reimbursements.**

3.     A lobbying entity may not act as an agent or intermediary in the making of or arrange for the making of an advance or reimbursement for travel expenses (including related lodging and reasonable subsistence expenses) by another person to a City official.

## **SEC. 49.5.11          Lobbying Activities of Current and Former City Officials**

- A.     A former City official or agency employee who personally and substantially participated in a municipal decision during City service may not, for

compensation, attempt to influence that municipal decision on behalf of a person other than an agency. This prohibition applies only if the municipal decision is still pending before an agency or if an agency is a party to or has a direct or substantial interest in the specific matter. For purposes of this provision, personal and substantial participation includes, but is not limited to, making or voting on a decision or making a recommendation, rendering advice, investigation or conducting research.

- B. A former City official or agency employee may not, for compensation, knowingly counsel or assist a person other than an agency in connection with an appearance or communication in which the former official or employee is prohibited from engaging pursuant to Subsection A.
- D. For two years after leaving City service, a former elective City officer who left City service on or after January 1, 2007, may not, for compensation, attempt to influence a municipal decision on behalf of a person other than an agency. For one year after leaving City service, a former high level official other than an elective City officer who left City service on or after January 1, 2007, may not, for compensation, attempt to influence a municipal decision on behalf of a person other than an agency.
- E. For one year after leaving City service, a former City official may not, for compensation, attempt to influence an agency in which the former official served during the twelve months prior to leaving City service on behalf of a person other than an agency. For purposes of this subsection, the agency of a City Council office employee means the Council office in which the employee served and the Councilmember of that district.
- F. Upon the petition of an interested person, a court or the presiding or other officer, including but not limited to a hearing officer, in a judicial, quasi-judicial, or other proceeding, may, after notice and an opportunity for a hearing, exclude a person found to be in violation of this section from further participation or from assisting or counseling another participant in the proceeding.
- G. This section does not prevent a former City official or agency employee from representing himself or herself, or a member of his or her immediate family, in connection with a matter pending before an agency.
- H. This section does not apply to the activities of a former City official or agency employee who is an elected or appointed officer or employee of another government entity, when the former official or employee is solely representing that entity in an official capacity.
- I. Members of City boards and commissions may not, for compensation, attempt to influence a municipal decision on behalf of another person. This subsection applies only to City board and commission members who are required to file

statements of economic interests pursuant to the Political Reform Act of 1974. This subsection does not prohibit a member of a City board or commission from appearing before a City agency in the same manner as any other member of the general public solely to represent himself or herself on a matter related to his or her personal interests.

**SEC. 49.5.12      Future Employment of City Officials**

- D.    A City official may not make, participate in making, or attempt to influence a municipal decision involving the interests of a person with whom the official has an agreement concerning future employment.

**SEC. 49.5.13      Participation of Elective City officers and Agency Employees in Governmental Decisions**

- A.    In addition to the requirements of Government Code Sections 87100, *et seq.*, City officials may not knowingly make, participate in making, or attempt to influence a municipal decision directly relating to a contract when they know or have reason to know that a party to the contract is a person by whom they were employed in the 12 months prior to the time they act on the matter.
- B.    Persons who make payments for independent expenditures or non-behested member communications must make written disclosure of their involvement with municipal decisions under the circumstances identified below.
1.    Disclosure is required if a person made one or more payments for independent expenditures or non-behested member communications in support of an elective City officer at the time the officer was campaigning for election or reelection to any office and, within 12 months of reaching the aggregate amounts in Subdivision 2, either of the following occurs:
    - a.    The person is directly involved in a municipal decision before the elective City officer. The provisions of 2 Cal. Code Regs. §§ 18704.1(a)(1)—(2) govern when a person is directly involved in a municipal decision.
    - b.    The person attempts to influence the elective City officer regarding a municipal decision, either personally or through an agent.
  2.    The following aggregate amounts trigger the disclosure. Primary elections and general elections are aggregated separately.
    - a.    \$100,000 for a Mayoral candidate.

- b. \$50,000 for a City Attorney or Controller candidate.
  - c. \$25,000 for a City Council candidate.
- 3. Disclosure must be made within 48 hours of the time the person becomes directly involved in or attempts to influence a municipal decision.
- 4. A payment is deemed to be made in support of an elective City officer if the person making the payment is required to disclose that fact pursuant to Section 49.7.26.
- 5. The disclosure must be made on a form provided by the City Ethics Commission, verified under penalty of perjury, and filed in a method and format prescribed by the City Ethics Commission. The disclosure must include the following information:
  - a. The filer's name, address, and telephone number;
  - b. The elected City official in support of whom the payments were made;
  - c. The dates and amounts of the payments;
  - d. A description of the municipal decision, including any City reference number associated with it;
  - e. The date on which the filer became directly involved in the municipal decision, if disclosure is required under Subdivision 1(a);
  - f. The dates of the attempts to influence the municipal decision, if disclosure is required under Subdivision 1(b); and
  - g. The name and address of the filer's agent, if an agent attempted to influence the municipal decision on behalf of the filer.

**SEC. 49.5.16      Disclosure By Elective City Officers in Connection with Lobbying Interests**

- A. An elective City officer must make written disclosure when all of the following occur:
  - 1. The elective City officer makes, participates in making, or attempts to influence a municipal decision;



2. A lobbying entity has lobbied the elective City officer regarding that municipal decision; and
  3. The elective City officer knows or has reason to know that, in the prior 12 months, one or more of the following occurred:
    - a. The elective City officer or one of the officer's controlled committees paid the lobbying entity to act as campaign manager, campaign consultant, campaign fundraiser, or other campaign professional.
    - b. The elective City officer or one of the officer's controlled committees paid the lobbying entity \$1,000 or more during a calendar quarter to provide legal or other professional services relating to the officer's status or activities.
    - c. The elective City officer was the beneficiary of \$1,000 or more in payments benefiting a City official, as defined in Section 48.02, that were made by the lobbying entity. This includes but is not limited to free legal or other services.
- B. Disclosure is triggered only by business relationships existing on or after January 1, 2004.
- C. Written disclosure must be filed within two business days of making, participating in making, or attempting to influence a municipal decision.
1. The disclosure must include the following:
    - (a) The name, elective City office, and signature of the elective City officer;
    - (b) The municipal decision at issue and the date the elective City officer took action on it;
    - (c) The name of the lobbying entity that lobbied the elective City officer; and
    - (d) The activities under Subsection (A)(3) giving rise to the disclosure.
  2. The original must be filed with the City Ethics Commission, and a copy must be filed with the City Clerk.
  3. The City Ethics Commission must post the disclosure on its website within one business day of receipt. The City Clerk must make the disclosure available for inspection within one business day of receipt.

- D. Elective City officers and members of their City staffs may use City time, facilities, equipment, and supplies to track information and perform other necessary activities directly related to assisting the elective City officers in complying with the disclosure requirements of this Article. Those activities constitute City business.

#### **SEC. 49.5.19          Enforcement**

##### **A.      Criminal Enforcement.**

- 3.      A person convicted of a misdemeanor under this Article may not act as a lobbying entity or as a City contractor for four years following the date of the conviction, unless the court at the time of sentencing specifically determines that this provision does not apply.

# **Governmental Ethics Ordinance**

LAMC §§ 49.5.1 et seq. (selected provisions only)

## **SEC. 49.5.2 Definitions**

**"Administrative action"** means the proposal, drafting, development, consideration, amendment, enactment or defeat by any City agency of any matter, including any rule, regulation or other action in any regulatory proceeding or any proceeding involving a contract, license, permit, franchise, or entitlement for use, whether quasi-legislative or quasi-judicial. Administrative action does not include any action which is solely ministerial.

**"Attempting to influence"** means promoting, supporting, opposing or seeking to promote, support, oppose, or seek to modify or delay any action on a municipal legislation (as defined in Section 48.02 of this Code) decision by any means, including but not limited to providing or using persuasion, information, statistics, analyses, or studies.

**"Compensation"** means the receipt of any monetary or non-monetary payment and anything of value that is paid, promised, or owed in exchange for services. The term includes, but is not limited to, salary, wages, fees, partnership or other similar financial interest, and any other payment or reimbursement for the a person's services or time of the person.

**"Direct Communication"** means appearing as a witness before, talking to (either by telephone or in person), corresponding with (including sending electronic mail to), or answering questions or inquiries from, any City official or employee, either personally or through an agent.

**"Legislative action"** means the drafting, introduction, consideration, modification, enactment, or defeat of any ordinance, charter amendment, resolution, amendment, report, nomination or other matter by the City Council or by any committee, subcommittee thereof, or by a member or employee of the City Council acting in his or her official capacity. **"Legislative action"** also means the action of the Mayor in approving or vetoing any ordinance or resolution.

**"Lobbying Firm"** means any business entity, including an individual contract lobbyist, which meets either of the following criteria:

- (a) — the business entity received or becomes entitled to receive any compensation, other than reimbursement for reasonable travel expenses, for the purpose of influencing legislative or administrative action on behalf of any other person; and any partner, owner, officer, or employee of the business entity is a lobbyist; or

- (b) ~~the business entity receives or becomes entitled to receive any compensation, other than reimbursement for reasonable travel expenses, to communicate directly with any elective city officer, agency official, or legislative official for the purpose of influencing legislative or administrative action on behalf of any other person.~~

**"Lobbyist"** means any individual who is required to register as a lobbyist or municipal legislative advocate pursuant to any City ordinance requiring such registration.

**"Lobbyist Employer"** means any person, other than a lobbying firm, who:

- (a) ~~Employs one or more lobbyists for economic consideration, other than reimbursement for reasonable travel expenses, for the purpose of influencing legislative or administrative action, or~~
- (b) ~~Contracts for the services of a lobbying firm for economic consideration, other than reimbursement for reasonable travel expense, for the purpose of influencing legislative or administrative action.~~

**"Lobbying entity"** means a lobbyist, a lobbying firm, or a lobbying organization, as those terms are defined in Section 48.02, or a person who has registered as a lobbyist, a lobbying firm, or a lobbying organization under Section 48.08(B).

**"Ministerial"** means not requiring the exercise of discretion concerning the outcome or a course of action.

**"Municipal decision"** means a determination regarding a legislative or administrative matter that is suggested to, discussed with, or pending before a City official or agency, including a charter amendment, ordinance, resolution, rule, regulation, policy, nomination, contract, expenditure, regulatory proceeding, quasi-judicial proceeding, enforcement action, personnel action, license, permit, entitlement for use, project report, or other matter acted upon by a City official or agency. For purposes of this Article, the term does not include the following:

1. A ministerial act;
2. A request for advice or the interpretation of a law, regulation, or policy;
3. An action relating to the establishment, amendment, administration, implementation, or interpretation of a collective bargaining agreement or memorandum of understanding between an agency and a recognized City employee organization, as long as a direct communication regarding the matter does not occur with the Mayor, a member of the City Council, or a City official in either the Mayor's office or a City Council office;

4. A management decision regarding the working conditions of represented employees that relates to a collective bargaining agreement or memorandum of understanding between an agency and a recognized City employee organization, as long as a direct communication regarding the matter does not occur with the Mayor, a member of the City Council, or a City official in either the Mayor's office or a City Council office;
5. A proceeding before the Civil Service Commission or the Employee Relations Board, as long as a direct communication regarding the matter does not occur with the Mayor, a member of the City Council, or a City official in either the Mayor's office or a City Council office; or
6. The preparation or compilation of a radius map, vicinity map, plot plan, site plan, list of property owners or tenants or abutting property owners, photograph of property, proof of ownership, copy of lease, or neighbor signatures that must be submitted to the City's planning department.

**"Restricted source"** means the following with regard to each of the following classes of City officials.

- (1) With regard to "high level filers" and "high level officials," "restricted source" means:
  - (a) a lobbyist, lobbying firm, ~~or lobbyist employer entity~~;
- (2) With regard to filers other than "high level filers" and ~~with regard to officials other than "high level officials,"~~ "restricted source" means:
  - (a) a lobbyist, lobbying firm, ~~or lobbyist employer entity~~ seeking to influence a municipal decisions of in the filer's agency;
- (3) With regard to all filers and all City officials, a "restricted source" does not include an individual (other than a lobbyist, as that term is defined in Section 48.02) who is employed by a restricted source, provided that the gift or income is neither paid for by the employer nor provided at the direction of the employer.

## **SEC. 49.5.9            Restrictions on Honoraria and Outside Earned Income**

### **B.    Restrictions on Honoraria and Other Outside Earned Income — Other Full Time City Officials and Employees.**

2. The approval required by Subdivision 1 ~~of this subsection shall~~ must be denied if the general manager, other Chief administrative officer, or City Ethics Commission determines that the receipt of the income would be inconsistent, incompatible, or in conflict with or inimical to the City official's

official duties, ~~or functions or responsibilities~~. In so determining, the general manager, other Chief administrative officer, and City Ethics Commission ~~shall~~must consider whether one or more of the following factors ~~is applicable~~applies:

- (c) Whether the City official is in a position to make, to participate in making, or to influence a ~~potential governmental~~municipal decision that could foreseeably have a material financial effect on the source of income;

#### **SEC. 49.5.10          Restrictions on Gifts and Travel Expenses**

##### **A.          Restrictions on Gifts.**

- 3. ~~Except in the case of a lobbyist or lobbying firm, no~~A person who is a restricted source ~~shall~~may not offer or make, and ~~no~~A City official ~~shall~~may not accept from a restricted source, ~~any~~a gift from a restricted source ~~which that~~ would cause the cumulative amount of gifts from ~~such that~~ source to the City official to exceed \$100 during any calendar year. This subdivision does not apply to lobbying entities.
- 4. ~~No lobbyist or~~A lobbying firm ~~shall~~entity may not make, ~~a gift to a City official and no~~A City official ~~shall~~may not accept ~~a gift from a lobbying entity, any gift from a lobbyist or if the~~ lobbying firm ~~which~~entity is a restricted source as to that official.
- 5. ~~No lobbyist or~~A lobbying firm ~~shall~~entity may not act as an agent or intermediary in the making of ~~any~~a gifts or arrange for the making of ~~any~~a gift by another person to ~~any~~a City official.

##### **B.          Restrictions on Travel Advances and Reimbursements.**

- 3. ~~No lobbyist or~~A lobbying firm ~~shall~~entity may not act as an agent or intermediary in the making of, or arrange for the making of, ~~any an~~ advance or reimbursement for travel expenses (including related lodging and reasonable subsistence expenses) by another person, to ~~any~~a City official.

#### **SEC. 49.5.11          Lobbying Activities of Current and Former City Officials**

- A. ~~No~~A former City official or ~~agency~~ employee of ~~any agency (as defined in Section 49.5.2)~~ who personally and substantially participated in a municipal decision, proceeding, claim, contract, legislation or other specific matter during his or her City service, ~~shall~~may not, for compensation, attempt to influence ~~any action on that specific matter~~municipal decision on behalf of ~~any~~a person other than an

agency. This prohibition applies only if the specific matter municipal decision is still pending before an agency or if an agency is a party to or has a direct or substantial interest in the specific matter. For purposes of this provision, "personal and substantial" participation includes, but is not limited to, making or voting on a decision or making a recommendation, rendering advice, investigation or conducting research.

- B. ~~No~~A former City official or agency employee ~~shall~~may not, for compensation, knowingly counsel, or assist ~~any other~~a person other than an agency (as defined in Section 49.5.2) in connection with an appearance or communication in which the former official or employee is prohibited from engaging pursuant to Subsection A.
- D. For two years after leaving City service, ~~no~~a former elected~~elective~~ City officer who left City service on or after January 1, 2007 ~~shall, may not~~, for compensation, ~~engage in direct communication with any agency for the purpose of attempting to influence any action or decision on any matter pending before an agency~~attempt to influence a municipal decision on behalf of any person other than an agency. For one year after leaving City service, ~~no other~~a former elected~~high level official other than an elective~~ City officer who left City service on or after January 1, 2007, member of the City Ethics Commission or other former high-level official shallmay not, for compensation, ~~engage in direct communication with any agency for the purpose of attempting to influence any action or decision on any matter pending before an agency~~attempt to influence a municipal decision on behalf of any person other than an agency.
- E. For one year after leaving City service, ~~no~~a former City official ~~shall for a~~may not, for compensation, ~~engage in direct communication with any~~attempt to influence a municipal decision in an agency in which he or shethe former official served during the twelve months period preceding his or her departure fromprior to leaving City service, for the purpose of attempting to influence any action or decision on any matter pending before that agency on behalf of any person other than an agency. For purposes of this subsection, the agency of a City Council office employee means ~~his or her former~~the Council office in which the employee served and the Council member of that district.
- F. ~~For purposes of this section, a decision does not include any ministerial action. A ministerial action is one that does not require a City official or employee to exercise discretion concerning any outcome or course of action.~~
- ~~GE.~~ Upon the petition of ~~any~~an interested person ~~or party~~, a court or the presiding or other officer, including but not limited to ~~any~~a hearing officer, in ~~any~~a judicial, quasi-judicial or other proceeding, may, after notice and an opportunity for a hearing, exclude ~~any~~a person found to be in violation of this section from further participation, or from assisting or counseling ~~any other~~another participant, in the proceeding ~~then pending before such court or presiding or other officer.~~

- ~~HG.~~ ~~No provision contained in this~~ This section shall ~~does not~~ prevent ~~any~~ a former City official ~~or agency employee~~ from representing himself or herself, or ~~any~~ a member of his or her immediate family, ~~in their individual capacities,~~ in connection with any matter pending before an agency.
- ~~IH.~~ This section ~~shall~~ does not apply to the activities of ~~any~~ a former City official or agency employee who is an elected or appointed officer or employee of ~~any city, county, district, multi-jurisdictional, state or federal~~ another government agency ~~entity,~~ when ~~that~~ the former City official or employee is solely representing that ~~agency~~ entity in his or her an official capacity ~~as an officer or employee of the agency.~~
- ~~JL.~~ ~~No member~~ Members of a board or commission of the City shall, for compensation, ~~communicate directly, either personally or through his or her agent(s) at the member's behest, with any City official for the purpose of attempting to influence action on municipal legislation on behalf of any other person~~ City boards and commissions may not, for compensation, attempt to influence a municipal decision on behalf of another person. For the purposes of the subsection, "municipal legislation" shall have the meaning set forth in Section 48.02 of this Code. This subsection is ~~applicable~~ applies only to City board and commission members of those boards and commission[s] of the City who are required to file statements of economic interests pursuant to the Political Reform Act of 1974, as amended. ~~Nothing in this~~ This subsection shall ~~does not~~ prohibit a member of a City board or commission from appearing before ~~any~~ a City agency in the same manner as any other member of the general public solely to represent himself or herself on a matter related to his or her personal interests.

#### **SEC. 49.5.12      Future Employment of City Officials**

- D. ~~No~~ A City official shall ~~may not~~ make, participate in making, or use his or her official position ~~attempt~~ to influence a municipal decision involving the interests of a person with whom he or she ~~the official~~ has an agreement concerning future employment.

#### **SEC. 49.5.13      Participation of Elective City officers and Agency Employees in Governmental Decisions**

- A. In addition to the requirements of Government Code Sections 87100, *et seq.*, ~~no officer or employee of the City shall~~ City officials may not knowingly make, participate in making, or attempt to use his or her official position to influence any ~~governmental~~ a municipal decision directly relating to ~~any~~ a contract where the City official knows or has ~~when they know or have reason to know that~~ any party to the contract is a person by whom ~~the City official was~~ they were employed



~~immediately prior to entering government service within~~ the 12 months prior to the time the official acts they act on the matter.

- B. ~~Any person that meets either of the criteria set forth in Subdivisions 1 and 2 below and that makes one or more payments in the aggregate amounts set forth in Subsection C for independent expenditures or non-behested member communications to support the candidacy of an individual who is thereafter elected or reelected to an elective City office shall file a report with the City Ethics Commission, disclosing the information set forth after each of the criteria~~ Persons who make payments for independent expenditures or non-behested member communications must make written disclosure of their involvement with municipal decisions under the circumstances identified below.

1. Disclosure is required if a person made one or more payments for independent expenditures or non-behested member communications in support of an elective City officer at the time the officer was campaigning for election or reelection to any office and, within 12 months of reaching the aggregate amounts in Subdivision 2, either of the following occurs:

4a. The person is directly involved in a municipal decision before an~~the elected~~elective City officer, and within 12 months prior to the decision, the person made one or more independent expenditures or one or more payments for member communications in support of that officer at the time the officer was campaigning for election or reelection to any office. The provisions of 2 Cal. Code Regs. §§ 18704.1(a)(1)—(2) govern when a person is directly involved in a municipal decision.

~~(a) The person shall disclose the filer's name, address and telephone number; the elected City official in support of whom the payment was made; the date(s) and amount(s) of the payment(s); the identity of the matter on which the decision is made; and the date on which the person became directly involved in the decision.~~

~~(b). The provisions of 2 Cal. Code Regs. § 18704.1 (a)(1) and (2) shall govern when a person is "directly involved" in a decision before an elected City official within the meaning of this section~~ person attempts to influence the elective City officer regarding a municipal decision, either personally or through an agent.

~~(c) Disclosure shall be made within 48 hours after the person making the expenditure (i) becomes directly involved in a decision that will or may come before the elected City officer in whose support the payment was made and (ii) makes the expenditure.~~

~~2. The person, or any other person acting on behalf of the person, attempts to influence an elected City officer with respect to any matter of municipal legislation as defined by Section 48.02 of this Code, and within 12 months prior to the decision, the person made one or more independent expenditures or one or more payments for member communications in support of that officer at the time the officer was campaigning for election or reelection to any office.~~

~~(a) The person shall disclose the filer's name, address and telephone number; the elected City official in support of whom the payment(s) was (were) made; the date(s) and amount(s) of the payment(s); the identity of the municipal legislation; whether the person attempted to influence the officer directly or through another person, and, if the latter, the name and address of the other person; and the date(s) of the attempt(s) to influence.~~

~~(b) Disclosure shall be made within 48 hours after each attempt to influence.~~

~~G2. The following are the aggregate amounts triggering trigger the disclosure required by Subsection B: Primary elections and general elections are aggregated separately.~~

~~1a. \$100,000 or more in the case of for a Mayoral candidate in a primary or general election;~~

~~2b. \$50,000 or more in the case of for a City Attorney or Controller candidate in a primary or general election; and~~

~~3c. \$25,000 or more in the case of for a City Council candidate in a primary or general election.~~

~~3. Disclosure must be made within 48 hours of the time the person becomes directly involved in or attempts to influence a municipal decision.~~

~~D4. For purposes of this section, a payment is deemed to be made for an expenditure supporting in support of an elected elective City officer if the person making the payment is required to disclose that fact pursuant to Section 49.7.26 of this Code.~~

~~E5. The disclosures required by this section shall disclosure must be made on a form provided by the City Ethics Commission, shall be verified under penalty of perjury, and shall be filed by fax, certified mail, or hand delivery to in a method and format prescribed by the City Ethics Commission. The disclosure must include the following information:~~

- a. The filer's name, address, and telephone number;
- b. The elected City official in support of whom the payments were made;
- c. The dates and amounts of the payments;
- d. A description of the municipal decision, including any City reference number associated with it;
- e. The date on which the filer became directly involved in the municipal decision, if disclosure is required under Subdivision 1(a);
- f. The dates of the attempts to influence the municipal decision, if disclosure is required under Subdivision 1(b); and
- g. The name and address of the filer's agent, if an agent attempted to influence the municipal decision on behalf of the filer.

**SEC. 49.5.16      Disclosure By Elective City Officers in Connection with Lobbying Interests and ~~City Contractors~~**

A. **~~Lobbying Entities.~~** ~~An elective City officer shall make~~ amust make written disclosure ~~in the event that the elective officer makes, participates in making, or in any way attempts to use his or her official position to influence any City decision on any matter in connection with which a lobbying entity has attempted to influence that officer (for other than on the lobbyist's own personal behalf) if the elective City officer knows or has reason to know that the lobbying entity did any~~ when all of the following occur:

- 1. ~~Within the prior 12 months made one or more contributions aggregating more than \$7,000 to the elective City officer and/or any and all of his or her controlled committees. The elective City officer makes, participates in making, or attempts to influence a municipal decision;~~
- 2. ~~Within the prior 12 months~~ A lobbying entity has lobbied the elective City office regarding that municipal decision; and
  - (i) ~~delivered or acted as an intermediary for one or more contributions to the elective City officer and/or any or all of his or her controlled committees, or~~
  - (ii) ~~engaged in fundraising activities on behalf of the elective City officer and/or any or all of his or her controlled committees, if~~

(iii) ~~the lobbying entity knows or has reason to know that any or all of the lobbying entity's activities resulted in the receipt of contributions aggregating more than \$15,000 in the case of a member of the City Council, or more than \$35,000 in the case of the Mayor, City Attorney, or Controller.~~

3. ~~Currently has or within~~ The elective City officer knows or has reason to know that, in the prior 12 months had a "business relationship" with the elective City officer. For purposes of this section, a "business relationship" between an elective City officer and a lobbying entity exists when any, one or more of the following occurred:

(a). ~~An~~ The elective City officer and/or any or all of his or her or one of the officer's controlled committees paid the lobbyist or lobbying firm ~~entity to act as a campaign manager, campaign consultant, campaign fundraiser, or other campaign professional for the officer, and/or any or all of his or her controlled committees.~~

(b). ~~An~~ The elective City officer, and/or any or all of his or her or one of the officer's controlled committees, paid the lobbyist or lobbying firm ~~entity \$1,000 or more during a calendar quarter to provide legal or other professional services relating to the officer's status or activities as an elective officer and valued in the aggregate at more than \$1,000 during any calendar quarter.~~

(c). ~~An~~ The elective City officer was the beneficiary of one or more "activity expenses" within the meaning of \$1,000 or more in payments benefiting a City official, as defined in Section 48.02 of this Code by the lobbyist, lobbying firm or lobbyist employer aggregating more than \$1,000, including, that were made by the lobbying entity. This includes but is not limited to, free legal or other services.

B. ~~Contract Bidders and/or Proposers. An elective City officer shall make a written disclosure in the event that the elective officer makes, participates in making, or in any way attempts to use his or her official position to influence a decision of any City agency concerning a City contract if the elective City officer knows or has reason to know that the contract bidder or proposer on that contract did any of the following:~~

1. ~~Within the prior 12 months made one or more contributions to the elective City officer and/or any or all of his or her controlled committees aggregating more than \$7,000;~~

2. ~~Within the prior 12 months~~

- (i) ~~delivered or acted as an intermediary for one or more contributions to the elective City officer and/or any or all of his or her controlled committees; or~~
- (ii) ~~engaged in fundraising activities on behalf of the elective City officer and/or any of his or her controlled committees if~~
- (iii) ~~the bidder or proposer knows or has reason to know the activities resulted in the receipt of contributions aggregating more than \$15,000 in the case of a member of the Council, or more than \$35,000 in the case of the Mayor, City Attorney, or Controller.~~

For purposes of this section, a "contract bidder or proposer" includes a bidder's or proposer's president and chief executive officer; any individual owning more than a 50 percent interest in a bidder or proposer; and any officer, director, owner or employee of a bidder or proposer or other person who is authorized in the bid or proposal document to represent the bidder or proposer before the City of Los Angeles.

The provisions of this section shall not apply to any contract governed by Charter Section 609(e).

C. ~~For purposes of this section, a "controlled committee" does not include any committee controlled by an elective City officer that is~~

- (a) ~~formed to support or oppose a ballot measure or~~
- (b) ~~formed to support the election of that officer to other than elective City office.~~

DB. ~~The disclosure provisions of this section are~~ Disclosure is triggered only by contributions made, received or transmitted, or fundraising activities engaged in, or business relationships engaged in existing on or after January 1, 2004.

EC. **Form of Disclosure.** ~~When the Mayor, City Attorney, Controller, or a member of the City Council is required by this section to provide written disclosure, the elective City officer shall file a written~~ Written disclosure must be filed within two business days of making, participating in making, or in any way attempting to use his or her official position attempts to influence a City municipal decision.

1. The form shall disclosure must include the following:

- (a) The name, elective City office, and signature of the elective City officer;

- (b) The municipal decision at issue and the date the elective City officer took action on the matterit;
  - (c) The name of anythe lobbying entity, contract bidder or proposer whose contributions, fundraising activity, or business relationship is the cause of the disclosurethat lobbied the elective City officer; and
  - (d) ~~The matter(s) on which the officer is disclosing;~~
  - (e) ~~If applicable, the amount of contributions the lobbying entity, contract bidder or proposer fundraised, made, delivered, or for which it acted as intermediary; and~~
  - (fd) ~~If applicable, the nature of the business relationship~~The activities under Subsection (A)(3) giving rise to the elective officer's disclosure.
- 2. The original form ~~shall~~must be filed with the City Ethics Commission. ~~A, and a copy of the form shall~~must be filed with the City Clerk.
  - 3. The City Ethics Commission ~~shall~~must post the information in the ~~Notification~~disclosure on its website within one business day of its receipt of the notice. The City Clerk ~~shall~~must make the notice ~~disclosure available for inspection within one business day of its receipt.~~

F. **~~Compliance Activities.~~** Elective City officers and members of their City staffs ~~are allowed to~~may use City time, facilities, equipment, and supplies to track the information necessary and to perform other necessary activities directly related to assisting the elective City officers in complying with the disclosure requirements of this articleArticle. Those activities shall constitute City business.

## SEC. 49.5.19 Enforcement

### A. Criminal Enforcement.

- 3. ~~No~~A person convicted of a misdemeanor under this article ~~shall~~Article may not act as a lobbyistlobbying entity or as a City contractor for a ~~period of~~ four years following the date of the conviction, unless the court at the time of sentencing specifically determines that this provision ~~shall not be applicable~~does not apply.