

AD HOC COMMITTEE ON CITY GOVERNANCE REFORM REPORT relative to the City's lobbying law and updates to the Municipal Lobbying Ordinance.

Recommendations for Council action:

1. ADOPT the recommendations in the Report from the City Ethics Commission dated May 5, 2022, and request that the City Attorney prepare and present an Ordinance codifying changes to the Municipal Lobbying Ordinance (MLO), with the following changes:

- a. Amend proposed Los Angeles Municipal Code (LAMC) Section (§) 48.01(E) to clarify that a "proposed or pending matter of municipal legislation" includes matters without a Council file or official report that are newly raised by lobbying entities or their clients.
- b. Amend proposed LAMC § 48.03(C) as follows:

~~"C." A person performing pursuant to an agency contract~~ a contract with a City agency unless seeking a change in law, regulation, or policy. For purposes of this section, a written response to a written request from an agency, pursuant to an agency contract, directed individually to a contracted party for information, input, or feedback shall not constitute a communication involving a potential change in law, regulation, or policy.

- c. Amend proposed LAMC § 48.03(E) as follows:

~~"E." An organization that is exempt from federal taxation pursuant to Section 501(c)3 of the Internal Revenue Code~~ whose most recent federal tax filing included an IRS Form 990-N or an IRS Form 990-EZ, or an organization whose next federal tax filing is reasonably likely to include an IRS Form 990-N or an IRS Form 990-EZ. ~~when either of the following applies:~~

~~"1." The organization was created primarily to provide food, clothing, shelter, child care, health care, legal services, vocational services, relief, or other similar assistance to disadvantaged people at a significantly below-market rate.~~

~~"2." A 501(c)(3) organization is exempt from regulation under the MLO if it had gross receipts of less than \$2 million in the previous tax year.~~

- d. Amend the Governmental Ethics Ordinance §49.5.2 as follows:

~~"J." "Restricted source" means the following:~~

“1.” For elected City officers, a restricted source is the following:

“a.” A person who registers or is required to register as a lobbying entity under Section 48.07 ~~or is a client, as defined in Section 48.02.~~

“2.” For all other City officials, a restricted source is the following:

“a.” A person who seeks to influence decisions of the City official’s agency and registers or is required to register as a lobbying entity under Section 48.07 ~~or is a client, as defined in Section 48.02;~~

- e. Amend LAMC § 48.05 to require lobbying records to be maintained for at least five years.
 - f. Amend LAMC § 48.11 to require lobbyists to disclose that they are lobbyists and the name of their client whenever they *give public comment or make a presentation on behalf of a client in any meeting subject to the Brown Act* or communicate in writing on behalf of a client with City personnel.
 - g. Amend LAMC § 48.12 and the Administrative Code throughout to change the City Ethics Commission's criminal, civil, and administrative statute of limitations from four to five years.
 - h. Add a new requirement that prohibits lobbying entities from delivering or bundling campaign contributions for City candidates and officeholders, modeled after San Francisco’s 2016 law.
2. REQUEST the City Ethics Commission, with assistance of the City Attorney, to report on a broader set of disclosure requirements for any individual or organization, whether or not a registered lobbyist, when that individual or organization is being compensated for making a presentation or offering public comment at any meeting subject to the Brown Act.
3. REQUEST the City Attorney, with the assistance of the City Ethics Commission, to make any technical changes or adjustments to the above instructions to effectuate the intent of these instructions.

Fiscal Impact Statement: None submitted by the City Ethics Commission. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: Yes

For:

- Sun Valley Area Neighborhood Council
- Winnetka Neighborhood Council
- West Adams Neighborhood Council
- Silver Lake Neighborhood Council
- NC Valley Village
- Bel Air-Beverly Crest Neighborhood Council
- Central San Pedro Neighborhood Council
- Greater Toluca Lake Neighborhood Council
- Voices of 90037
- Sunland-Tujunga Neighborhood Council
- West Los Angeles Neighborhood Council
- Historic Highland Park Neighborhood Council
- Lake Balboa Neighborhood Council
- North Hills West Neighborhood Council
- United Neighborhoods Neighborhood Council
- North Westwood Neighborhood Council
- Eagle Rock Neighborhood Council
- Hermon
- Sherman Oaks NC
- Palms Neighborhood Council
- Studio City Neighborhood Council
- Westside Neighborhood Council
- Rampart Village
- Woodland Hills-Warner Center
- Hollywood United Neighborhood Council
- Encino Neighborhood Council
- Northridge East Neighborhood Council
- Granada Hills North Neighborhood Council

For, if Amended:

- Greater Wilshire Neighborhood Council
- Palms Neighborhood Council
- Greater Toluca Lake Neighborhood Council
- Mid City WEST Neighborhood Council
- Harbor Gateway North Neighborhood Council
- PICO Neighborhood Council
- Glassell Park Neighborhood Council
- Central Hollywood Neighborhood Council
- Westside Neighborhood Council
- Tarzana Neighborhood Council
- Echo Park Neighborhood Council

South Robertson Neighborhood Council
Harbor City
NoHo Neighborhood Council
Mid-City Neighborhood Council
Reseda Neighborhood Council
Van Nuys Neighborhood Council

(Rules, Elections, and Intergovernmental Relations Committee waived consideration of the above matter)

SUMMARY

At the special meeting held on February 6, 2023, your Ad Hoc Committee on City Governance Reform considered a Motion (Raman – Bonin) relative to the City’s lobbying law, and a City Ethics Commission Report dated May 5, 2022 relative to updates to the Municipal Lobbying Ordinance.

After an opportunity for public comment was held, the Committee recommended that Council approve the recommendations as amended, as stated above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

AD HOC COMMITTEE ON CITY GOVERNANCE REFORM

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
RAMAN:	YES
BLUMENFIELD:	YES
HARRIS-DAWSON:	YES
HUTT:	ABSENT
HERNANDEZ:	YES
PARK:	YES

MM 22-0560_rpt_CGR_2-6-23

-NOT OFFICIAL UNTIL COUNCIL ACTS-