

SAN FRANCISCO
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DEPARTMENT OF ELECTIONS

LEGISLATIVE DIGEST

[Initiative Ordinance - Campaign and Governmental Conduct Code - Expenditure Lobbyists]

Ordinance amending the Campaign and Governmental Conduct Code to require expenditure lobbyists to register with the Ethics Commission and file monthly disclosures regarding their activities.

Existing Law

San Francisco does not currently regulate expenditure lobbying, i.e., making payments to urge others to directly lobby City officers.

Amendments to Current Law

The Ethics Commission (the "Commission") seeks to regulate the activities of expenditure lobbyists. In this proposal, an expenditure lobbyist is defined as:

any person, other than any government entity, or officer or employee of a government entity acting in an official capacity, who, directly or indirectly, makes payments totaling \$2,500 or more in a calendar month to solicit, request, or urge other persons to communicate directly with an officer of the City and County in order to influence local legislative or administrative action.

Section 2.105. For the purpose of determining whether a person has met the \$2,500 threshold, the following types of payments would not be considered:

- payments made to a registered contact lobbyist or the registered contact lobbyist's employer for lobbyist services;
- payments made to an organization for membership dues;
- payments made by an organization to distribute communications to its members;
- payments made by a news media organization to develop and distribute its publications; and
- payments made by a client to a representative to appear before an adjudicatory proceeding before a City agency or department.

Id. Otherwise, the proposal does not incorporate the exceptions that currently exist for contact lobbying. See Section 2.106. Thus, for example, there are no exceptions for the following:

- labor unions representing City employees;

- prospective City contractors bidding on a City contract, or negotiating a contract with a City agency; and
- non-profit organizations.

In general, a person who qualifies as an expenditure lobbyist is subject to the same regulatory scheme as an individual lobbyist who directly lobbies a City officer (referred to as a “contact lobbyist”). Specifically, an expenditure lobbyist would be required to register with the Ethics Commission, pay a \$500 registration fee, and file monthly disclosures regarding their lobbying activities. Section 2.110.

The measure also provides that it can be later amended by the Commission and the Board of Supervisors. Consistent with similar provisions found in the Campaign Finance Reform Ordinance and the Government Ethics Ordinance, an amendment may be made if:

- the amendment furthers the purposes of this Chapter;
- the Ethics Commission approves the proposed amendment in advance by at least a four-fifths vote of all its members;
- the proposed amendment is available for public review at least 30 days before the amendment is considered by the Board of Supervisors or any committee of the Board of Supervisors; and
- the Board of Supervisors approves the proposed amendment by at least a two-thirds vote of all its members.

Lastly, the measure would appropriate \$560,000 to the Commission for its administration and enforcement of this proposal in Fiscal Year 2015-16. Of this amount, the Commission plans to use approximately \$500,000 to expand its electronic filing system to accommodate expenditure lobbyist registration and reporting, and \$60,000 for staff time to establish and start up this new program. It also requests that the City continue to fund this program with an ongoing, annual appropriation of \$15,000.

Background Information

The Ethics Commission may place ordinances “relating to conflicts of interest, campaign finance, lobbying, campaign consultants or governmental ethics” on the ballot by a four-fifths vote. S.F. Charter § 15.102.

Other jurisdictions that have similarly regulated expenditure lobbying, or similar activities, include Los Angeles, Sacramento, San Diego, San Jose, and the State of California. See Los Angeles Mun. Code § 48.02 (defining “major filer”); Sacramento Mun. Code § 2.15.050; San Diego Mun. Code section 27.4002; San Jose Mun. Code § 12.12.180; and Cal. Gov. Code §§ 86115-18 (provisions addressing “\$5,000 filers”).

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