



The City of San Diego

Staff Report

DATE ISSUED: April 17, 2019

TO: Council President Georgette Gómez and
Members of the Rules Committee

FROM: Ethics Commission

SUBJECT: Proposed Amendments to Rules Governing Lobbyist Disclosure of Activity Expenses

Primary Contact: Stacey Fulhorst Phone: (619) 533-3477

Secondary Contact: Stephen Ross Phone: (619) 533-3494

Council District(s): All

OVERVIEW:

Amend lobbying laws to modify activity expense disclosure requirements.

PROPOSED ACTIONS:

Adopt ordinance amending the Municipal Lobbying Ordinance to: (1) limit the disclosure of activity expenses to situations in which there is a connection between an entity's lobbying efforts and the City Official benefitting from the payment; and (2) change the disclosure of employment-related activity expenses from specific dollar amounts to dollar ranges.

DISCUSSION OF ITEM:

The City's Municipal Lobbying Ordinance requires the disclosure of "activity expenses" which are defined as: "any payment made to, or on behalf of, any City Official or any member of a City Official's immediate family, by a lobbyist, lobbying firm, or organization lobbyist. Activity expenses include gifts, meals, consulting fees, salaries, and any other form of compensation to a City Official or a City Official's immediate family, but do not include contributions."

Although the Ethics Commission was not established when this disclosure requirement was adopted in 1998, its purpose is relatively self-evident: to alert the public when lobbying entities provide financial benefits to City Officials given that such payments could create the appearance that such officials were unduly influenced in their decision-making process. However, the law does not currently include any connection between the subject matter of an entity's lobbying efforts and the City Official benefitting from an activity expense, which could result in unintended consequences. For example, a large organization that registers as a lobbying entity because it plans to influence decisions concerning short term rental regulations would have to disclose the salary it pays to one of its employees who has volunteered to serve on the Commission for Arts and Culture (and thereby become a "City Official").

Accordingly, the proposed amendments would modify the definition of “activity expense” to only encompass payments made to a City Official or a member of his or her immediate family by lobbying entities that have lobbied the official’s department, agency, or board within the past 12 months, or that may reasonably be expected to do so within the next 12 months.

The proposed amendments would change the disclosure of employment-related activity expenses from specific dollar amounts to dollar ranges (similar to those included in the Form 700 Statement of Economic Interests) in order to: (1) make it simpler for the filer because it is easier to calculate a range than an exact amount of compensation (which includes all types of employment benefits); and (2) afford some measure of privacy for the individuals receiving the compensation.

City Strategic Plan Goal(s)/Objective(s): None

Fiscal Considerations: City Clerk will have to pay software vendor approximately \$10,000 to update electronic filing program

Environmental Impact: None

Equal Opportunity Contracting Information (if applicable): N/A

Previous Council and/or Committee Actions:

This item will be heard at Rules Committee before City Council.

Key Stakeholders and Community Outreach Efforts: Lobbying entities and their employees. The Ethics Commission considered the proposed amendments at its regularly scheduled meetings on March 8, 2019, and April 11, 2019.

Stacey Fulhorst _____

Department Director

n/a _____

Deputy Chief Operating Officer