



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** RICHARD DOYLE  
City Attorney

**SUBJECT:** Lobbyist Ordinance

**DATE:** March 3, 2006

## Background

On February 8, 2006, in response to Councilmember Yeager's memorandum and request to amend the Lobbying Ordinance, the Rules Committee requested information from the City Attorney including a summary of the disclosure provisions of the Ordinance and information concerning the lobbyist fundraising requirements. Councilmember Yeager recommended to the Committee that in accordance with the intent of the Blue Ribbon Task Force, the Ordinance be amended to include information such as contribution amounts and sources of contributions with regard to lobbyist fundraising at the behest of a City official.

On February 15, 2006, the Rules Committee forwarded Councilmember Yeager's memorandum to the City Council. The Committee also requested information from the City Attorney about lobbyist fundraising disclosure requirements in other cities.

A draft ordinance requiring additional disclosure information from lobbyists with regards to contributions and fundraising activity is attached for your review and discussion at the City Council meeting.

## Discussion

### A. Current City Lobbyist Disclosure Requirements

Lobbyists are required to provide the following information in their initial registration and quarterly reports (SJMC 12.12.420):

1. Campaign and officeholder contributions to an elected City official or candidate.
2. Campaign and officeholder contributions made at the behest of an elected City officer or candidate to any other elected public official or candidate for public office.

3. All independent expenditures made for or on behalf of a City official or candidate for City office.
4. Fundraising activity for any City official, candidate for elective City office or any controlled committee of the elected City official or candidate for City office or for any political action committee, political party or candidate for elective office of a governmental organization made at the behest of a City official.
5. Donations to for profit or nonprofit organizations made at the behest of a City official or candidate for elective City office of an contribution or payment of more than \$1,000 in the aggregate.
6. Payments received for services as a consultant or in any other capacity for services rendered to any City department or Redevelopment Agency, City official or City official-elect, their controlled committees or officeholder committees.
7. Lobbying contacts made with City officials or City officials-elect. Contact information must include a brief description of the item(s) of legislative or administrative action the lobbyist is seeking to influence and the number of contacts in the following ranges: (1), (2-5), (5-10), or (11 or more).
8. Activity expenses such as payments that directly benefits any City official, City official-elect or member of his or her immediate family or domestic partner.

Registered lobbyists are now required to disclose fundraising activity which has been behested by a City official (No. 4 above). Disclosure of fundraising activity applies to activity for an elective City official, candidate for City office, any political action committee, political party or candidate for elective office of a government organization. The Ordinance does not currently require disclosure of both contribution amounts and sources of contributions where lobbyists engage in reportable fundraising activity. Lobbyists are currently required to name the City official who requested the fundraising activity, the date(s) and description of the activity.

Further, registered lobbyists are currently required to disclose campaign and officeholder contributions which the lobbyist makes to an elected City official or candidate (No. 1 above). The Ordinance does not require lobbyists to report contributions which they receive from third parties and which they may then deliver to a City official or candidate. Additionally, lobbyists are not required to report contributions made to City officials where the lobbyist may act as an intermediary where a third party contributes to a City official or candidate.

**B. Amendments to the Lobbying Ordinance – Options**

The City Council may consider amending the Lobbying Ordinance to require registered lobbyists to:

1. Disclose the name of the City official or candidate behesting the fundraising activity, the name of the contributor, amount of the contribution, date of the fundraising activity; and/or
2. Disclose the contributions which are received from third parties and delivered to City officials and candidates, including the date of the contribution, the amount of contributions raised, delivered or in connection for which the lobbyist acted as an agent or intermediary for contributions to a City official or candidate.

**C. Other Jurisdictions – Fundraising and Contribution Disclosure**

**Los Angeles**

Los Angeles amended its lobbying ordinance in early 2004 to require disclosure of fundraising activity. Los Angeles defines “fundraising activity” to include soliciting a contribution, hosting or sponsoring a fundraising event or hiring a fundraiser or contractor to conduct any event designed primarily for political fundraising. Quarterly reports must disclose the name of any elective city officer, candidate for city office or any controlled committee of the officer or candidate, the date(s) of the activity and the amount of funds that was raised as a result of the activity.

Further, the Los Angeles ordinance requires that lobbying entities disclose in quarterly reports, any political contributions totaling \$100, or more that the lobbyist made, delivered or acted as an intermediary for to the following: any elected city officer, city candidate, or any controlled committee of a city officeholder or candidate. Disclosure includes the date of the contribution, name of the contributor (who contributed, who the lobbyist delivered for or acted as an intermediary for), name of the candidate/officeholder and the amount of the contribution.

Each Los Angeles lobbyist is required to report by filing a “one business day notice” form if contributions resulting from fundraising activity and/or contributions the lobbying entity delivered or for which the entity acted as an intermediary, total more than \$15,000 to a councilmember or \$35,000 to a citywide officeholder.

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### San Francisco

San Francisco does not have specific disclosure of fundraising requirements. However, lobbyists are required to report the total amount of political contributions made or delivered by lobbyists, or made by a client of the lobbyist made at the request of the lobbyist during the registration and quarterly reporting period. This includes contributions arranged by a lobbyist, or for which, the lobbyist acted as an agent or intermediary. All contributions over \$100 must be itemized. Lobbyists must report their own contributions made to city officers or candidates for city office and local ballot measure committees.

### San Diego, Oakland and Sacramento

The cities of San Diego and Oakland do not require lobbyists to disclose political contributions or fundraising activity at the behest of city officials or candidates. Sacramento requires disclosure of contributions made by a lobbyist or by a lobbyist's client at the lobbyist's request to a city official or city official-elect but does not require information on fundraising requested by city officials.

### CONCLUSION

The Lobbying Ordinance may be amended to require additional disclosure by lobbyists with regard to fundraising activities and the making and delivery of political contributions.



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RICHARD DOYLE  
City Attorney

cc: Les White  
Lee Price

**DRAFT**

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING  
CHAPTER 12.12 OF TITLE 12 OF THE SAN JOSE  
MUNICIPAL CODE BY ADDING A NEW SECTION  
12.12.200 ENTITLED LOBBYIST FUNDRAISING ACTIVITY  
TO PROVIDE A DEFINITION OF THE TERM AND  
AMENDING SECTION 12.12.420 ENTITLED ADDITIONAL  
REQUIRED INFORMATION AND DISCLOSURES**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

**SECTION 1.**

Chapter 12.12 of Title 12 of the San Jose Municipal Code is hereby amended by adding the following new Sections to be numbered, entitled and to read as follows:

**12.12.200 Lobbyist Fundraising Activity**

“Fundraising Activity” means soliciting a contribution or hosting or sponsoring a fundraising event or hiring a fundraiser or contractor to conduct any event designed for political fundraising at which contributions for any City official, candidate for elective City office or any controlled committee of the elected City official or candidate for City office or for any political action committee, political party or candidate for elective office of a governmental organization made at the behest of a City official are solicited, delivered or made.

**SECTION 2.**

Section 12.12.420 of Chapter 12.12 of Title 12 is hereby amended to read as follows:

**12.12.420 Additional Required Information and Disclosures**

The initial lobbyist registration shall also contain the following information:

- A. Campaign and officeholder contributions that a lobbyist made, delivered or acted as an intermediary for, -to an elected City official or candidate for City Office made during the preceding calendar quarter. A person is an "intermediary" for a contribution if the recipient of the contribution would consider the person to be the contributor without the disclosure of the identity of the true source of the contribution. A lobbyist acts as an "intermediary" if the lobbyist makes a contribution on behalf of another person and that person is acknowledged as the contributor and the lobbyist is reimbursed for the contribution.
- B. Campaign and officeholder contributions made at the behest of an elected City official or candidate to any other elected public official or candidate for public office during the preceding calendar quarter.
- C. All Independent Expenditures made for or on behalf of a City official or candidate for City office made during the preceding calendar quarter.
- D. Fundraising activity for any City official, candidate for elective City office or any controlled committee of the elected City official or candidate for City office or for any political action committee, political party or candidate for elective office of a governmental organization made at the behest of a City official during the preceding calendar quarter. Required information and disclosures shall include the name of the City official, candidate, committee or party on whose behalf the lobbyist engaged in fundraising activities, or delivered or acted as intermediary for one or more contributions. The information and disclosures shall also include the name of the City official requesting the fundraising activity, the date of the fundraising activity, the name of the contributors and the amount of contributions raised, delivered or in connection with which the lobbyist acted as an intermediary.
- E. Donations to for profit or nonprofit organizations made at the behest of a City official or candidate for elective City office of any contribution or payment of more than

one thousand dollars (\$1,000) in the aggregate made during the preceding calendar quarter.

F. Payments received for services as a consultant or in any other capacity for services rendered to any City department or Redevelopment Agency, City official, or any City official-elect, their controlled committees or officeholder committees.

G. \_Contacts made with City officials or City officials-elect during the preceding calendar quarter for the purpose of influencing or attempting to influence legislative or administrative action. Contact information shall include a brief description of the item(s) of legislative or administrative action the lobbyist is seeking to influence and the number of contacts in the following ranges: (1), (2-5), (6-10) or (11 or more).

H. Activity expenses such as payments that directly benefits any City official, City official-elect or member of his or her immediate family or domestic partner made during the preceding calendar quarter.

RD:NKS:NKS  
2/8/2006

PASSED FOR PUBLICATION of title this \_\_\_\_\_ day of \_\_\_\_\_, 2006, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

\_\_\_\_\_  
RON GONZALES  
Mayor

ATTEST:

\_\_\_\_\_  
LEE PRICE, CMC  
City Clerk