



Memorandum

TO: BLUE RIBBON TASK FORCE
ON ETHICS

FROM: Lee Price, CMC
City Clerk

**SUBJECT: UPDATE ON IMPLEMENTATION
OF THE NEW LOBBYIST
REGISTRATION REGULATIONS**

DATE: March 21, 2005

On September 24, 2004, the new regulations regarding lobbyist registration and activity reporting became effective. Considerable outreach was done to inform the public about the new lobbyist regulations, including mailings, email messages and a new, updated webpage. A comprehensive, multi-purpose form was developed for lobbyist registration and activity reporting. The City Clerk and City Attorney responded in a cooperative, coordinated manner to numerous questions about the new regulations from lobbyists and/or potential lobbyists. Working together, we provided guidance on ordinance compliance, registration and disclosure. Fees associated with the new lobbyist provisions went into effect on January 1, 2005. Partnering with the Finance Department of Treasury, we developed a procedure to bill and receive fees from registered lobbyists. Over 80 hours of staff work went into the implementation process.

The first quarterly report was due January 18th. To-date:

- Currently there are 39 registered lobbyists
- 31 of those are contract lobbyists¹
- 9 are in-house lobbyists (one lobbyist is both a contract and an in-house lobbyist)
- 3 are non-profit²
- \$21,930.00 in fees have been received to-date
- Quarterly reports were filed by all but 5 lobbyists; follow-up is necessary

My Office developed a database to assist us with tracking registration, reporting and revenue as well as producing reports suitable for web-based research. It is our hope to get the information up on the website as soon as possible, but in the meantime, it is of course available in our Office.

¹ Contract lobbyists pay \$350.00 plus \$60/per client; the number of clients per lobbyist currently ranges from 0-24.

² Jim Cunneen, San José/Silicon Valley Chamber of Commerce; Norm Garcia, Consumers Union; Scott Knies, San José Downtown Assn. Non-profits are responsible for the \$350.00 fee but are not subject to any per/client fees.

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Last year, there were approximately 65 registered lobbyists. With the new provisions, we believe that some of the lobbyists that were registered under the old ordinance no longer qualify. The City Attorney and I have advised those that have not yet qualified under the new ordinance to carefully monitor and track their lobbying activities. We have advised them that they must register within 10 days once they meet the thresholds set forth in the new ordinance (20 hrs within a three month period; compensation in the amount of \$1,000 or more). If they no longer qualify as a lobbyist under the new rules, they are encouraged to terminate with the City their status as a lobbyist. A logical next step would be to check in with those who have not yet either re-registered or terminated.

At last week's Making Government Work Better Committee meeting, this Office was granted permission to take the necessary steps to negotiate and enter into an agreement with NetFile³, a unique, outside source for internet-based electronic filing and online viewing of campaign finance disclosure and lobbyist registration/ activity statements. Once the contract terms are agreed upon, the vendor will take steps to implement e-filing of campaign disclosure statements as well as begin the necessary work to develop the database for e-filing of lobbyist registration reports. The latter process is anticipated to take approximately six months.

Plans to conduct a lobbyist training workshop are still pending. The City Attorney has provided an overview of the new lobbyist registration and reporting requirements to the City Council/Agency and senior staff. In the meantime, we continue to make ourselves available for questions and are working on enhancements to the website⁴.

Finally, as we continue to work to implement and monitor the lobbyist regulations, I feel it is imperative to note that the activities are as much work as anticipated, if not more. As mentioned, 80 hours of staff time went into implementation, but monitoring the program, auditing the reports, verifying that the correct fees are being collected, completing the database, not to mention planning and conducting the mandatory training session and working with the vendor to implement on-line filing, is a considerable workload. I am short on staff resources⁵ and these tasks compete with many others on my own plate. Having said that, we will continue to track our time as directed by the City Council to ensure that we are recovering our costs and I will report out periodically to keep the Task Force and the City Council up-to-date on our progress.

LEE PRICE, CMC
CITY CLERK

³ NetFile is the only company of it's kind; is a Secretary of State-approved vendor; and provides contract services to the County of Santa Clara and other cities including Santa Clara, Anaheim and San Diego.

⁴ "FAQ's" based on questions and inquiries are planned, as well as the posting of Formal City Attorney Opinions.

⁵ Staff originally predicted the need for one half-time staff member to monitor the program. Currently one full-time administrative assistant in the Office of the City Clerk is assigned to assist and support the City Clerk in the lobbyist registration/fee program. Given that individual's workload, it is not possible for her to dedicate 20 hours per week to the assignment.

