

Lobbyist Registration and Reporting Coming to Philadelphia in 2011

July 2010

The city of Philadelphia joins the ranks of other municipalities, including New York, Los Angeles and Chicago, in regulating lobbyists. On June 16, 2010, Philadelphia's mayor signed into law a new ordinance requiring lobbyist registration and reporting. The new law requires lobbyist registration to begin on July 1, 2011. Highlights of this new ordinance are summarized below.

The new ordinance defines "lobbying" to include any effort to influence legislative action or administrative action. This definition includes attempts to obtain city contracts. Also included within this definition of lobbying are "indirect communications," which are grassroots communications encouraging others to influence legislative or administrative action including the use of mailings, telephone banks and print and media advertising. Importantly, the new ordinance also requires that all indirect communications conspicuously state the name of the person making or financing the communications.

The ordinance requires a lobbyist, lobbying firm, or principal to register with the Board of Ethics (Board) within 10 days of acting in such a capacity. After this initial registration, registration occurs annually, and amended registration statements must be filed within 14 days of any change of information.

When registering, a lobbying firm or principal must disclose, among other things, the nature of its business and the name and business address of each individual who will receive economic consideration to lobby on its behalf. When registering, a lobbyist must disclose, among other things, the name and business address of each principal for whom the lobbyist will engage in lobbying and the

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name and registration number of a lobbying firm with which the lobbyist has an economic relationship.

In addition to registration requirements, the new Philadelphia ordinance requires regular reporting. A registered principal must file an expense report within 30 days of the end of each quarter. This report must list the names and registration numbers of the lobbyists working on the principal's behalf, as well as the issue, administrative action or legislative action being lobbied. The report must also list the total cost of lobbying, including office and personnel expenses. This total cost must further be allocated among three different categories: gifts, hospitality, transportation and lodging to city employees or officials; direct communications; and indirect communications. The expense report must further identify each occurrence where a city official or city employee receives anything of value that must be reported on the official's or employee's state-mandated Statement of Financial Interests.

A lobbying firm or a lobbyist, if not associated with a lobbying firm, must sign each principal's expense reports. A lobbying firm or a lobbyist is not required to submit an expense report unless the lobbying activity is not contained in any principal's filed expense report.

There are several exemptions to these registration and reporting requirements. Most notably, registration and reporting requirements generally do not apply to an individual whose total economic consideration from lobbying is \$2,500 or less during a reporting period; an individual who lobbies on behalf of his or her employer for fewer than 20 hours during a reporting period; and a principal whose lobbying expenses are \$2,500 or less during a reporting period. Further, responding to publicly advertised invitations to bid and requests for proposals will not trigger registration and reporting.

There are several other relevant provisions in this ordinance. Among other things, the ordinance prohibits lobbyists, from charging a contingency fee, and the ordinance imposes conflict-of-interest rules on lobbyists, as well as a process to receive waivers to any conflict.