

Nonprofit Lobbying in Los Angeles

Are you required to register as a lobbyist & report your lobbying activities?

Do you or your nonprofit organization advocate in the City of Los Angeles? If so, you may be required to register as a lobbyist and report your activities to the City if your activities qualify as lobbying under the Los Angeles Municipal Lobbying Ordinance (LAMLO).

What is lobbying under the LAMLO?

The definition of lobbying under the LAMLO differs from the federal tax law definition.

Under the LAMLO, an individual or organization is lobbying if engaged in any of the following activities for the purposes of influencing municipal legislation:

- Direct communication with a City official;
- Drafting ordinances, resolutions, or regulations;
- Providing advice or recommending strategy to others;
- Research, investigation and information gathering;
- Seeking to influence the position of a third party through, for example, the media or other press relations activities; or
- Attending or monitoring City Meetings, hearings or other events.

What is Municipal Legislation?
Generally, municipal legislation is any City legislative or administrative matter that is pending or proposed. It includes (but is not limited to) items such as ordinances, City Department regulations, and land use permits. However, any ministerial action, such as the issuance of a business license that does not require a City official to exercise discretion in an outcome or course of action, is not municipal legislation.

When does an individual or an organization need to register?

An individual must register as a **lobbyist** with the Los Angeles City Ethics Commission (CEC) if the individual:

- Is compensated¹ to spend 30 or more hours in any consecutive three-month period to lobby; AND
- Communicates directly with a City official or employee at least once for the purpose of influencing municipal legislation.

Nonprofit employees or individuals who are hired as contractors to influence municipal legislation may be required to register if they meet these thresholds. An individual or organization must register as a **lobbying firm** with the CEC if the individual or organization receives or is entitled to receive \$1,000 or more in any consecutive three-month period to lobby on behalf of any other person.

¹ The term “compensated” does not include reimbursement of or payment for reasonable travel expenses.

Registration is required within 10 days after the end of the calendar month in which the individual or organization qualifies and must be done online at http://ethics.lacity.org/efs_home.cfm.

The City of Los Angeles collects an annual registration fee of \$450 from every lobbyist plus \$75 for each client of the lobbyist.² The employer of a lobbyist is a client, and so a nonprofit employee who qualifies as a lobbyist must pay a total of \$525 in registration fees annually. The fees are prorated if registration is during the last quarter of a calendar year.

Example – In-House Lobbyist

Jose, an employee of nonprofit ABC, spends thirty five hours of his staff time between January and March helping to draft a Los Angeles City ordinance intended to improve City parks. Jose also corresponds with staff of the City Councilwoman sponsoring the ordinance to develop appropriate language. The only payment for this activity that Jose receives is his regular salary from ABC, which amounts to \$30 an hour.

Jose must register as a lobbyist with the CEC and pay the registration fee plus \$75 because ABC is considered his client. Jose retains his status as a lobbyist until the end of the year or until he files a termination statement with the CEC. Because he is an employee, Jose does not have to register as a lobbying firm even though he received more than \$1,000 between January and March to lobby.

When and how often are reports due?

Lobbying reports are due to the CEC before the last day of the month following each calendar quarter. Quarterly reports are due no later than April 30th, July 31st, October 31st, and January 31st. In addition to lobbyists and lobbying firms, **lobbyist employers** and **major filers** are required to report lobbying activities, though they are not required to register.

A **lobbyist employer** is any entity other than a lobbying firm that employs a lobbyist in-house to lobby on its behalf. For example, any nonprofit organization with an employee who qualifies as a lobbyist would be a lobbyist employer, such as ABC in the example above. Lobbyist employers must file quarterly reports for every calendar quarter during which any employee is a lobbyist.

Generally, a **major filer** is an individual or organization who:

- Makes payments or incurs expenditures totaling \$5,000 or more during any calendar quarter to lobby; AND
- Is not a lobbyist, lobbyist employer, or lobbying firm.

Major filers include nonprofit organizations that spend \$5,000 or more per quarter on grassroots lobbying but do not have a City lobbyist working for them. While lobbyists and lobbying firms must file quarterly reports for every quarter during which they are registered, major filers are only required to file quarterly reports for calendar quarters during which they made qualifying payments or incurred qualifying expenditures.

² The \$75 fee is only assessed for each client from whom the lobbyist receives or is entitled to receive \$250 or more per calendar quarter to lobby.

Individuals or organizations who must file quarterly reports can do so online at http://ethics.lacity.org/efs_home.cfm. Quarterly reports are also searchable online.

Example- Major Filer

Nonprofit organization XYZ does not employ or hire as a contractor any individual who qualifies as a City lobbyist. However, XYZ still spends \$5,000 between April and June to encourage the Los Angeles City Council to adopt a proposal to increase funding for public libraries. Specifically, XYZ spends this money distributing fliers to the public outlining the proposal and urging people to contact their councilmembers to support it, preparing and posting online a research publication on the economic benefits of the proposal, and advising partner organizations on how to conduct a social media campaign to mobilize community residents to lobby the City Council to adopt the proposal. From July through September, XYZ takes a less active role, spending \$2,500 to organize rallies highlighting the need for increased funding.

While neither XYZ nor any of its employees must register with the CEC, XYZ would have to file a major filer report by July 31st for its activities between April and June. For the next calendar quarter, because XYZ spent less than \$5,000 on lobbying, it would not need to file any reports.

Nonprofit Exemption

Certain individuals and organizations are exempt from having to comply with the LAMLO, including public officials or government employees acting in an official capacity, people whose only activity is bidding on a City contract, people who are uncompensated other than payment of reasonable travel expenses, and newspapers or other media outlets when publishing editorials or paid advertising. Therefore, a nonprofit’s members or volunteers would not need to register as lobbyists for testifying at a City hearing. A 501(c)(3) organization and its employees acting in the scope of employment are also exempt³ if:

- The 501(c)(3) receives government funding to represent the interests of indigent persons;
- The 501(c)(3)’s primary purpose is to provide direct services to indigent persons; AND
- The indigent persons do not pay the 501(c)(3) to represent them before any City agency.

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³ This exemption does not apply to attempts by a 501(c)(3) or its employees to influence City funding the organization is seeking, unless this takes place at a publicly noticed meeting.