## Amplify Your Nonprofit's Voice: Lobbying in Los Angeles

UNLOCKING THE POWER OF LOCAL ADVOCACY AT LOS ANGELES CITY HALL

As a Los Angeles-based nonprofit, you can provide valuable input to city officials on decisions impacting your community. Don't miss out! Engage City Hall with confidence to influence the policies and programs that matter most to your mission.

To do so, you will need to be familiar with the registration and reporting requirements in the Los Angeles City Municipal Lobbying Ordinance. Review this factsheet to ensure you can effectively advocate at City Hall and make your nonprofit's voice heard.

## WHAT IS LOBBYING UNDER THE MLO?

If you or your nonprofit organization advocate in the City of Los Angeles, you may be required to register as a lobbyist and/or report your activities to the Los Angeles City Ethics Commission under the Los Angeles Municipal Lobbying Ordinance (MLO).

The definition of lobbying under the MLO is distinct from the federal tax law definition. Under the MLO, an individual or organization engages in "lobbying activities" if doing 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?

Municipal legislation<sup>1</sup> 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 licenses, permits, or entitlements where the Mayor, LA City Council, or an agency is required to make a final decision on the matter.

#### WHAT IS NOT MUNICIPAL LEGISLATION?

The MLO specifically excludes the following from the definition of municipal legislation:

- Any ministerial action that does not require a City official to exercise discretion in an outcome or course of action (e.g. certain business licenses);
- A request for advice or an interpretation of laws, regulations, City approvals, or policies, or a direct response in a proceeding to the Ethics Commission;

#### 1. Los Angeles City Municipal Code § 48.02.



- Actions relating to a collective bargaining agreement between an agency and an employee organization. Note: this exemption does not include agreements with LA City Council or the Mayor's Office;
- A proceeding before the Civil Service Commission or Employee Relations Board; and
- Submission of maps, plans, photographs, lists of owners or tenants, proof of ownership or lease copy, or neighbor signatures to the City Planning Department.

## WHEN DOES AN INDIVIDUAL OR AN ORGANIZATION NEED

### TO REGISTER?

#### INDIVIDUAL LOBBYIST

You must register as a **lobbyist**<sup> $^{2}$ </sup> with the Ethics Commission if you meet both criteria:

- Is compensated<sup>3</sup> to spend 30 or more hours in any consecutive three-month period engaging in lobbying activities; **and**
- Engages in a direct communication with a City official or employee at least once for the purpose of influencing municipal legislation.

#### WHAT IS A DIRECT COMMUNICATION?

A direct communication<sup>4</sup> is any interaction with a City decision maker that presents the ability to urge a specific action. These interactions can be done either personally or through an agent. Examples include appearing as a witness, talking (either by telephone or in person), corresponding, or answering inquiries.

It does not include purely ministerial contact like scheduling a meeting or asking for clarification about a regulation or law. *However, this ministerial contact is factored into the 30 hour threshold calculation if it is related to an attempt to influence.*<sup>5</sup>

Nonprofit employees or contractors hired to influence municipal legislation can qualify as lobbyists if they meet the thresholds above.

#### LOBBYING FIRM

An individual or organization must register as a lobbying firm<sup>6</sup> with the Ethics Commission if the individual or organization receives or is entitled to receive \$1,000 or more in any consecutive three-month period for lobbying activities on behalf of any other person, so long as a principal or employee of the entity qualifies as a lobbyist.

#### **REGISTRATION TIMELINE**

<u>Online registration</u> is required within 10 days after the end of the month in which you or your nonprofit qualifies as a lobbyist or a lobbying firm. You may apply for log in credentials <u>here</u>.

- 2. Los Angeles City Municipal Code § 48.02.
- 3. The term "compensated" does not include reimbursement of or payment for reasonable travel expenses.
- 4. Los Angeles City Municipal Code § 48.02.
- 5. See the LACEC publication for a concise summary <u>here</u>.
- 6. Los Angeles City Municipal Code § 48.02.



#### **REGISTRATION FEES**

Each lobbyist must pay an annual registration fee of \$450 plus \$75 for each client they represent.<sup>7</sup>The employer of a lobbyist is considered a client. Thus, a nonprofit employee who qualifies as a lobbyist must pay a total of \$525 in registration fees annually (\$450 for the lobbyist fee, plus \$75 for their employer as a client). The registration fees are prorated during the last quarter of a calendar year to \$337 for each lobbyist plus \$56 per client.<sup>8</sup>

#### TERMINATION

When a lobbyist or lobbying firm stops their lobbying activities, they must file a termination statement with the Ethics Commission within 20 days.<sup>9</sup>

## **EXAMPLE: LOBBYIST**

Jose is a nonprofit employee of Parks Equity. Between February and April, he spent 35 work hours helping to draft a Los Angeles City ordinance to create more city parks. During this time, he also emailed with the staff of the City Councilwoman sponsoring the ordinance to develop the appropriate language. Jose only received his regular \$30 per hour salary from Parks Equity for these activities, and no additional compensation.

He meets the criteria to be considered a lobbyist. This is because he spent 30 or more hours over a 3-month period engaging in lobbying activities, which includes the direct communication with the City Councilwoman's staff.

Jose must register as a lobbyist with the Ethics Commission within 10 days after the end of April, or by May 10. He will need to pay the \$525, \$450 registration fee plus \$75 because Parks Equity is considered his client.

Jose remains a lobbyist until the end of the year or until he files a termination statement with Ethics Commission, whichever comes first.

Because he is an employee, Jose does not have to register as a lobbying firm even though he received more than \$1,000 between February and April to lobby the City.

## WHEN AND HOW OFTEN ARE LOBBYING REPORTS DUE?

Lobbyist and lobbying firm reports are due to the Ethics Commission before the last day of the month following each calendar quarter. Quarterly reports are due no later than April 30, July 31, October 31, and January 31 and <u>must be filed online</u>. You may apply for log in credentials <u>here</u>. These reports are also searchable online.

- 8. Los Angeles City Municipal Code § 48.07(C).
- 9. Los Angeles City Municipal Code § 48.07(G).



<sup>7.</sup> 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.

## WHO ELSE MUST FILE LOBBYING REPORTS?

In addition to individual 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.<sup>10</sup> For example, any nonprofit with an employee who qualifies as a lobbyist would be a lobbyist employer, such as Parks Equity 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<sup>11</sup> is an individual or organization who:

- Makes payments or incurs expenditures totaling \$5,000 or more during any calendar quarter for the purpose of influencing action on municipal legislation;<sup>12</sup> 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 anyone who meets the definition of an individual 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.<sup>13</sup>

## **EXAMPLE: MAJOR FILER**

Library Equity is a nonprofit that does not employ or hire any individuals who qualify as City lobbyists. However, between April and June, Library Equity spent \$5,000 to encourage the Los Angeles City Council to adopt a proposal to increase funding for public libraries.

Specifically, Library Equity used this \$5,000 to:

- Send emails and distribute fliers to the public outlining the positive impacts of the proposal and urging people to contact their city councilmembers to support it;
- Prepare and post online a lengthy analysis on the community benefits expected from the increased funding; and
- Advise partner organizations on how to run a social media campaign to get community residents to lobby the City Council to adopt the proposal

Then, from July through September, Library Equity took a less active role, only spending \$2,500 to organize three rallies highlighting the need for increased library funding.

While neither Library Equity nor any of its employees must register with the Ethics Commission based on the nonprofit's activities over this six-month period, the nonprofit would have to file a major filer report by July 31 for its activities between April and June. For the next calendar quarter, because Library Equity spent less than \$5,000 on lobbying activities, it would not need to file a lobbying report in October.

<sup>12.</sup> Expenditures for an organization's regularly published newsletters and routine communications with its members is not counted towards this \$5,000 threshold.



<sup>10-11.</sup> Los Angeles City Municipal Code § 48.02.

## EXEMPTIONS

#### UNPAID INDIVIDUALS

A nonprofit's unpaid members or volunteers would not need to register as lobbyists even if they meet the definition of an individual lobbyist (e.g. submitting written comments or making public statements urging the City Council to oppose rent increases at a council meeting). This is true even if the volunteers were paid reasonable travel expenses.<sup>14</sup>

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#### THE NONPROFIT EXEMPTION

The MLO has a narrow exception to registration and reporting for nonprofits. A 501(c)(3) organization and its employees acting in the scope of employment are also exempt<sup>15</sup> 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.<sup>™</sup>

Please note that, at the time of publication, the City Council has been considering changes to the MLO that may impact this nonprofit exemption so please check the law or with legal counsel if you plan to rely on this exemption.

## IS MY LOBBYING INFORMATION PUBLIC?

Yes! The forms filed by any registered lobbyist, lobbying firm, and client are publicly available. You may access this information on the <u>public data portal</u>.

# WHAT HAPPENS IF MY ORGANIZATION FAILS TO REGISTER

As discussed above, the Los Angeles Municipal Lobbying Ordinance is enforced by the Ethics Commission, a robust agency that takes lobbying violations seriously. If the Commission determines that a violation of the Ordinance has occurred, they have the ability to levy administrative fines up to \$15,000 per violation.<sup>17</sup> Additionally, criminal penalties or civil enforcement may be pursued.<sup>18</sup>

Finally, late filing fees of \$25 per day, up to \$500, are assessed for missed reports.<sup>19</sup>

- 14. Other exceptions include public officials or government employees acting in an official capacity, people whose only activity is bidding on a City contract, newspapers or other media outlets when publishing editorials or paid advertising.
- 15. 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.
- 16. Please note that, as of May 2025, there are ongoing proposed amendments to the MLO that may affect this exception. The proposal can be tracked through the City Council <u>here</u>.
- 17. Los Angeles City Charter § 706 (a).
- 18. Los Angeles City Municipal Code § 48.09.

<sup>19.</sup> *Id*.



## HEFTY PENALTIES FOR MUNICIPAL LOBBYING VIOLATIONS

Noncompliance with the LAMLO can lead to significant legal repercussions, including civil penalties and fines. In 2021, the Commission imposed over \$162,500 in <u>fines</u> for registration and reporting violations of the city's MLO. Although much of that amount was attributable to the actions of one firm, such fines serve as a reminder of the potential costs of noncompliance. Although rare, violations of the MLO can also lead to criminal investigations, such as the one faced by a former LA city council member who had operated as an unregistered lobbyist for years after leaving office.

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