

December 3, 2020

M E M O R A N D U M

To: Governance and Education Committee
From: Lish Whitson, Analyst
Subject: Council Bill 119968: Lobbying Regulation Update

On Tuesday, December 8, the Governance and Education Committee will discuss and may vote on [Council Bill \(CB\) 119968](#), which updates the City of Seattle's lobbying regulations as recommended by the Seattle Ethics and Education Commission (SEEC). The bill would amend [Chapter 2.06](#) of the Seattle Municipal Code (SMC) "Lobbying Regulations" to update the City's regulations and add reporting requirements for "grassroots lobbying campaigns." The SEEC recommended adoption of these changes at their [December 2, 2019 meeting](#). This memorandum describes the City's current regulations and the changes included in CB 119968.

SMC Chapter 2.06

The City adopted lobbying regulations (codified in Chapter 2.06 of the SMC) in 2008. The intent of these regulations is to:

"promote full disclosure of lobbying in order to protect the openness and integrity of the legislative process while preserving an individual's right to organize and petition the government." ([SMC 2.06.005](#))

The intent is carried out by (1) requiring lobbyists to register with the SEEC; (2) requiring lobbyists and employers of lobbyists to report lobbying activities; and (3) providing for civil remedies for failing to comply with the requirements of the chapter.

Under [SMC 2.06.010](#), lobbying is defined as:

"communications with city council members, legislative department staff, the mayor or the mayor's staff in an attempt to influence any of those individuals to develop, propose, draft, consider or reconsider, promote, adopt, enact, reject, take favorable action upon, approve, disapprove, veto, or fail to take action upon legislation."

A "lobbyist" is a person that lobbies for compensation.¹

Key to the definition of lobbying is that there must be direct communication between a lobbyist and an elected official, or staff member. Other forms of political persuasion are not covered by the lobbying regulations.

¹ Compensation is defined as payment or promises of payment in exchange for lobbying. This includes background work, for example analysis, surveys or preparation of reports, that are used while lobbying. For grassroots lobbying campaigns, reimbursement of expenses would not be considered compensation under CB XXXXXX.

Lobbyists are required to register with the SEEC.² There are approximately 300 lobbyists currently [registered](#) with the City of Seattle. Registered lobbyists must file quarterly reports that identify their employers, their compensation, the parties lobbied, and the subject of their lobbying. Lobbyists' employers must verify the report, and file an annual statement regarding total lobbying expenses, legislation that is the subject of their lobbying activity, and information regarding lobbyists that they have employed.

The SEEC Executive Director is charged with investigating any complaints of violations of the requirements of Chapter 2.06. If the Executive Director finds that a violation of the provisions of the Chapter has occurred, the SEEC holds a hearing on the violation and may issue an order referring the matter to the City Attorney or King County Prosecuting Attorney. Violations may result in sanctions up to \$5,000 per violation. Failure to file may result in a civil penalty of \$75 per day, with fines increasing in the 30 days before an election up to \$1,000 a day.

Council Bill 119968

Council Bill 119968 makes three key policy changes to Chapter 2.06:

1. Adds the concept of “grassroots lobbying” to the City’s lobbying regulations.
2. Applies the lobbying regulations to communication with directors of City departments, their deputies or their direct reports; and
3. Requires disclosure of compensated services by lobbyists to political campaigns.

The bill also makes minor technical changes, cleans up language and cross-references, and simplifies requirements.

1. Grassroots lobbying

The biggest change that would result from adoption of CB XXXXX would be the regulation of “grassroots lobbying” campaigns. Grassroots lobbying includes expenditures, such as advertising campaigns, that are intended to influence the public to lobby elected officials or other covered individuals on legislation. It is regulated under Washington State Law ([RCW 42.17A.640](#)) but is not currently covered by the City’s lobbying regulations. Examples of recent grassroots lobbying campaigns include a campaign in support of the vacation of a street to build a basketball arena and a campaign against the Sweetened Beverage Tax.

Under CB 119968, persons spending at least \$750 in a one-month period or at least \$1,500 in a three-month period to “present a program” to the public intended to influence legislation must register as a sponsor of a grassroots lobbying campaign. Registration must include information

² [SMC 2.06.060](#) includes a few exemptions to the registration and reporting requirements. Lobbyists that limit their lobbying to statements at public meetings, that lobby four or fewer days in a quarter, or most persons employed by a governmental agency are not required to register as lobbyists or report their activities. The SEEC may also grant an exemption if there is a reasonable probability that disclosure of information will subject a lobbyists’ employer to threats, harassment or reprisals.

regarding the sponsor or sponsors of the campaign, persons coordinating or employed the campaign, contributors to the campaign, the purpose of the campaign, and the total amount spent on the campaign.

2. Lobbying City departments

Department directors, their deputies, and other direct reports to directors are the proponents and drafters of much of the City's legislation. Recognizing the central role directors and senior staff play in developing and advocating for legislation, CB 119968 would add directors of City departments and their direct reports to the lobbying regulations. Lobbyists would need to report when they lobby directors or their direct reports in addition to reporting on lobbying councilmembers, mayors, staff in the Office of the Mayor, and Legislative Department staff. This will provide increased transparency regarding the entire legislative process from inception of a piece of legislation to its adoption. It is also likely to increase the number of lobbyists who are required to register and report on their activity.

3. Lobbyists working on campaigns

It is not uncommon for lobbyists to provide services, both paid and unpaid, to campaigns for elected office. CB 119968 would require lobbyists who are hired by campaigns for or against elective City office or for or against City ballot measures to disclose that paid work as part of their lobbying reporting. This is intended to provide additional transparency regarding relationships between elected officials and lobbyists and between ballot initiatives and grassroots lobbying campaigns.

Next Steps

Council Bill 119968 is scheduled for discussion and possible vote at the December 8 Governance and Education Committee meeting. If the committee recommends that the Council passes CB 119968, it could be voted on by the City Council as early as December 14.

cc: Dan Eder, Interim Director
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