

Communication from Public

Name: Wayne Williams

Date Submitted: 03/20/2023 12:34 PM

Council File No: 22-0560

Comments for Public Posting: To: Los Angeles City Council Ad Hoc Governance Reform Committee From: California Clean Money Campaign Re: Municipal Lobbying Ordinance Updates - Council File 22-0560
We strongly oppose the draft amended municipal lobbying ordinance and cannot support this item moving forward unless amended At the March 6th committee meeting a set of proposed amendments were announced just minutes before public comment began. These amendments would create new exemptions applicable to all 501(c)(3) and 501(c)(5) organizations, who would no longer be required to register as lobbyists. They would instead be eligible to register with the Ethics Commission as “nonprofit filers,” and offer limited disclosure. Furthermore, they would no longer be subject to the same restrictions on gift giving, making contributions, or fundraising that lobbyists face and would be allowed to serve on any commission or board in the City of LA regardless of how much lobbying activity they are engaged in. A key finding underlying our municipal lobbying ordinance is the principle that all who are engaging in compensated lobbying at city hall should be “subject to the same regulations, restrictions and requirements, regardless of their background.” There has been no discussion of eliminating this finding, yet a last minute revised draft ordinance submitted by the Council President on March 17th eliminates it. The proposed amendments would create a two tiered system where a select class would gain an enhanced ability to not only lobby city officials, but to simultaneously serve as city officials. These proposed recommendations cannot be allowed to move forward. 501(c)(5) UNION EXEMPTION While there has been a robust push for exempting 501(c)(3)s, it is hard to overlook the fact there hasn’t been a single public comment or statement from a union or union member advocating for a 501(c)(5) exemption. The only public comment in support of this exemption came after its introduction, and through a staffer speaking on behalf of Council District Seven. There appears to be no precedent for this type of exemption in any major city’s municipal lobbying ordinance. “Shadow lobbying” is being utilized to codify “shadow lobbying” into the law. The LA Federation of Labor is arguably the single most powerful interest in LA politics. Any debate about that was put to rest by the audio recordings leaked last year. 501(c)(5)s are not comparable to

charitable 501(c)(3) nonprofits. While there appears to be no precedent for a 501(c)(5) exemption there are at least jurisdictions who provide that type of accommodation to 501(c)(3)s, although some of them have begun revisiting whether that was wise. 501(c)(3)s, unlike 501(c)(5)s, face inherent limits on how much lobbying they may engage in and are unable to endorse political candidates, donate to their campaigns, or make independent expenditures on their behalf. It's hard to overstate the scale of 501(c)(5) influence in Los Angeles. For example the LA Police Protective League alone spent \$5.46 million on independent expenditures in the City of LA's 2022 cycle. Exempting 501(c)(5)s from the lobbying ordinance isn't simply bad policy, but by picking and choosing which voices to elevate at City Hall it leaves the related contribution ban vulnerable to legal challenge. Any limits on someone's ability to donate to candidates based upon the identity of the speaker will be subject to strict scrutiny. The city will be hard pressed to argue our law is narrowly tailored to serve a compelling governmental interest in restricting the contributions of some lobbyists, while permitting the lobbyists working for some of the most powerful interests in city hall to contribute freely.

501(c)(3) NONPROFIT EXEMPTION On February 6th this committee approved an exemption for smaller nonprofits who might face administrative burdens with compliance. The new proposal to exempt all 501(c)(3)s regardless of their size, spending, or ability to handle compliance is untenable. While other recommendations by the Council President would bring many 501(c)(3)s under compliance for the first time, those already filing as lobbyists at this time will be providing less transparency than they currently are, and will be liberated to engage in many activities they cannot at this time. Large 501(c)(3)s are capable of handling the added administrative burdens that come with registering as a lobbyist. We ask the committee to set an upper limit on who may register as a nonprofit filer by excluding 501(c)(3)s with total expenses in excess of \$1,000,000 in the previous year from eligibility, and requiring them to instead be subject to registration as a lobbyist. For these reasons and others listed in our submission letter along with League of Women Voters of Greater LA and Unrig LA, For these reasons, we oppose the Ad Hoc Government Committee's currently proposed amendments to the City's MLO unless amended per our letter.

Communication from Public

Name: Daryt J Frank

Date Submitted: 03/20/2023 12:54 PM

Council File No: 22-0560

Comments for Public Posting: I strongly oppose any changes to the lobbying ordinance to exempt 501(c)(3)s and 501(c)(5)s organizations, especially when it comes to Neighbourhood Councils. I have personally seen our local Councilman pack our NC meetings with lobbyists and advocates who were not from the community to support his initiatives. Initiatives that would majorly impact the community for the worse. The NC Board members, being mostly political tyros and not wise to such cynical tactics, gave equal weight to these people when making their deliberations, not considering that most if not all of them came from very distant parts of the city, and were really there to protect their own personal financial interests, or the interests of organizations they belong to or depend upon for their living. In this way these advocates made the NC Board Members complicit in their corrupt dealings, because there was not enough transparency to give the NC members a full picture of the situation. Los Angeles is currently suffering from a crisis of confidence in its leaders and government because of endless scandals, ethics violations and corruption. Why does the LA City Council want to water down its lobbying ordinance? Many 501(c)(3)s and 501(c)(5)s organizations actively influence politics directly or indirectly. Exempting these organizations from the lobbying ordinance will lead to less transparency and less accountability, not more. And the citizens of LA clearly want MORE transparency.

Communication from Public

Name:

Date Submitted: 03/20/2023 04:07 PM

Council File No: 22-0560

Comments for Public Posting: I agree that nonprofits and unions should be held to the same standard as anyone else when it comes to lobbying.