

City Lobbying Guide

For Principals,
Lobbyists &
Lobbying Firms



Board of Ethics
CITY OF PHILADELPHIA

City of Philadelphia Board of Ethics

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Lobbying Guide

Introduction

Welcome and thank you for taking the time to review the City of Philadelphia's Lobbying guide! The guide is designed to assist principals, lobbyists, and lobbying firms navigate the disclosure requirements and gain a deeper understanding of some of the core concepts through various examples. The guide also provides some information on the [Philadelphia Lobbying Information System \("PLIS"\)](#), which manages registration and reporting.

History

In June 2010, City Council enacted **Section 20-1200** of the Code to regulate lobbying activity in Philadelphia. Its purpose is to ensure disclosure of money spent to influence City government. The Lobbying Code was amended in 2011 and **Regulation No. 9** went into effect in January 2012. The Board of Ethics is responsible for the administration, interpretation and enforcement of the lobbying law.

Board of Ethics

The Board of Ethics is a five-member, independent board that was established in 2006. The Board provides advice, training, and enforcement for ethics, lobbying, and campaign finance rules found in the Home Rule Charter and City Code. The Board also issues regulations interpreting the laws it administers.

How to contact us

The Board's staff is here to answer your questions! The best way to reach us is by email or our website forms. Just click "**Ask for Advice**" to submit your question. If you believe someone has violated the ethics rules, click "**Report a Concern**" to contact the Board's enforcement staff.

Overview

What is Lobbying?

Lobbying is an effort to influence legislative or administrative action by:

- Direct communications;
- Indirect communications; and/or
- Providing any gift, hospitality, transportation or lodging to a City official or employee for the purpose of advancing the interest of the principal, lobbyist, or lobbying firm.

Who are the relevant parties?

Principal. An individual, association, corporation, or business that engages in lobbying on its own behalf or pays someone else to lobby

Lobbyist. An individual who is paid to lobby on behalf of a principal

Lobbying Firm. An entity that is paid to engage in lobbying on behalf of a principal

City official or employee. Any person who is elected or appointed to a position in any branch of the government of the City of Philadelphia, including, but not limited to, City agencies, boards and commissions; City Council; The Philadelphia Industrial Development Corporation, the Philadelphia Authority for Industrial Development, the Redevelopment Authority of the City of Philadelphia; and the School District of Philadelphia.

What is legislative action?

Any action related to the City's legislative process, including preparing, researching, drafting, modifying, approving, or rejecting bills, motions or resolutions; Mayoral vetoes; and confirmation of appointments or appointments to boards and commissions.

Example: Grace Transport is a private car service that is interested in creating carpool lanes on several City streets. They hire "LobbyUS" to pitch the idea to City council members with the goal of preparing and drafting supportive legislation.

What is administrative action?

Any non-ministerial action by a City officer or employee such as:

- Proposal, consideration, amendment or rescission of a regulation;
- Development or modification of a written statement of policy;
- Contract specifications;
- Preparation of a request for proposals (“RFP”);
- Solicitation, awarding or administering a contract;
- The Mayor’s approval or veto of legislation, issuance of Executive Orders, and the nomination or appointment of a City officer or employee

Example: The Board of Ethics is in the process of amending Regulation No. 8, which covers political activity. Sofie Pretz, Esq. is hired by a local non-profit to represent their interests. Sofie submits suggestions to the proposed amendment.

Am I engaging in lobbying activity when I...	Yes	No
Write an op-ed in a local newspaper on the need for more City funding for public schools	 <i>indirect communication</i>	
Speak with a councilmember’s staffer to advocate for the passage of a pending bill on preserving green space	 <i>direct communication</i>	
Purchase a billboard to bring awareness to the negative impact a water rate increase will have on the community	 <i>indirect communication</i>	
File a complaint with the Fair Housing Commission		 <i>exemption for submitting a complaint</i>
Invite the CEO of a cable network to lunch to discuss my opposition to new cable lines that they recently installed		 <i>invitation not extended to a City officer or employee</i>

Registration

The Code requires lobbying registration for all principals that spend more than \$2500 in a quarter for services related to lobbying activity and all lobbyists and lobbying firms that have been or will be paid more than \$2500 in a quarter for lobbying in Philadelphia.

What are the quarters?



When is registration with the Board required?

Principal – within ten days of incurring expenses of more than \$2,500 for non-exempt lobbying in a quarter.

Lobbyist – within ten days of engaging in non-exempt lobbying for which the lobbyist has or will be paid more than \$2,500 in a quarter.

Lobbying firm – within ten days of engaging in non-exempt lobbying for which it has or will be paid more than \$2,500 in a quarter.

Note: A principal, lobbyist, or lobbying firm may register before they meet the threshold in anticipation of activities or as part of their business practices.

What are In-house Lobbyists?

Individuals who engage in lobbying on behalf of their employer (principal) are considered in-house lobbyists. In-house lobbyists must register if they meet the \$2500 threshold **and** engage in at least 20 hours of lobbying activity in a quarter.

	Principal	Lobbyist	Lobbying Firm
Contact Information	✓	✓	✓
Date Lobbying Commenced	✓	✓	✓
Name, State ID, & PLIS registration of affiliates	✓	✓	✓
Nature of Business	✓		
Are you an attorney?		✓	
# of dues-paying members, if applicable	✓		

Common Registration Questions

Do I have to input the same registration information every year?

No, once you have registered in PLIS you will simply renew that registration for future years, updating information if necessary.

Note: The date that lobbying commenced will always need to be updated.

Can I amend information?

Yes. If you discover that information was incorrect or omitted, you **MUST** amend within 15 days.

When should I terminate my registration?

You should only terminate your registration if you do not ever intend to lobby in Philadelphia in the future.

Example: Carter is a new associate in a lobbying firm who has met the \$2500 threshold for registering by lobbying on behalf of ABC Ink. Carter's firm is already registered.

- Does Carter need to create his own registration? Yes, Carter needs to create his own registration and list the firm and ABC Ink as affiliates.
- Does the firm need to add Carter as an affiliated lobbyist? Yes, the firm needs to amend their registration and add Carter as an affiliated lobbyist.
- Does ABC Ink need to add Carter as an affiliated lobbyist? Yes, ABC Ink needs to list both Carter and the lobbying firm as affiliates.
- Carter also lobbied on behalf of 123 Press, but the services only totaled \$1500 in Q1. Does Carter have to list 123 Press as an affiliated principal? Yes.

Expense Reports

All registered principals are required to file expense reports for the quarter in which they initially register and each subsequent quarter in the calendar year *even* if the lobbying activity in subsequent quarters did not exceed \$2500.

Filing Deadlines

Quarter 1	Quarter 2	Quarter 3	Quarter 4
• Ends Mar 31 • Report due Apr 30	• Ends June 30 • Report due July 30	• Ends Sept 30 • Report due Oct 30	• Ends Dec 31 • Report due Jan 30

Example: Alyse Airlines spent \$5000 on lobbying in Philadelphia during Quarter 2. The company did not engage in lobbying activity during Quarters 3 and 4.

What steps must the company take to ensure compliance?

1. It must register within 10 days of spending \$2500.
2. It must submit an expense report by July 30 (the last reporting deadline for Quarter 2).
3. It must submit an expense report in Quarter 3.
4. It must also submit an expense report in Quarter 4.

Note: the Q3 and Q4 reports only require the company to check a box certifying that it has not spent \$2500 in lobbying activity in that quarter.

An expense report must include:

- Affiliated Lobbyists and Lobbying Firms
- The total amounts of Direct Communications
- The total amounts of Indirect Communications
- The total amounts spent on gifts, hospitality, lodging and transportation



Affiliated Lobbyists and Lobbying Firms

Like the registration information, principals must provide the name and PLIS registration number of each lobbyist and lobbying firm that received more than \$2500 in a quarter from the principal for lobbying activity.

Direct Communications

What is a Direct Communication?

A communication by a lobbyist, lobbying firm, or principal to a City officer or employee, the purpose or foreseeable effect of which is to influence legislative or administrative action.

What must be reported?

- The subject matter of the communication;
- The name of any City officer or employee to whom a communication were directed AND their department; and
- The position taken (e.g. support for or opposition to the action)

Example: The Play Book is a growing start-up that supports proposed legislation on playground safety, which is Bill 000. Kaleb, a lobbyist, had a lunch meeting with Councilmember Lee whose position is unclear and may have the deciding vote. A model report would be as follows:

Lobbying Category	Subject Matter	Position	Department or Agency	Name of City Official
Education	Bill 000 – Playground Safety	Support	City Council	Phil Lee

Indirect Communications

What is an Indirect Communication?

An effort, whether written, oral or by any other medium, to encourage others, including the general public, to take action, the purpose or foreseeable effect of which is to directly influence legislative action or administrative action.

What must be reported?

- The subject matter of the communication;
- A description of the persons or groups to whom the indirect communication was directed;
- The position taken (e.g. support for or opposition to the action); **and**
- The method used, such as: letter-writing campaigns, mailings, telephone banks, print and electronic media advertising, billboards, publications and educational campaigns on public issues.

Example: The Ed League is a non-profit that opposes Bill 000 (proposed legislation on playground safety) on the grounds that it is too lenient. They hire XYZ LLC, a lobbying firm, to push for stricter provisions. XYZ launches a “Safe Tee First” campaign and passes out free t-shirts with the slogan and related literature in Center City. A model report would be as follows:

Lobbying Category	Subject Matter	Position	Method of Communication	Recipient Group
Parks and Recreation	Bill 000 – Playground Safety	Oppose	Other – Street Campaign	General Public

Gifts, Hospitality, Transportation & Lodging

What are gifts, hospitality, transportation and lodging?

Gift	Hospitality	Transportation	Lodging
Anything that is received without consideration of equal or greater value	Meals, beverages, recreation, and entertainment	Examples include airfare; train fare; and taxis	Examples include hotel stay; Airbnb; accommodations at vacation property

What must be reported?

Expense Reports must itemize any gifts, hospitality, transportation and lodging in excess of \$25 in the quarter spent on City officers or employees or their immediate family members (spouse, life partner, child, life partner's child, parent, brother, sister and like in-law).

For any individual gift of **more than \$25**, the report must also disclose:

Who?	What?		
- Name of the recipient and, if a City officer or employee, their position, job title, and agency; - Name and address of the source of each gift, payment, or reimbursement.	Description of what was given and reportable value <th>Where & When?</th> <td>Date and location each gift, hospitality, transportation, or lodging was provided</td>	Where & When?	Date and location each gift, hospitality, transportation, or lodging was provided

How do I determine reportable value?

The reportable value is the fair market value. In the case of tickets, the value is the amount that a member of the general public would pay.

Notification Requirement

Principal must provide City officer or employee with prior written notice of the disclosure at least 7 days before the report is filed.

What about repayment?

If City officer or employee has repaid (in whole or in part), report must include the initial expenditure & the repayment.

Gift and Gratuity Rules for City Employees and Officers

City officers and employees can NEVER...

solicit or accept a **monetary gift**, such as cash, money orders, and gift cards from someone who is seeking official action or someone who has the ability to impact their finances

solicit or accept a **gratuity** (anything of value given to a City employee or officer as a “thank you” for doing their City job)

Many City employees and officers CANNOT accept non-monetary gifts of any value* BUT some City officers and employees may...

accept **non-monetary gifts** of \$99 or less in the aggregate on an annual basis from restricted sources, such as lobbyists

Importantly, if a principal, lobbyist, or lobbying firm offers a gratuity or a prohibited gift, they are in violation of the ethics rules and subject to penalties.

Example: Meena, a lobbyist, sends a cheese basket totaling \$110 to the Head of a City agency as a birthday gift. Meena has previously lobbied the City officer and may need to do so in the future. Meena is in violation of the gift rules.

The 10% Rule

A principal must disclose the name of any person who contributed more than 10% of the total resources received by the Principal (e.g. major donors to a non-profit).

Helpful Tips for Expense Reports

- When listing the subject matter, use the bill number, if applicable.
- When listing name of City employee or officer, if lobbying a large group of individuals, disclose the name of the group instead of the name of each City employee or officer (e.g. staffers for CM Zee).
- Notify lobbyists and lobbying firms of submission so they can affirm the submission.

*Mayor’s Executive Order

Exemptions

Certain persons and activities are exempted from the reporting thresholds, including:

- An individual who does not receive economic consideration for lobbying.
- An individual who limits lobbying to preparing testimony and testifying or commenting before City Council or a committee of City Council.
- City officer or employee working in their official capacity

Example: Social media manager is interested in embedding a new feature on their webpage. They request technology policy updates and permissions from OIT.

- An employee of a publishing or broadcasting company engaged in gathering or sharing news to the public

Example: Sherry works for a local newspaper and publishes a piece on homelessness in the City the day before a City Council budget hearing that is focused on housing and homelessness.

- An individual representing a church or religious body of which they are a member if lobbying is solely for free exercise of religion

Example: Dylan attends Philly Baptist Church which was forced to limit the number of people who could attend in-door service during the height of the COVID-19 pandemic. Dylan organizes a protest opposing the executive order because they believe it infringes on their free exercise of religion.

- An individual communicating with a City officer or employee on a routine ministerial matter, including by:
 - Scheduling a meeting
 - Requesting forms or procedures
 - Requesting status updates
 - Responding to an audit
 - Performing services pursuant to existing contract
 - Filing a complaint

Please note, additional exemptions are listed in [Regulation No. 9](#).

Other Ethics Rules

The lobbying code is primarily a disclosure law, however there are certain restrictions and requirements that extend beyond registration and reporting.

Should I be aware of conflicts of interest?

Yes. Unless the lobbyist obtains written consent, a lobbyist cannot lobby on any subject matter if the principal's interests are adverse to the interests of another principal the lobbyist represented during the current 4-year Council session.

In this case, written consent must come from both principals. Additionally, the lobbyist must reasonably believe that they can provide diligent and competent representation.

How long should I maintain records of lobbying activity?

A registrant must maintain records of their lobbying activity for 4 years in electronic or written form. The records must be available for inspection within 10 days.

Are there any prohibitions on lobbying activity?

Yes, a few of the prohibitions are listed below. For the entire list, please review **Regulation No. 9, Paragraph 9.24.**

- A lobbyist cannot serve as the Chair or Treasurer of a candidate's political committee for a candidate seeking City elective office.
- A lobbyist or lobbying firm cannot:
 - charge fees or receive economic consideration with the understanding that the payment will be converted into a political contribution under Article XVI of the Pennsylvania Election Code.
- A principal, lobbyist, or lobbying firm cannot:
 - Refuse to disclose the identity of the principal to the City officer or employee they are lobbying
 - Knowingly make false statements or communications
 - Knowingly counsel a person to violate the law
 - Attempt to influence legislative or administrative action by promising financial support for candidacy or offering a loan to a City employee or office