



MEMORANDUM

DATE: April 7, 2022

TO: Chair and Members of the San Diego Ethics Commission

FROM: Sharon Spivak, Executive Director

SUBJECT: Annual Summary of Lobbying Activity for 2021
Docketed for Ethics Commission Meeting of April 14, 2022

I. Purpose of the Annual Report

The City's Municipal Lobbying laws are designed to ensure the public has access to information about those who attempt to influence City government decisions on behalf of others. The City's laws set detailed registration and disclosure requirements so that lobbyists will provide the public with relevant information regarding the full range of their lobbying activities and financing.

As part of the expressed purpose for the City's lobbying laws, the Municipal Code states an intent to "promote transparency concerning attempts to influence municipal decisions." See San Diego Municipal Code (SDMC and Municipal Code) § 27.4001 (Municipal Lobbying Ordinance, Purpose and Intent section). The code seeks to properly regulate lobbying activities, "in a manner that does not discourage or prohibit the exercise of constitutional rights," while reinforcing "public trust in the integrity of local government" and through vigorous enforcement of City lobbying laws. *Id.*

As the Commission is aware, the Municipal Lobbying laws fall under the Ethics Commission's jurisdiction. Commission staff provide City lobbyists with education and advice regarding the laws. The Commission's authority to conduct investigations and take administrative enforcement actions extends to all current and former lobbyists who are registered, or required to be registered, with the City. SDMC § 26.0413(a)(9) and § 27.4001, *et seq.*

Lobbyist filings are available on the City of San Diego's website, in the portal accessible from the City Clerk's web page. As an added measure of transparency, Commission staff compile an annual summary of City lobbying and related activities, based on lobbyist filings from the

previous calendar year.¹ The following report and charts provide a summary of lobbyist activity in the City of San Diego during 2021.

II. Report of 2021 Lobbying Activity

(1) Lobbyist Registration

Every lobbying firm and organization lobbyist, as those entities are defined by the Municipal Code, is required to register with the City Clerk no later than 10 calendar days after qualifying as a lobbying firm or organization lobbyist. SDMC § 27.4007, *et seq.* Those that register retain that status through January 5 of the following calendar year unless and until they terminate their status; if they re-qualify, they must renew their registration.

In 2021, a total of 66 lobbying firms and 81 organization lobbyists registered a total of 873 individual lobbyists with the City Clerk.²

The huge spike in the number of registered individual lobbyists is due to Sempra Energy's record number of registrations.

The total for individually registered lobbyists is – by far – the largest number of individuals who have been registered as lobbyists with the City of San Diego since the Ordinance was enacted. This is due, however, to a single company and a specific event: After it asked a number of people outside the company to make contacts with City officials on its behalf, Sempra Energy (Sempra) registered all of those individuals as City lobbyists.

As a result, on April 28, 2021, Sempra amended its original 2021 disclosure report, which listed nine lobbyists, and added 440 individuals who were also authorized to make lobbying contacts on its behalf – for a total of 449.

On September 15, 2021, Sempra amended its disclosures again, to add one company lobbyist and to remove the 440 individuals previously included, stating those individuals “will no longer be lobbying” for the company. Thus, this number was an outlier, and skewed the 2021 totals.

Once Sempra's 440 individually registered lobbyists are removed from the total, the City of San Diego otherwise had 433 registered lobbyists in 2021. This number was higher than, but more in line with, the number of individuals registered in previous years. There were 380 individually registered lobbyists in 2020.

¹ Thank you to Ethics Commission Program Coordinator Victoria Velasquez for her assistance in compiling the 2021 data and helping to prepare this report.

² For comparison, during 2020, 57 lobbying firms and 61 organization lobbyists registered a total of 380 individual lobbyists with the City Clerk. The 2020 numbers have to be analyzed, however, while acknowledging that period included the beginning and initial peak of the COVID-19 pandemic, including lockdown periods. This may have skewed the 2020 numbers.

According to a database report derived from disclosures on file, after Semptra, the 10 entities registering the most individual lobbyists in 2021 were:

Verizon Communications, Inc. and its Affiliates	(19)
Sheppard Mullin (law firm)	(18)
Southwest Strategies	(15)
Sudberry Properties	(15)
Rick Engineering	(13)
Center on Policy Initiatives	(13)
Environmental Health Coalition	(12)
American Civil Liberties Union of San Diego & Imperial Counties	(11)
Climate Action Campaign	(11)
Allen Matkins (law firm)	(10)

(2) Disclosure of Lobbying Activities

Lobbying firms and organization lobbyists file quarterly disclosure reports. SDMC § 27.4015. A summary of the 2021 reports showed the following:

- **Lobbying firms reported receiving a total of \$4,780,010 from their clients.**
- **Organization lobbyists reported making a total of 3,131 lobbying contacts with high-level City Officials.**

The quarterly breakdown of reported earnings and contacts for 2021 follows:

<u>2021 Calendar Quarter</u>	<u>Amount Earned by Firms</u>	<u>Contacts by Organizations</u>
January – March	\$ 1,565,786	1,196
April – June	\$ 1,314,573	764
July – September	\$ 884,032	613
October – December	\$ 1,015,619	558

For comparisons to other years, please see the attached charts.

(3) Disclosure of Campaign-Related Activities

Quarterly disclosure reports are also required to detail campaign contributions and fundraising activities. It is important to note that 2021 was not a municipal election year, thus fundraising numbers are generally lower in such odd-numbered years. A summary of the 2021 reports showed the following:

- **Lobbying firms and organization lobbyists reported a total of \$131,074 in campaign contributions made to City candidates, and to committees primarily formed to support or oppose City candidates.**

- **Lobbying firms and organization lobbyists disclosed raising \$333,355 for City candidates and for committees formed to support or oppose City candidates.**

The quarterly breakdown of reported campaign activity for 2021 follows:

<u>2021 Calendar Quarter</u>	<u>Campaign Contributions</u>	<u>Fundraising Activities</u>
January – March	\$ 24,355	\$ 40,800
April – June	\$ 47,324	\$ 173,529
July – September	\$ 12,341	\$ 11,387
October – December	\$ 47,054	\$ 107,639

It should be noted that the definition of “fundraising activity” is limited in the Municipal Code for this purpose, as generally: (1) funds personally delivered to a City candidate or a committee, and (2) contributions a lobbyist has taken some credit for raising with the candidate or the candidate’s controlled committee. See SDMC § 27.4002.

For comparison purposes, please see the attached charts delineating the information disclosed by lobbying entities for each year since 2014.

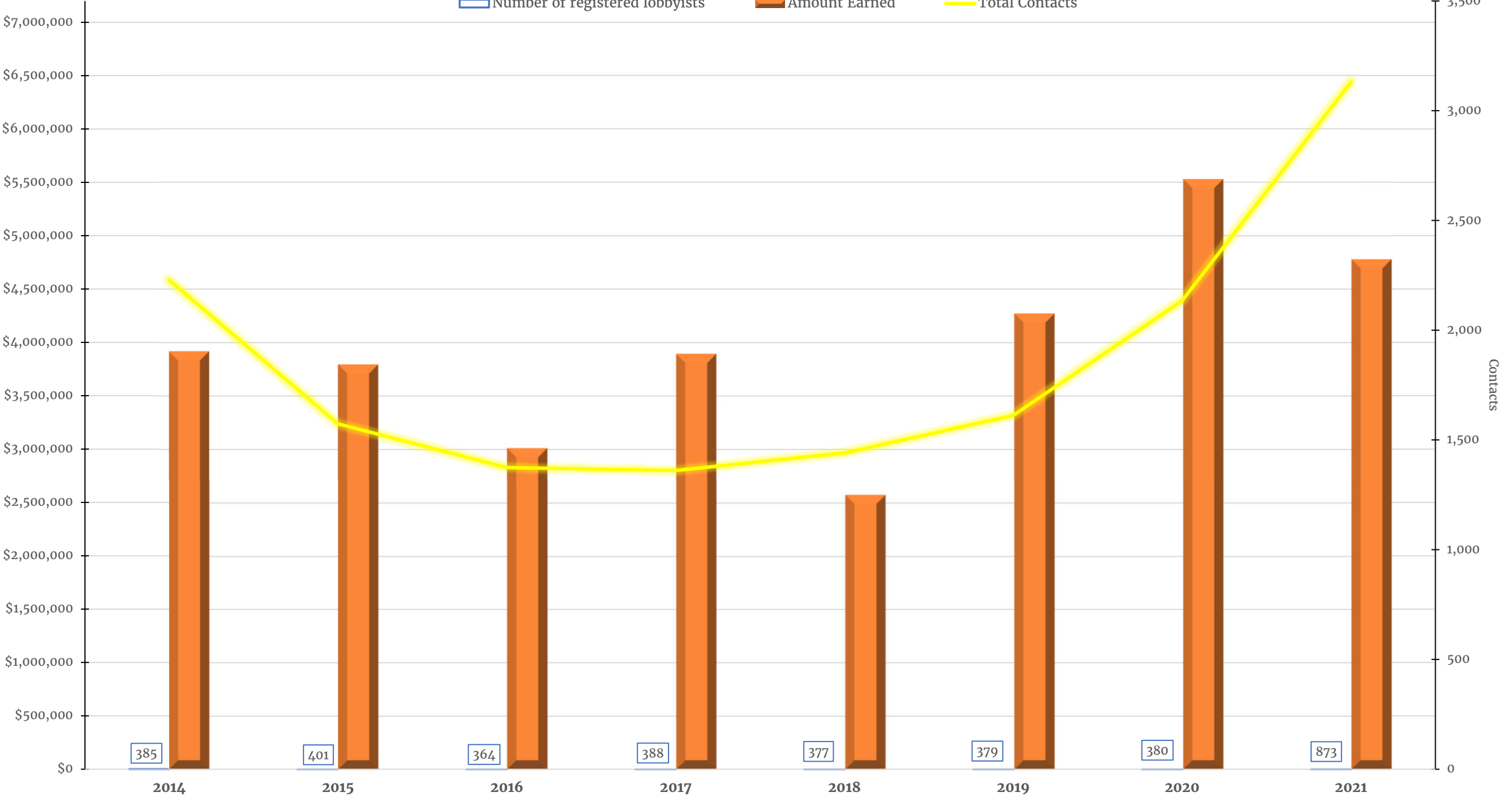
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Sharon Spivak
Executive Director

Attachments

TRENDS

Number of registered lobbyists Amount Earned Total Contacts



Campaign Activity

■ Contributions ■ Fundraising ● Election Dates

