



MEMORANDUM

DATE: May 5, 2023

TO: Chair and Members of the San Diego Ethics Commission

FROM: Sharon Spivak, Executive Director

SUBJECT: Annual Summary of Lobbying Activity for 2022
Docketed for Ethics Commission Meeting of May 11, 2023

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 2022.

To supplement this report, we are also providing Commissioners with copies of the City Clerk's quarterly lobbying reports for 2022. Those reports track individual lobbyists and their clients.

II. Report of 2022 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 2022, a total of 57 lobbying firms and 82 organization lobbyists registered a total of 438 individual lobbyists with the City Clerk.²

(2) Disclosure of Lobbying Activities

Lobbying firms and organization lobbyists file quarterly disclosure reports. SDMC § 27.4015. A summary of the 2022 reports showed the following:

- **Lobbying firms reported receiving a total of \$4,075,910 from their clients.**
- **Organization lobbyists reported making a total of 1,928 lobbying contacts with high-level City Officials.**

The quarterly breakdown of reported earnings and contacts for 2022 follows:

<u>2022 Calendar Quarter</u>	<u>Amount Earned by Firms</u>	<u>Contacts by Organizations</u>
January – March	\$ 1,061,740	579
April – June	\$ 1,115,275	528
July – September	\$ 941,562	479
October – December	\$ 957,333	342

¹ Thank you to Ethics Commission Program Manager Victoria Velasquez for compiling the 2022 data, preparing the attached charts, and helping to prepare this report.

² By comparison, during 2021, 66 lobbying firms and 81 organization lobbyists registered a total of 873 individual lobbyists, who earned \$4,780,010. The 2021 numbers included a huge spike, however, due to Sempra Energy's record number of lobbyist registrations. This turned out to be a "one-off," with Sempra subsequently removing most of the lobbyists on its list, after this had skewed 2021 numbers.

The attached charts illustrate the comparison to other years. Due to the COVID emergency, however, it is difficult to draw specific conclusions about the variation in activity during the last three years, as lobbying activity may have taken different forms. According to the data captured in the “trends” chart:

- (1) In 2020, the amount earned was the highest of the last eight years, at more than \$5.5 million.
- (2) In 2021, the number of contacts spiked, at 3,131.
- (3) If 2021 is not included (see footnote 2), the number of registered City lobbyists has been fairly consistent. The number ranged from 364 to 438 for each year between 2015 and 2022. That said, the total number of 438 registered lobbyists for 2022 is the highest number reported in that period, excluding the one-time spike due to Sempra Energy’s lobbying activity in 2021.

(3) Disclosure of Campaign-Related Activities

Quarterly disclosure reports are also required to detail campaign contributions and fundraising activities. A summary of the 2022 reports showed the following:

- **Lobbying firms and organization lobbyists reported a total of \$82,417 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 \$121,006 for City candidates and for committees formed to support or oppose City candidates.**

The quarterly breakdown of reported campaign activity for 2022 follows:

<u>2022 Calendar Quarter</u>	<u>Campaign Contributions</u>	<u>Fundraising Activities</u>
January – March	\$ 20,030	\$ 13,950
April – June	\$ 30,600	\$ 60,483
July – September	\$ 16,714	\$ 35,825
October – December	\$ 15,073	\$ 10,748

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.

The 2022 election year included races for City Council seats in Districts 2, 4, 6, and 8. Of those races, only one was a “wide-open” race that did not include an incumbent seeking re-election. The same set of Council races was included in the 2018 election cycle, but lobbying contributions and fundraising were much higher that year.

Chair and Members of the San Diego Ethics Commission
Docketed for May 11, 2023
Page 4

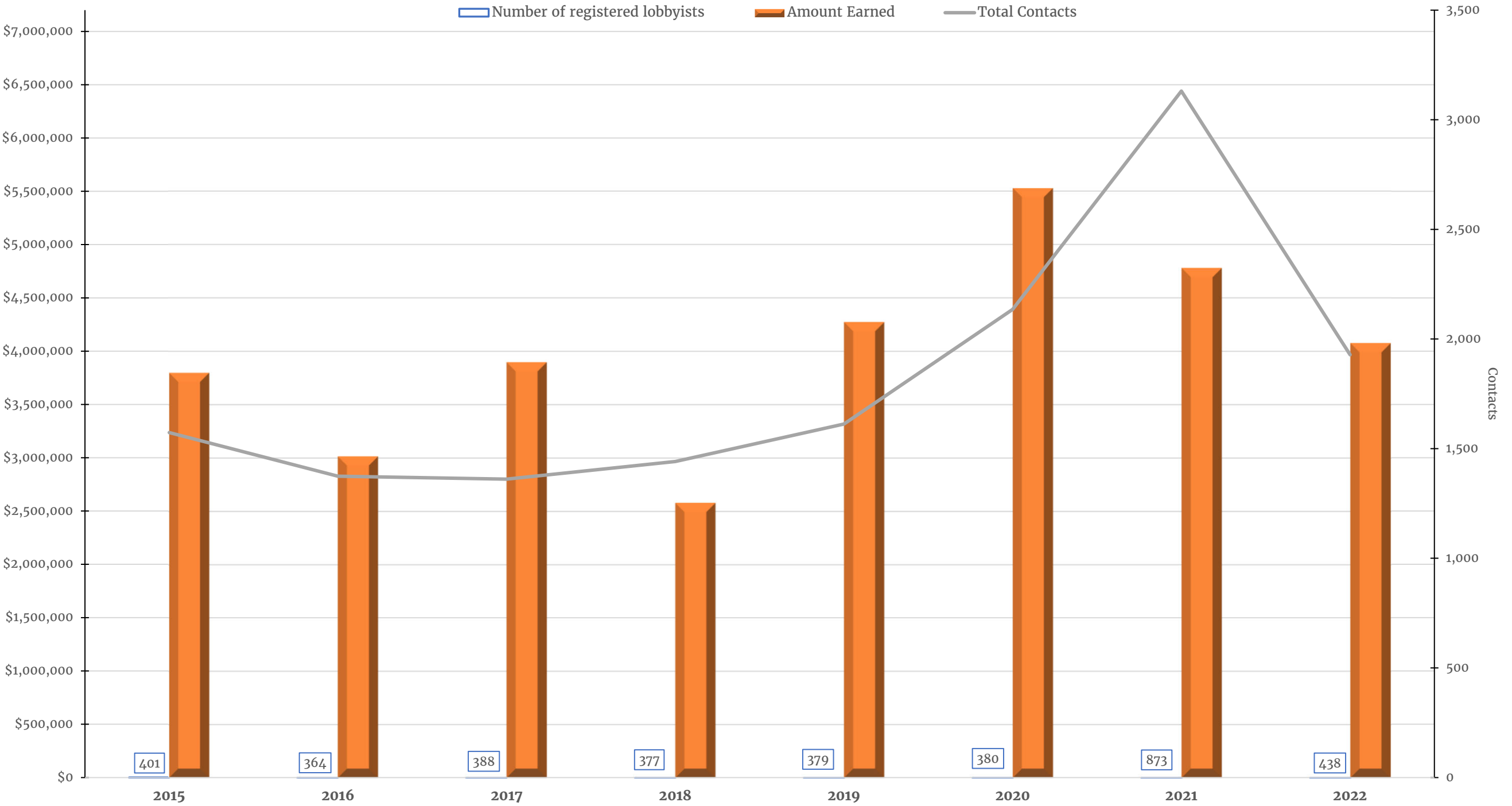
Please see the attachment on Campaign Activity for more detailed information. The chart indicates that fundraising activity and campaign contributions were far lower in 2022 than other recent City election years.

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Sharon Spivak
Executive Director

Attachments

TRENDS



Campaign Activity

Contributions Fundraising Election Dates

