

AN ORDINANCE **98709**

**ADOPTING AMENDMENTS AND REVISIONS TO THE PROVISIONS OF THE CITY'S ETHICS CODE PERTAINING TO THE ANNUAL LOBBYIST REGISTRATION FEE.**

(Amends Ordinance No. 88874, November 19, 1998)

\* \* \* \* \*

*WHEREAS*, the City Council passed and approved Ordinance Number 88874 on November 19, 1998, adopting a new Code of Ethics establishing standards of conduct for present and former city officials and employees, persons doing business with the City, and lobbyists;

*WHEREAS*, the City Council has subsequently amended the Code of Ethics in Ordinance 90313 on August 19, 1999, in Ordinance 93998 on May 24, 2001, and on May 29, 2003, when the City Council adopted several revisions proposed by the Mayor's Integrity Committee and the City's Ethics Review Board in Ordinance No. 97711; and most recently on December 18, 2003, when the City Council passed and approved Ordinance No. 98639, adopting several revisions to the lobbyist provisions of the Ethics Code; and;

*WHEREAS*, the City Council has now further considered additional amendments to the Ethics Code pertaining to the annual registration fees for lobbyists; **NOW THEREFORE**

***BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:***

***SECTION 1.*** By this Ordinance, the City Council amends the Part E, Section 4(f) of City's Ethics Code as follows:

At the time of initial or subsequent annual registration with respect to a client, a registrant shall pay to the city, and the City Clerk shall collect, a fee **of \$300**, ~~in an amount to be determined by the City Council~~. All lobbyist registration fees shall be deposited into a separate account within the general fund, which account shall be used to offset the costs of administering the city's lobbying ordinance and the cost of handling disclosure filings.

***SECTION 2.*** Part E, Section 3(g) of the City's Ethics Code, regarding the exceptions from the lobbyist registration requirement, is repealed as follows:

**SECTION 3 EXCEPTIONS**

The following persons are not required to register under Section 4 of Part E (Registration) or file an activity report under Section 5 of Part E (Activity Reports):

~~(g) Agent or Employee. An agent or employee of a lobbying firm or other registrant that files a registration statement or activity report for the period in question fully disclosing all relevant information known to the agent or employee.~~

Any agent or employee of a lobbying firm, organization or other registrant will be individually subject to the lobbyist registration regulations pursuant to Part E, Section 2 of the Ethics Code. Activity reports required under Part E, Section 5 may still be filed by a lobbying firm or registrant on behalf of agents and employees, as noted in the following section.

**SECTION 3.** The first paragraph of Part E, Section 5(a) regarding lobbyist activity reports is amended as follows:

**Required Disclosures.** Except as provided in Section 3 of Part E (Exceptions), each registrant shall file with the City Clerk a separate report signed under oath concerning the registrant's lobbying activities for each client from whom, or with respect to whom the registrant received compensation of, or expended, monies for lobbying during the prior calendar quarter.

**A firm, entity, or individual that employs agents or employees who lobby on behalf of that organization's or employer's clients may file quarterly reports regarding lobbying activities on behalf of all of the organization's or employer's clients, so long as all activities by the agents and employees that must be disclosed pursuant to the Part E are reported on the consolidated quarterly report. When a registrant files a quarterly report disclosing the lobbying activities of its agents or employees, the registrant's agents and employees, although individually registered as lobbyists, are not required to file separate quarterly reports.**

*{paragraph break added}*

The report for the preceding calendar quarter shall be filed between the first and fifteenth day of April, July, October, or January, or on the date registration on behalf of the client is required, whichever comes later. If the registrant is not an individual, an authorized officer or agent of the registrant shall sign the form. The report shall be on the form prescribed by the City Clerk and shall include, with respect to the previous calendar quarter, to the extent applicable:

- (1) the name of the registrant, the name of the client, and any changes or updates in the information provided in the most recent registration statement filed pursuant to Section 4 of Part E (Registration);

- (2) a list of the specific issues upon which the registrant engaged in lobbying activities, including, to the maximum extent practicable, a list of specific legislative proposals and other proposed, pending, or completed official actions;
- (3) a list of the city officials contacted by the registrant on behalf of the client with regard to a municipal question;
- (4) a list of the employees or agents of the registrant who acted as lobbyists on behalf of the client;
- (5) in the case of a registrant engaged in lobbying activities on its own behalf, a good faith estimate of the total expenditures as defined in Section 1 of Part E (Definitions) that the registrant and its agents or employees incurred in connection with lobbying activities;
- (6) each gift, benefit, or expenditure greater than fifty dollars (\$50).
- (7) made to, conferred upon, or incurred on behalf of a city official or his or her immediate family by the registrant, or by anyone acting on behalf of the registrant, shall be itemized by date, city official, actual cost, and circumstances of the transaction;
- (8) each exchange of money, goods, services, or anything of value by the registrant, or by anyone acting on behalf of the registrant, with any business entity in which the registrant knows or should know that a city official has an economic interest, or for which the city official serves as a director or officer, or in any other policy making position, if:
  - (A) the total of such exchanges is one thousand dollars (\$1000) or more in a calendar quarter; and
  - (B) the city official:
    - (i) has been lobbied by the registrant during the calendar quarter; or
    - (ii) serves on a board or other city body that has appellate jurisdiction over the subject matter of the lobbying.

Each exchange shall be itemized by date, business entity and address, city official, amount, and nature of transaction. For purposes of this Subsection, the term "exchange" does not include a routine purchase from a commercial business establishment, if the city official in question is neither aware, nor likely to become aware, of the transaction; and

- (9) the name and position of each city official or member of a city official's immediate family who is employed by the registrant.

**SECTION 4.** Part E, Section 3(h), regarding exceptions from lobbyist registration requirement for individuals will be renumbered as Part E, Section 3(g).

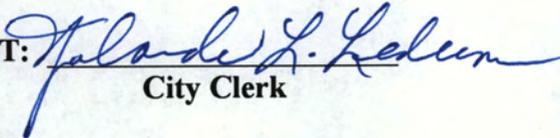
**SECTION 5.** This ordinance shall be effective ten days after passage. The changes in the Ethics Code reflected in this ordinance apply only to events taking place on or after

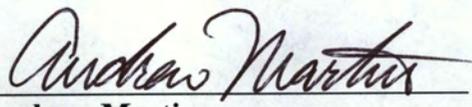
the effective date of this ordinance. Any events occurring before the effective date of this ordinance are governed by the Ethics Code in effect on that date of that event. The prior versions of the Code are continued in effect for that purpose.

**PASSED AND APPROVED** this 15th day of January, 2004.



**MAYOR**  
**Edward D. Garza**

**ATTEST:**   
**City Clerk**

**APPROVED AS TO FORM:**   
**Andrew Martin**  
**City Attorney**

**04-02** 

MEETING OF THE CITY COUNCIL

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS
CITY PUBLIC SERVICE – GENERAL MANAGER
CITY PUBLIC SERVICE – MAPS AND RECORDS
CODE COMPLIANCE
COMMERCIAL RECORDER
COMMUNITY INITIATIVES
CONVENTION AND VISITORS BUREAU
CONVENTION CENTER EXPANSION OFFICE
CONVENTION FACILITIES
COUNCIL OFFICES
CULTURAL AFFAIRS
CUSTOMER SERVICE/311 SYSTEM
DEVELOPMENT SERVICES
HOUSE NUMBERING
LAND DEVELOPMENT SERVICES
TRAFFIC & DRAINAGE PLAN REVIEW
ECONOMIC DEVELOPMENT
ENVIRONMENTAL SERVICES
SOLID WASTE
EXTERNAL RELATIONS
PUBLIC INFORMATION OFFICE
FINANCE - DIRECTOR
FINANCE – ASSESSOR
FINANCE – CONTROLLER
FINANCE – GRANTS
FINANCE – PUBLIC UTILITIES SUPERVISOR
FINANCE-TREASURY
FIRE DEPARTMENT
HOUSING AND COMMUNITY DEVELOPMENT
HUMAN RESOURCES (PERSONNEL)
INFORMATION SERVICES
INTERNAL REVIEW
INTERNATIONAL AFFAIRS
LIBRARY
MANAGEMENT & BUDGET (OFFICE OF) OMB
MAYOR'S OFFICE
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION
MUNICIPAL COURT
NEIGHBORHOOD ACTION
PARKS AND RECREATION
MARKET SQUARE
YOUTH INITIATIVES
PLANNING DEPARTMENT –NEIGHBORHOOD PLNG; URBAN DESIGN/HISTORIC PRESERVATION DISABILITY ACCESS OFFICE
POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE DIVISION
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

AGENDA ITEM NUMBER:

16  
JAN 15 2004

DATE:

MOTION: Wm

Hall  
**98709**

ORDINANCE NUMBER:

RESOLUTION NUMBER:

ZONING CASE NUMBER:

TRAVEL AUTHORIZATION:

NAME	ROLL	AYE	NAY
ROGER O. FLORES JR. District 1		/	
JOEL WILLIAMS District 2		/	
RON SEGOVIA District 3		/	
RICHARD PEREZ District 4		/	
PATTI RADLE District 5		/	
ENRIQUE M. BARRERA District 6		/	
JULIAN CASTRO District 7		/	
ART A. HALL District 8			X
CARROLL SCHUBERT District 9		/	
CHRISTOPHER "CHIP" HAASS District 10		/	
EDWARD D. GARZA Mayor		/	

AMENDS ORD. NO.

City Ethics Code

OF

04-02

MEETING OF THE CITY COUNCIL

*Amendment*

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
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TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

*Staff's Recommendation*

AGENDA ITEM NUMBER: \_\_\_\_\_  
 DATE: \_\_\_\_\_  
 MOTION: Castro \_\_\_\_\_  
 ORDINANCE NUMBER: 98709  
 RESOLUTION NUMBER: \_\_\_\_\_  
 ZONING CASE NUMBER: \_\_\_\_\_  
 TRAVEL AUTHORIZATION: \_\_\_\_\_

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ROGER O. FLORES JR. District 1		/	
JOEL WILLIAMS District 2		/	
RON SEGOVIA District 3		/	
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ENRIQUE M. BARRERA District 6		/	
JULIAN CASTRO District 7		/	
ART A. HALL District 8		/	
CARROLL SCHUBERT District 9		/	
CHRISTOPHER "CHIP" HAASS District 10		/	
EDWARD D. GARZA Mayor		/	

*Require law firm to provide  
 pay a fee for each  
 person. \$300.00*

04-02

## Attachment 1 Lobbyist Fee Matrix

Jurisdiction	Fee	Registrant	Registrations Required
<p style="text-align: center;"><b>San Antonio</b></p>	<p style="text-align: center;">\$1000/yr (annual fee per registrant, not per client)</p>	<p style="text-align: center;">Individual or Entity that is compensated or expends money to lobby must register.</p>	<p style="text-align: center;">Registrant must file separate registration form for each client</p> <p style="text-align: center;">Agent or employee of registrant <u>not</u> req'd to register if registrant reports agent's activities.</p> <p style="text-align: center;">Client who expends money to retain lobbyist also not req'd to register if lobbyist is a registrant.</p>
<p style="text-align: center;"><b>State of Texas</b></p>	<p style="text-align: center;">\$100/yr for Section 501(c)(3) or (4) entities</p> <p style="text-align: center;">\$300/yr for any other lobbyist.</p> <p style="text-align: center;">(annual fee per registrant, not per client)</p>	<p style="text-align: center;">A person or entity that receives more than \$1000 in a calendar year as compensation for lobbying must register, unless lobbying constitutes no more than 5% of person's compensated time during a calendar quarter.</p> <p style="text-align: center;">A person or entity that expends more than \$500 in a calendar year must register</p>	<p style="text-align: center;">Registrant must list employees and agents in registration.</p> <p style="text-align: center;">Agent or employee of registrant also req'd to file own registration if they meet threshold.</p> <p style="text-align: center;">Entity may avoid registration if all agents register and report all applicable activities.</p> <p style="text-align: center;">Client who expends money to retain lobbyist also not req'd to register if lobbyist is a registrant.</p>

Jurisdiction	Fee	Registrant	Registrations Required
<b>Houston</b>	<p>\$20/yr per registration form. Registrant may list multiple clients on single form for flat fee of \$20.</p> <p>If additional forms filed to rpt new client, additional \$20 fee req'd.</p>	<p>Individual or entity that receives or expects to receive \$200 or more in calendar quarter</p> <p>Individual or entity that expends or expects to expend more than \$200 in calendar quarter</p>	<p>Person or entity must report agents and employees as part of registration.</p> <p>Agents and employees also required to file individual registration and lobbying reports if they meet the threshold.</p> <p>Client who expends money to retain lobbyist not req'd to register if lobbyist is a registrant.</p>
<b>Austin</b>	<p>\$300/yr (annual fee per registrant, not per client)</p>	<p>Individual or entity that receives or expects to receive \$200 or more in calendar quarter</p> <p>Individual or entity that expends or expects to expend more than \$200 in calendar quarter</p>	<p>Agents and employees also required to file individual registration and lobbying reports if they meet the threshold.</p> <p>Client who expends money to retain lobbyist not req'd to register if lobbyist is a registrant.</p>
<b>Dallas, Fort Worth</b>	<p>No lobbying regulations</p>		

# **Ethics Code Lobbyist Revisions Lobbyist Fees**

**City Council Meeting  
January 15, 2004 - Item #16**

1

## **Current Registration**

**A person or entity who contacts a “public official” to advocate or persuade on a “municipal question” may be required to register and submit reports.**

**Reports include name of clients, list of city officials contacted, list of issues discussed with city officials.**

2

# **Current Registration**

A person or entity must register as a lobbyist if:

- 1) that person is compensated in connection with the lobbying activity; or
- 2) that person expends monies for the lobbying activities.

unless person or entity is in exempt category.

3

# **Current Registration**

## **Registration Exemptions**

- Individuals who neither receive compensation or expend money for lobbying on behalf of client;
- Neighborhood associations;
- Non-profit associations;
- Journalists
- Client of a registrant;
- *Agent or employee of registrant, if registrant fully reports*

4

## **Current Registration**

**Initial registration must occur within 90 days after the start of lobbying activity or prior to official city action taking place, whichever is sooner.**

**Annual registration must be filed by January 31 of each year after lobbying begins.**

5

## **Current Registration**

**Annual registration fee is currently \$1000 flat fee regardless of number of issues or clients. Fee established to offset City Clerk staff costs.**

**Registrant must file separate registration for each client. \$1000 flat fee still applies, regardless of number of clients.**

6

## **Current Registration**

**Currently, agents and employees of a registered lobbyist firm or other registrant do not have to register if the employer is registered and files activity reports disclosing activities of agent or employee.**

**Client of registrant also not required to register.**

7

## **Proposed Revisions**

**Proposed ordinance would reduce annual registration fee to \$300 flat fee per registrant, regardless of number of clients or issues.**

**Also would require registration of individual lobbyists, even if their employer is also a registrant.**

8

## **Proposed Revisions**

**Other jurisdictions in Texas have lower registration fees, but also require individual registration of lobbyists and individual activity reports.**

9

## **Quarterly Reports**

**Registered lobbyist firm or other registrant may still file quarterly reports disclosing lobbying activities of its agents or employees.**

**If so, agents and employees of registrant would not be required to file individual quarterly reports.**

10

**CITY OF SAN ANTONIO  
CITY ATTORNEY'S OFFICE  
INTERDEPARTMENTAL CORRESPONDENCE**

TO: Mayor and City Council  
FROM: Andrew Martin, City Attorney  
COPIES TO: Terry M. Brechtel, City Manager  
SUBJECT: Amendments to the City of San Antonio Ethics Code  
Re: Fees for Lobbyist Registration

DATE: January 15, 2004

**Summary**

On December 18, 2003, the City Council adopted Ordinance No. 98639 amending the lobbying provisions of the Ethics Code. Specifically, the definitions of the terms "municipal question," "compensation" and "expenditure" were revised to apply the general provisions of the lobbying regulations to individuals or entities engaged in lobbying activities related to zoning or platting matters.

This ordinance further revises the lobbying provisions to lower the annual registration fee for lobbyists.

**Procedural Background**

On December 18, 2003, the City Council adopted Ordinance 98639, which amended the Ethics Code to apply the general provisions of the lobbying regulations to individuals or entities lobbying on matters related to zoning or platting. During consideration of this ordinance, councilmembers inquired about the annual lobbyist registration fee compared to lobbyist registration fees imposed by the state and other municipalities. A matrix setting out comparative registration fees and procedures is attached. **Attachment 1.**

This ordinance amends the appropriate fee ordinance adopted in connection with the budget to lower the annual registration fee for lobbyists.

**Summary of Proposed Amendments to Lobbying Provisions of the Ethics Code**

Part E, Section 4(f) of the Ethics Code currently provides:

At the time of initial or subsequent annual registration with respect to a client, a registrant shall pay to the city, and the City Clerk shall collect, a fee in an amount to be determined by the City Council. All lobbyist registration fees shall be deposited into a

separate account within the general fund, which account shall be used to offset the costs of administering the city's lobbying ordinance and the cost of handling disclosure filings.

The deadline for the annual registration and payment of the fee was set for January 31. Agents or employees of a lobbying firm or other registrant are exempt from individual registration, provided the employer discloses their lobbying activities in registration and activity reports. Ethics Code Part E, Section 3(g).

In Section 4 of Ordinance No. 88874, the City Council set the registration fee at \$1,000. A fee of \$300 had been initially proposed, to be charged for each municipal question on which lobbyist contacted a public official. The council decided upon a fee of \$1000 to be charged regardless of the number of clients or issues.

By this ordinance, the City Council may establish a reduced registration fee more consistent with fees charged by the State of Texas and other major Texas municipalities. It may also consider requiring individual registration by agents and employees of lobbyist firms which is also consistent with the regulations in these other jurisdictions. A fiscal analysis and recommendation follows below.

### **Financial Impact**

The current annual registration fee for lobbyists is \$1000. This ordinance would lower the fee in accordance with registration rates charged by the state and other municipalities.

As noted, the registration fee was established to offset costs to the City Clerk's Office to process and maintain lobbyist registrations and activity reports. The approximate funding for a clerk position fulfilling these duties is \$58,000.00. The clerk assigned to this work performs other ethics and related functions. The City Clerk's Office lists the following in its responsibilities to carry out this function:

#### **Initial Registration:**

1. Process all necessary paperwork for the initial registration
2. Prepare receipt of monies collected
3. Enter all information into the lobbyists database
4. Advise lobbyists of quarterly requirements

#### **Annual Reports**

1. Prepare new folders
2. Accept and prepare receipts for annual fee

#### **Quarterly Reports (Due: January, April, July, October)**

1. Notarize and date stamp each report
2. Enter dates reports received into database by lobbyists (14 total for YR 2003) for individual clients (530 total) x 4 quarterly reports ( 2,176 entries for YR 2003.)

#### **Terminations/New Clients/Amendments**

1. Process client terminations – file paperwork in lobbyists’ files and input termination information into database
2. Process new clients – file paperwork in lobbyists’ files and input new clients’ information into database
3. Process amendments – file paperwork in lobbyists’ files and input amendments into database

Reduction of the registration fee may reduce the revenue collected to offset the cost to the City Clerk’s Office to carry out these duties. The annual registration fees collected annually fluctuate at about \$22,000.00. Conversely, though, reduction of the registration fee and the recent amendment to the definition of “municipal question” under Ordinance No. 98639 may result in the increase of the number of registrants to balance out some of this loss. However, this increase is difficult to estimate.

### **Recommendation**

As noted in the attached matrix, the State of Texas, and the Cities of Houston and Austin impose lower registration fees for lobbyists than the City of San Antonio. Unlike San Antonio, though, these jurisdictions also require each person engaged in lobbying activity to file an individual registration and to pay the annual registration fee. This applies even if the individual engaged in lobbying is an agent or employee of another registrant.

The Council has indicated an interest in reducing the registration fee to encourage compliance and participation in the lobbying registration process. To balance this objective and the budgetary needs of the City Clerk’s Office in managing the considerable volume of lobbyist registrations and activity reports, the City Attorney’s Office recommends a reduction in the fee to \$300 and an amendment to the Ethics Code to require individual lobbyists to register.

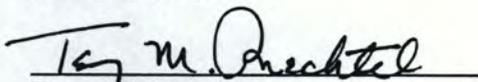
The lower fee may increase the number of registrants who previously declined to lobby on behalf of clients because the initial fee of \$1000 was prohibitive to individuals or smaller organizations with a small client base. For firms or organizations with a larger client base, the total annual fees paid by the firm as a whole may be lower, approximately the same or slightly more, depending on the number of employees or agents engaged in lobbying activity.

The reduction of the annual registration fee in conjunction with amending the Ethics Code to require individual registration will best balance the interests of encouraging compliance and participation and the fiscal requirements of the City Clerk’s Office.



Andrew Martin  
City Attorney

**APPROVED:**



Terry M. Brechtel  
City Manager