

# BOARD OF ETHICS CITY OF CHICAGO

Brandon Johnson, Mayor  
William F. Conlon, Chair



## A PLAIN ENGLISH GUIDE TO DEALING WITH LOBBYISTS AND BEING LOBBIED

**INTRODUCTION.** Chicago's lobbyist law is broad. Many private or non-profit sector individuals who meet with or contact City employees or officials to "talk business" could be lobbying. It's acceptable and important for people to lobby in our democracy and City; it's a right guaranteed by the Constitution. But it's regulated speech. The Board regulates lobbying in and before City government.



**WHO ARE LOBBYISTS IN CHICAGO?** Few outside of K Street in Washington D.C. call themselves lobbyists. Under City law, a lobbyist is any individual (**whatever** their title) who attempts to influence City decisions **on behalf of another**, like a client or employer, regarding City administrative\* or legislative action\*\* or legislation\*\*, including zoning, setting or designing contract specifications, seeking City contracts, grants, loans, or tax increment financing deals, or most City Council matters.

As of July 1, 2024, only those individuals who engage in 20 or more hours of lobbying (as defined) in a calendar quarter, or who are compensated and/or spend more than

\$1,250 for lobbying (as defined) in a calendar quarter must register with the Board of Ethics. And, lobbyists employed by non-profits will need to register **only** if they meet those thresholds **and** their non-profit employer has **both** an operating budget and net assets or fund balances of \$5,000,000 or more.

**Only individuals representing another entity, organization or person are considered lobbyists: homeowners or City residents representing themselves, for example, are not lobbying.**

\*As of July 1, 2024, "administrative action" means any direct communication with a City employee, official, or agency to influence an outcome on the City matters listed below, other than through the legislative process:

- (1) a rule;
- (2) a rate or fee;
- (3) a bond inducement matter;
- (4) a zoning matter;
- (5) a concession or franchise agreement;
- (6) the creation of a tax increment financing district;
- (7) the expression of support for a favorable Cook County property tax classification;
- (8) the acquisition, lease, license, or disposition by the City of any interest in real, personal, or intellectual property;
- (9) the procurement of goods, services, or construction, including the preparation or modification of contract specifications, or the solicitation or award of a contract;
- (10) the solicitation or award of a grant, loan, or agreement involving the disbursement of public monies;
- (11) the expression of support for, or opposition to, the enactment of any local, State or federal legislation, rule, or regulation; or
- (12) the interpretation of any local, State, or federal law, rule, or regulation.

\*\*As of July 1, 2024, "legislation" or "legislative action" means any matter pending in or proposed for introduction to the City Council or its committees or subdivisions, and "legislative action" means any engagement by an individual to influence an outcome by a City Council member or employee on any legislation.

## ARE CITY EMPLOYEES OR OFFICIALS LOBBYISTS?

City employees and elected officials are **effectively prohibited** from acting as lobbyists before any City department or agency, or before any other unit of government in the State of Illinois. City law makes clear they can perform their official City job responsibilities, and **that** activity is **not** considered lobbying before the City.

Mayoral appointees who serve on City boards or commissions **may** lobby the City on behalf of their non-City employers or clients, provided that the matters on which they lobby are **wholly unrelated** to the work of their City board or commission.

## PROHIBITION ON LOBBYING BY ELECTED OFFICIALS NOT FROM CHICAGO.

Since 2020, the law prohibits elected officials from any other unit of government in Illinois (including the General Assembly, Cook County, or other municipalities) from lobbying City employees or officials on behalf of private clients, though they can perform their official governmental duties.

## RESTRICTIONS ON FORMER CITY OFFICIALS AND EMPLOYEES.

► For two years after they leave City service, former department heads and mayoral staff may not lobby any City department or agency; other Shakman-exempt employees and Mayoral appointees to City boards and commissions may not lobby their former department, board or commission.

► For one year after they leave City office, former City Council members may not lobby any City department or agency.

## ANNUAL LOBBYIST REGISTRATION AND QUARTERLY REPORTING.

City law requires all individuals who engage in lobbying to register with the Board of Ethics annually, and four times each year file reports of their lobbying activity, compensation and expenditures, campaign contributions, and an itemized list of all gifts given to City personnel and their recipient(s). The Governmental Ethics Ordinance requires the Board of Ethics to charge a \$350 annual lobbyist registration fee and a \$75 fee per client after the first. However, the Board can

waive this fee for lobbyists who represent non-profit entities qualifying under Section 501(c)(3) or (4) of the Internal Revenue Code.

**EXEMPTIONS FROM REGISTRATION.** The law exempts certain persons from having to register as lobbyists, including those simply responding to an already-issued RFP or RFQ, or merely applying for a permit or license, or merely inquiring about the status of a contract bid, permit, or license. Attorneys are also exempt when they represent clients in proceedings, arbitrations or mediations.

As of July 1, 2024, there will be additional exemptions for those lobbying on behalf of non-profits:

- ◆ participating at the City's request on a task force, commission, or advisory committee working on an issue of interest to the City, as long as the individual does not advocate for additional work, contracts, grants or other treatment from or with the City on behalf of their employer or client;
- ◆ funding a City position or program at the request of or in coordination with a City agency;
- ◆ undertaking non-partisan analysis study or research, providing technical advice or assistance, or discussing broad social, economic or similar problems and related solutions;
- ◆ making a "self-defense" or a "grassroots lobbying" communication;
- ◆ communicating with City personnel to influence any administrative action or legislative action solely through participation in a temporary youth employment program or transitional employment program.



**CLIENTS NEED NOT REGISTER.** Under City law, only lobbyists are required to register—neither their clients nor the City employees and officials they lobby need to register.



**You're a City employee or official: MUST YOU SPEAK WITH A LOBBYIST? No — you control your schedule.** *City personnel are not required to talk to anyone just because they say they're a registered lobbyist.*

**WHAT IF YOU SPEAK WITH A LOBBYIST WHO ISN'T REGISTERED? Not to worry: City personnel don't violate the law by meeting with someone who isn't registered as a lobbyist.** Rather, persons who lobby then have 5 days to register after first engaging in lobbying. **So, we advise City officials or employees who think they're being lobbied to advise the possible lobbyist to contact the Board of Ethics as soon as possible, or, even better, just contact the Board of Ethics directly and we will handle it from there.**

Registration is easy and must be done online. The Board does not, however, issue lobbyist "identification badges," unlike some jurisdictions.

**REPORTING UNREGISTERED LOBBYISTS.** City policymakers must report to the Board the name of anyone they believe has lobbied them and who they know hasn't yet registered. A phone call or email to the Board with the possible lobbyist's name will suffice. The Board follows up on every name reported.

Note: the Board posts lists of all registered lobbyists and their clients, updated at least monthly, here:

<https://www.chicago.gov/content/dam/city/depts/ethics/general/LobbyistStuff/LISTS/lobbystlist.xls>

**CAMPAIGN CONTRIBUTIONS, CONTINGENT FEES, AND GIFTS FROM LOBBYISTS.** Lobbyists may not make political contributions in any amount to the Mayor or his political committee, and are limited to \$1,500 in political contributions in a single calendar year to any other City elected official or

candidate for elected City office (or to their authorized committees).



Lobbyists cannot be retained for, or receive, any contingency fees, though there is an exemption for *bona fide* salespersons.

Any gift that a lobbyist gives to a City employee or official must be reported in a public document, with the recipient's name.

**PENALTIES.** Penalties of \$1,000 per day can be imposed on individuals who don't register as required, or a fine of up to \$20,000 on their clients. The City can cancel any contract entered into or void any permit issued based on unregistered lobbying.

**Bottom line: it is best practice to refer all potential lobbyists to the Board of Ethics or report them to the Board so we can follow up with them.** It's not your responsibility to decide whether someone must register as a lobbyist (that's ours).

**QUESTIONS? Think you've been lobbied? Please contact us:**

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