

SUBSTITUTE
ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Chapter 2-156 of the Municipal Code of Chicago is hereby amended by deleting the language struck through and by inserting the language underscored, as follows:

(Omitted text is not affected by this ordinance)

2-156-010 Definitions.

The following definitions shall apply for purposes of this chapter:

(a) ~~“Administrative action” means any decision on, or any proposal, consideration, enactment or making of any rule, regulation, or any other official nonministerial action or non-action by any executive department, or by any official or employee of an executive department, or any matter which is within the official jurisdiction of the executive branch~~ engagement with the ability to influence an outcome, other than through the legislative process, by any agency or City official or employee on:

- (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.

(Omitted text is not affected by this ordinance)

(m-1) “Grassroots lobbying communication” means correspondence to members of the public that solicits or encourages communication to a City official, employee, or agency for the purpose of influencing an administrative action or legislative action.

(m-2) “Grassroots lobbying event” means any organized activity sponsored by a not-for-profit entity that is intended to influence an administrative action or legislative action of a City employee, official, or agency by inviting participants to a location where City employees or officials are accessible.

(m-3) “Hearing officer” means an administrative law officer appointed by the department of administrative hearings Department of Administrative Hearings, in consultation with the board of ethics Board, to the dedicated function of conducting hearings on the merits pursuant to this chapter.

~~(m-2)~~ (m-4) “Inspector general General” means the city’s inspector general City’s Inspector General.

(n) “Legislation” means any ordinance, resolution, amendment, nomination, report or any other matter pending in, or proposed for introduction into, or otherwise eligible for consideration or enactment by in the city council City Council or a committee or other subdivision thereof, including any other matter which may be the subject of council action but not limited to ordinances, resolutions, orders, appointments, and claims.

(o) “Legislative action” means the introduction, sponsorship, consideration, debate, amendment, passage, defeat, approval, veto or other official action or non-action any engagement with the ability to influence an outcome by a member of the City Council or a City Council employee on any ordinance, resolution, motion, order, appointment, application or other matter pending or proposed in the city council or any committee or subcommittee thereof legislation.

(o-1) “Lobby” or “lobbying” means the conduct described in subsection (p) of this Section 2-156-010.

(o-2) “Lobbyist reporting period” means any of the following four periods of any calendar year: January 1 to March 31, inclusive; April 1 to June 30, inclusive; July 1 to September 30, inclusive; or October 1 to December 31, inclusive.

(p) “Lobbyist” means any person individual who, on behalf of any other person, other than himself, or as any part of their duties as an employee of another, undertakes contacts or communicates directly with a City official or employee to influence any legislative or administrative action or legislative action, including but not limited to:

- (1) A bond inducement ordinance;
- (2) A zoning matter;
- (3) A concession agreement;
- (4) The creation of a tax increment financing district;
- (5) The establishment of a Class 6(b) Cook County property tax classification;
- (6) The introduction, passage or other action to be taken on an ordinance, resolution, motion, order, appointment or other matter before the city council;

- ~~(7) The preparation of contract specifications;~~
- ~~(8) The solicitation, award or administration of a contract;~~
- ~~(9) The award or administration of a grant, loan, or other agreement involving the disbursement of public monies; or~~
- ~~(10) Any other determination made by an elected or appointed city official or employee of the city with respect to the procurement of goods, services or construction.~~

Provided, however, that a ~~person~~ an individual shall not be deemed to have undertaken to influence any legislative or administrative action be a lobbyist solely: (1) by submitting an application for, or corresponding solely as to the status of, a city City registration, certificate, permit, or license; or (2) by responding to a city City request for proposals or qualifications; or (3) by seeking municipal services generally available to residents of the City, including, but not limited to, seeking establishment or modification of water, sewer, or garbage service, seeking review of a water or sewer bill believed to be in error, seeking parkway tree trimming services, seeking to have a pothole filled, seeking graffiti removal services, or seeking a temporary street closure in connection with a neighborhood block party. It shall not constitute lobbying as defined here for an individual who is paid on a contingent or commission basis for the good faith sale of goods or services to contact a City official or employee regarding the purchase by the City of such goods or services, provided that such individual is contacting only those City officials or employees who have responsibility for making purchasing decisions regarding such goods or services in the normal course of business.

The term "lobbyist" shall include, but is not limited to, any attorney, accountant, or consultant engaged in ~~the above-described activities~~ lobbying; provided, however, that an attorney shall not be considered a lobbyist while representing clients in a formal adversarial hearing. ~~A person~~ An individual who seeks to influence ~~legislative or administrative action or legislative action~~ on behalf of a not-for-profit entity shall be deemed a lobbyist only if: (1) such person individual: (i) (A) is paid or otherwise compensated for those efforts or (ii) (B) undertakes those efforts as a matter of professional engagement, regardless of pay or other compensation; and (2) such not-for-profit entity has both an operating budget and net assets or fund balances of five million dollars or more.

The term "lobbyist" shall not include: ~~(i) (1) any employee or official of another government unit who engages in the above-described activities lobbying on behalf of that government unit; or (ii) a person (2) an individual who: (a) (A) attends a meeting with an employee or official simply to provide technical information or address technical questions; (b) (B) attends a meeting to provide clerical or administrative assistance (including audio/visual, translation, or interpretation, and or sign language assistance); (c) (C) attends a meeting to observe for educational purposes; or (d) (D) plays no role in the strategy, planning, messaging, or other substantive aspect of the overall lobbying effort.~~

(p-1) "Net assets or fund balances" means the total amount reported on United States Department of Treasury Internal Revenue Service Form 990 for the line "Net assets or fund balances."

(q) "Official" means any person holding any elected office of the city City or any appointed, non-employee member of any city agency.

(q-1) "Operating budget" means the total amount reported on United States Department of Treasury Internal Revenue Service Form 990 for the line "Total expenses."

(Omitted text is not affected by this ordinance)

(x) "Seeking to do business" means: (1) taking any action within the past six months to obtain a contract or business from the ~~city~~ City when, if such action were successful, it would result in the person's doing business with the ~~city~~ City; and (2) the contract or business sought has not been awarded to any person.

(x-1) "Self-defense communication" means contact or communication by, or on behalf of, a not-for-profit entity with a City official or employee regarding administrative action or legislative action that potentially harms, diminishes, or eliminates: (1) the existence of the entity; (2) the powers and duties of the entity; or (3) the tax-exempt status of the entity or tax deductibility of contributions made to the entity.

(Omitted text is not affected by this ordinance)

(z-1) "Temporary youth employment program" means any summer or other temporary youth employment program through which persons aged 24 or younger are employed by, or engaged in employment coordinated by, a not-for-profit entity or governmental entity.

(z-2) "Transitional employment program" means any temporary employment program through which persons with unsuccessful employment histories or members of statistically hard-to-employ populations, such as formerly homeless persons, the long-term unemployed, and formerly incarcerated persons, are provided temporary paid employment and case-managed services under a program administered by a not-for-profit entity or governmental entity, with the goal of transitioning program participants into non-temporary employment.

(Omitted text is not affected by this ordinance)

2-156-142 Offering, receiving, and soliciting of gifts or favors.

(Omitted text is not affected by this ordinance)

(h) (1) In addition to the prohibition on soliciting on behalf of a covered relative in subsection (a) above, no ~~city~~ City official or employee shall solicit any gift on behalf of a third party, if: ~~(i)~~ (A) that official or employee knows that the prospective donor is seeking administrative action or legislative action from the City, and ~~(ii)~~ (B) the official or employee is in a position to directly affect the outcome of that action.

(2) The restriction of this subsection (h) shall not apply to: (A) solicitations on behalf of a charitable organization in accordance with subsection (d)(13) of this section; or (B) a City official or employee who solicits donations made directly to a not-for-profit entity or charitable organization, provided that: (i) there is no resulting direct pecuniary benefit to the City official or employee; (ii) the solicitation is not targeted towards specific potential donors; and (iii) the City official or employee does not accept any such gifts on behalf of third parties.

(Omitted text is not affected by this ordinance)

2-156-210 Persons required to register.

Each lobbyist shall register and file reports with the ~~board of ethics~~ Board as provided in this article if such lobbyist: (1) is paid or otherwise compensated, or has spent at least \$1,250, in

any combination, for lobbying in any lobbyist reporting period; or (2) spends more than 20 hours on lobbying in any lobbyist reporting period. This section shall extend to any ~~person~~ individual who undertakes to influence any ~~legislative or administrative~~ action or legislative action as any part of his such individual's duties as an employee of another, regardless of whether such ~~person~~ individual is formally designated as a lobbyist by his such individual's employer.

2-156-220 Persons ~~or entities~~ not required to register.

This article is not intended and shall not be construed to apply to the following:

(Omitted text is not affected by this ordinance)

(c) Persons who advise as to, or participate in, drafting Municipal Code or other ordinance revisions legislation, or associated rules, at the request of the city City; or

(d) Persons who: (1) testify or comment publicly before the city council, a committee or other subdivision of the city council, or any city agency, department, board or commission any agency; (2) participate at the request of a City official, employee, or agency on a task force, commission, working group, advisory committee, or other similar body addressing an issue or situation of interest to the City, provided that the person does not advocate for additional work, responsibilities, contracts, grants, or other treatment from the City on behalf of their employer or client; or (3) fund or co-fund a City position or program at the request of or in coordination with an agency. This exemption (d) shall apply only to the extent that such persons ~~appear~~ engage in the foregoing capacity. If such persons also engage in activities for which this article otherwise requires them to register, they shall ~~so~~ register for those ~~activities.~~ activities;

(e) Persons who, either as a member of, or on behalf of, a not-for-profit entity: (1) undertake nonpartisan analysis, study, and research; (2) provide technical advice or assistance; or (3) examine or discuss broad social, economic, and similar ~~problems.~~ problems and related solutions; (4) make a self-defense communication; or (5) make a grassroots lobbying communication;

(f) Persons who: (1) participate in a grassroots lobbying event and whose lobbying is limited to participation at a grassroots lobbying event; or (2) are involved in organizing a grassroots lobbying event and whose contact with City employees or officials is solely in connection with organizing a grassroots lobbying event; or

(g) Persons who communicate with a City official, employee, or agency to influence any administrative action or legislative action solely through participation in a temporary youth employment program or transitional employment program.

2-156-230 Information required of registrants.

(Omitted text is not affected by this ordinance)

(d) The registration statement required under this section shall be accompanied by a written statement certifying that all information contained therein is true and correct, and a registration fee of \$350.00 per person identified as a lobbyist in the registration statement. In addition to this registration fee of \$350.00 per person, there shall also be an annual fee of \$75.00 for each additional registered client after the first client. Provided, however, that the ~~board~~ Board

shall ~~consider and may~~, in accordance with objective criteria established by rule, grant a waiver or reduction of the registration fee required under this subsection (d) for a specific lobbyist, upon written request in a format and accompanied by such proof as may be specified by the ~~board~~ Board, ~~based on the following:~~ (i) if the lobbyist is a person an individual who is paid or otherwise compensated to influence legislative or administrative action or legislative action solely on behalf of one not-for-profit entity; and (ii) the entity is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986 entity.

(Omitted text is not affected by this ordinance)

2-156-250 Reports of lobbying activities.

No later than January 20th, April 20th, July 20th, and October 20th of each year, each registrant shall file with the ~~board of ethics~~ Board a written report of lobbying activities during the previous three calendar months. The report shall be on a form prescribed by the ~~board~~ Board, which may include electronic submission, and shall contain:

- (a) The registrant's name, permanent address, and temporary address (if any) while lobbying;
- (b) With respect to each client:
 - (i) The name, business address, and ~~permanent address~~, and nature of business of the client and of any other business entities on whose behalf lobbying was performed;
 - (ii) A statement of the amount of compensation received from each client;
 - (iii) The name of each ~~city~~ agency before which the registrant lobbied and a brief description of the ~~legislation or administrative~~ action or legislative action involved that the registrant sought to influence, including: (A) identifying information, if applicable, such as title, file number, or document number; and (B) the outcome sought by the client;
- (c) The total amount of expenditures, outside ~~his~~ the registrant's own business entity, for lobbying in each of the following categories:
 - (i) Office expenses;
 - (ii) ~~Public education, advertising~~ Advertising and publications;
 - (iii) Compensation to others, provided that compensation paid by employees of a not-for-profit entity, or by the not-for-profit entity itself, as stipends to other individuals to participate in activities that would constitute lobbying, without regard to whether those other individuals' activities would meet the compensation or hours-spent thresholds set forth in Section 2-156-210, shall not count toward such employee's own expenditures for determining whether that employee must register as a lobbyist pursuant to Section 2-156-210;
 - (iv) Personal sustenance, lodging, and travel totaling \$50 or more;
 - (v) Other expenses; provided, however, that each expenditure of \$250.00 or more shall also be itemized by the date of the expenditure, the amount, purpose, and beneficiary of the expenditure, the name, address, and nature of business of the recipient, and the ~~legislative or~~

administrative action or legislative action, if any, in connection with which said expenditure was made;

(Omitted text is not affected by this ordinance)

2-156-300 Contingent fees.

No person shall retain or employ a lobbyist for compensation contingent in whole or in part upon the approval or disapproval of any ~~legislative or administrative matter~~ action or legislative action, and no person shall accept any such employment or render any service for compensation contingent upon the approval or disapproval of any ~~legislative or administrative matter~~ action or legislative action.

(Omitted text is not affected by this ordinance)

2-156-308 Duty to report persons who have failed to register.

The head of any ~~city~~ City department and each ~~city~~ City employee designated by a department head as having policy-making authority shall be required to report to the ~~board of ethics~~ Board any person who they believe has undertaken to influence any ~~legislative or administrative~~ action or legislative action when such department head or designated ~~city~~ City employee has knowledge that the person who they believe has undertaken to influence ~~legislative or administrative~~ action or legislative action is not registered as a lobbyist as required by this article.

(Omitted text is not affected by this ordinance)

2-156-465 Sanctions.

(Omitted text is not affected by this ordinance)

(b) *Fines.* The following fines shall, as appropriate, apply to violations of this chapter:

(Omitted text is not affected by this ordinance)

(3) *Failure to register or file reports by lobbyists.*

(A) Any lobbyist who violates section Section 2-156-245 or section 2-156-270 because of failure to register on behalf of one or more clients pursuant to Section 2-156-230 shall be fined \$1,000.00 for each such violation. Each day that a violation continues shall constitute a separate and distinct offense to which a separate fine shall apply. Any lobbyist who violates any provision of Article IV of this chapter shall be subject to the suspension of his lobbyist registration.

(B) Any lobbyist who is registered with the Board and who violates Section 2-156-245 because of failure to re-register with the Board or properly amend or terminate their registration as required in Section 2-156-240 or Section 2-156-280, respectively, shall be subject to a \$250.00 fine for each such violation. Each day that a violation continues shall constitute a separate and distinct offense to which a separate fine shall apply. Provided, however, the maximum total fine for all violations of Section 2-156-245 that stem from a single incident of

failure by a lobbyist to file a re-registration, amendment, or termination described in this subsection (3)(B) shall not exceed \$20,000.00.

(C) The Board shall ~~also~~ make public, in a manner the Board deems appropriate, the names of lobbyists who violate Section 2-156-245 ~~or 2-156-270~~ and fine assessed.

(4) Failure to file reports by lobbyists. Any lobbyist who violates Section 2-156-270 shall be subject to a \$250.00 fine for each such violation. Each day that a violation continues shall constitute a separate and distinct offense to which a separate fine shall apply. Provided, however, the maximum total fine for all violations of Section 2-156-270 that stem from a single incident of failure to file a report by a lobbyist shall not exceed \$20,000.00. The Board shall also make public, in a manner the Board deems appropriate, the names of lobbyists who violate Section 2-156-270 and fine assessed.

(5) *Improper contributions.* Any person who knowingly makes, solicits, or accepts a political contribution in violation of Section 2-156-140 or Section 2-156-445 shall be subject to a fine of not less than \$1,000.00 and up to the higher of \$5,000.00 or three times the amount of the improper contribution that was accepted for each violation of these sections.

~~(5)~~ (6) *Violation of chapter provisions.* Any person who violates any other provision of this chapter, where no other fine is specifically provided, shall be subject to a public censure by the Board and a fine of not less than \$500.00 and not more than \$20,000.00 for each offense; provided that the Board may also impose a fine equal to the financial benefit an official or employee realized from a violation, if higher.

~~(6)~~ (7) *Candidates: filing of statements of financial interests.* Any person who qualifies as a candidate for City office who knowingly files a false or misleading statement of financial interests shall be subject to fines as provided in subsection ~~(a)(5)~~ (b)(6) of this section.

(c) The ~~board~~ Board may recommend an employment sanction or impose a fine for any violation of this chapter in accordance with Section 2-156-385 or Section 2-156-392, respectively.

(Omitted text is not affected by this ordinance)

SECTION 2. Following due passage and publication, this ordinance shall take effect July 1, 2024.



Matthew J. Martin
Alderman, 47th Ward