

## Chicago Passes New Ordinance Repealing Nonprofit Exemption from Lobbying Rules

July 30, 2019

On July 24, the Chicago city council unanimously passed an ordinance imposing new registration requirements on nonprofit lobbyists. Now, those who are paid to advocate on behalf of nonprofit organizations must register as lobbyists. The change is part of newly-elected Mayor Lori Lightfoot's broader package of ethics reforms that are aimed at addressing government corruption.

Chicago's lobbying rules previously exempted from the definition of "lobbyist" volunteers, employees, officers or directors of nonprofit organizations. However, the city repealed this exemption; meaning that employees and others associated with nonprofit organizations will now be required to register if they seek to influence any legislative or administrative action on the organization's behalf. In other words, they must register if they are paid or otherwise compensated for their efforts, or undertake those efforts as a matter of professional engagement (e.g., as part of their normal job duties), regardless of pay or other compensation.<sup>1</sup> The new ordinance specifies, however, that those who undertake nonpartisan analysis, study, and research, provide technical advice or assistance, or examine or discuss broad social, economic, or similar problems on behalf of a nonprofit organization are not required to register as lobbyists.<sup>2</sup> These changes will take effect on January 1, 2020, and we expect the Chicago Board of Ethics to update its guidance accordingly in the coming months.

Registration as a lobbyist is required within five business days of engaging in lobbying activity, or by January 20 of each year if re-registering.<sup>3</sup> The registration fee is \$350; however, the Ethics Board has discretion to waive this fee for individuals lobbying solely on behalf of a nonprofit.<sup>4</sup> The law still exempts from registration as a lobbyist those individuals who simply testify before the city council or any city agency, department, board, or commission.

Disclosure reports are due quarterly each year and must list lobbying activities that occurred over the previous three months. The reports must include the names of clients on whose behalf lobbying was performed; the names of city agencies lobbied and a description of the legislation or administrative action involved; the total amount of expenditures for office expenses, personal travel, advertising, and others; an itemized list of every gift given to any official or employee of the city; and an itemized list of political contributions made to city candidates and elected officials.<sup>5</sup>

Now that Chicago has changed its rules for nonprofits, those who lobby on behalf of these organizations should be prepared to register and make disclosures. In the past, Chicago has levied hefty fines for failing to register as a lobbyist—the Board of Ethics [fined](#) President Obama's former campaign manager David Plouffe \$90,000 for

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<sup>1</sup> Municipal Code of Chicago § 2-156-010(p).

<sup>2</sup> Municipal Code of Chicago § 2-156-220(e).

<sup>3</sup> Municipal Code of Chicago § 2-156-230.

<sup>4</sup> Municipal Code of Chicago § 2-156-130(d).

<sup>5</sup> Municipal Code of Chicago § 2-156-250.

failing to register as a lobbyist after lobbying then-Mayor Rahm Emanuel on behalf of Uber.

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