
Subject: Considerations for a Lobbyist Registry

Report to: Corporate Services Committee

Report date: Wednesday, February 17, 2021

Recommendations

1. That this report **BE RECEIVED** for information.

Key Facts

- The purpose of this report is to provide information respecting the creation and maintenance of a lobbyist registry.
- At its meeting held on December 17, 2020, Regional Council passed a resolution directing staff to research and report back with recommendations for the creation and maintenance of a lobbyist registry.
- A lobbyist registry is considered a publicly accessible accountability and transparency tool.
- Section 223.9(1) of the Municipal Act, 2001, provides authority for establishing and maintaining a lobbyist registry.
- Section 223.11(1) of the Act also permits a municipality to appoint a “registrar who is responsible for performing in an independent manner the functions assigned by the municipality with respect to the registry and the system of registration.”
- Niagara Region has other transparency and accountability measures in place that can address concerns regarding lobbying.
- There are a number of factors to consider in terms of the type of lobbyist registry model that Council may wish to implement including financial implications to initiating a lobbyist registry that were not considered as part of the 2021 budget process.

Financial Considerations

Should Council wish to proceed with establishing any model of Lobbyist Registry, there are initial start-up and annual operating costs that would be required for an online registry system. This would include information technology required, annual expenses required to maintain the registry and additional costs associated with appointing the Lobbyist Registrar and the hiring of additional administrative/policy support staff.

The costs would vary depending on the Lobbyist Registry model selected, the number of complaints and inquiries received as well as the enforcement model. The City of Vaughan, implemented a mandatory registry with enforcement and budgeted approximately \$250,000 which included the appointment of a Lobbyist Registrar and administrative staff to maintain the Lobbyist Registry.

In 2016 the Town of Caledon provided a report to their Council estimating initial costs for implementation of a registry between \$50,000 and \$100,000 with potential annual costs based on research of Ontario municipalities with active registries ranging from \$55,000 to \$130,000.

Analysis

At its meeting held on December 17, 2020, Regional Council passed the following motion:

- 1. That Council **DIRECT** staff to research and report back with recommendations for the creation and maintenance of a Lobbyist Registry, which should include a regular, transparent reporting process and contains a jurisdictional scan for best practices from other municipal governments in Ontario, such as Toronto, Ottawa, Hamilton, Brampton, Peel Region, Vaughan, and Collingwood; and*
- 2. That this motion **BE CIRCULATED** to Niagara's 12 local area municipalities.*

Section 223.9(1) of the Municipal Act, 2001, authorizes a municipality "to establish and maintain a registry in which shall be kept such returns as may be required by the municipality that are filed by persons who lobby public office holders".

A lobbyist registry provides a mechanism for public disclosure of lobbying activities. It is a tool that may lead to greater accountability and transparency for local government by allowing public office holders and members of the public to know who is attempting to influence local government.

The basic elements of lobbying legislation are similar across Canada; however, there are key elements that vary, such as, but not limited to, the definition of a "public office holder", the responsibility of the public office holder, the time limits for the registration, the amount of lobbying activity that will trigger registration requirements, and the penalties in case of a contravention of the by-law and code of conduct.

Lobbying occurs when an individual who represents a business or has a financial interest communicates with a public office holder, with the intent to influence a decision on governmental matters outside of the City's normal procedures and processes including but not limited to:

- arrangement of a meeting between a public office holder and any other person on any of the subject matters listed below;
- the outcome of a decision on any matter before Council, a Committee of Council or staff member, or a local board;
- development, introduction, passage, defeat, amendment or repeal of a Region by-law, motion or resolution;
- development, approval, amendment, application or termination of a Region policy, program, directive, guideline;
- purchase of goods, services or construction and the award of a contract by the Region;
- approval, approval with conditions, or refusal of an application for a service, grant, planning approval, permit or other licence or permission by the Region; and,
- transfer to or from the Region of any interest in or asset of any business, enterprise or institution.

The goal of any municipal lobbying registry is to ensure that lobbying is carried out transparently and in a manner that ensures accountability as outlined in Section 223.9 to Section 223.12 of the Municipal Act, 2001, S.O. 2001, c 25 (the "Act").

There are certain activities that, while they may seek to influence municipal behaviour, are not generally considered lobbying. These may include but are not limited to:

- Municipal staff, in their official capacity, discussing official business with Council members or other public officials;
- Individuals acting in their personal capacity to make representations before Council, Committees of Council or Local Boards;
- Providing information to a public official in response to a request;
- Members of other levels of government communicating with public officials while acting in their official capacity; and,
- Casual conversations with public officials that do not specifically pertain to municipal business.

Section 223.9 (1) of the Municipal Act, 2001, S.O. 2001, c 25 (the “Act”) authorizes a municipality to establish and maintain a registry in which shall be kept such returns as may be required by the municipality that are filed by persons who lobby public officer holders.

Although there is variation in the definition of “public office holder” between established Lobbyist Registry by-laws, generally, a public office holder is a member of Council; an officer or employee of the municipality; a member of a local board or a Committee established by Council and any person on his or her staff; an accountability officer appointed under the Municipal Act, 2001, such as Integrity Commissioner, Lobbyist Registrar, Ombudsman, etc.

Section 223.9 (2) of the Act also authorizes the municipality to provide for a system of registration of persons who lobby public office holders and to do the following things:

- Define lobby.
- Require persons who lobby public officer holders to file returns and give information to the municipalities.
- Specify the returns to be filed and the information to be given to the municipality by persons who lobby public officer holders and specify the time within which the returns must be filed and the information provided.
- Exempt persons from the requirement to file returns and provide information.
- Specify activities with respect to which the requirement to file returns and provide information that does not apply.
- Establish a code of conduct for persons who lobby public officer holders.
- Prohibit former public office holders from lobbying current public office holders for the period of time specified in the by-law.
- Prohibit a person from lobbying public office holders without being registered.
- Impose conditions for registration, continued registration or a renewal of registration.
- Refuse to register a person, and suspend or revoke a registration.
- Prohibit persons who lobby public office holders from receiving payment that is in whole or in part contingent on the successful outcome of any lobbying activities.

A review of the definition of “lobby” and “lobbying” from various lobbyist registries suggests a common view that lobbying is any communication with a public office holder about the following things:

- a by-law, bill or resolution that requires a decision by Council, a committee or other decision maker acting under municipal authority;

- the development, approval or termination of policies or programs;
- the purchase of goods and services, construction procurement, and the awarding of contracts;
- applications for planning approval, permits, service, grants and other licences or permissions;
- the award of financial contributions, grants or other financial benefits; and
- the transfer from the Region of any interest in or asset of an institution, enterprise or business.

Most Lobbyist Registry By-laws identify the following three types of lobbyists:

1. Consultant lobbyist: an individual who lobbies for payment on behalf of a client (another individual, company, partnership or organization). If the consultant arranges for a meeting between a public office holder and a third party, this is considered lobbying.
2. In-house lobbyist: an individual who is an employee, partner or sole proprietor who lobbies on behalf of their own employer, business or organization.
3. Voluntary unpaid lobbyist: an individual who lobbies without payment on behalf of an individual, business or organization for the benefit of the interests of the individual, business or other organization.

Examples of organizations that hire or retain Lobbyists include business, trade, industry, professional or voluntary organizations; a trade union or labour organization; a chamber of commerce or board of trade; and, an association, a charitable/not-for-profit organization, a coalition or an interest group.

A Lobbyist Registry is an accountability and transparency tool that involves the registration and regulation of lobbying activities. The Lobbyist Registry would apply to anyone who wishes to lobby a public office holder outside of a public forum and the Region's normal procedures and processes. Section 223.9 (3) of the Act states that the registry shall be available for public inspection in the manner and during the time that the municipality may determine.

There are three Lobbyist Registry models that could be considered for implementation:

1. Voluntary Registry – No Enforcement

- Develop a voluntary registry with no formal enforcement wherein lobbyists may choose to register with the Clerk who then posts the registrations online
- There is no complaint mechanism

2. Mandatory Registry – Self Enforcement (Self-Monitored)

- Develop a mandatory registry with no formal enforcement wherein anyone who wishes to undertake lobbying activities must register with the Clerk who then posts the registrations online
- Council members are responsible for enforcement i.e. the onus is on the member of Council not to meet with someone they consider to be a lobbyist, unless the individual has registered as a lobbyist
- Amend the Code of Conduct for Members of Council so that any interactions with un-registered lobbyists or acceptance of gifts from lobbyists can be breaches of the Code
- Any complaints regarding lobbying activity are reported to the Integrity Commissioner

3. Mandatory Registry – With Enforcement Measures

- Develop a mandatory registry with formal enforcement
- Develop a Code of Conduct for Lobbyists
- Amend the Code of Conduct for Members of Council to codify appropriate interactions with lobbyists
- A complaint regime is developed wherein individuals may file a complaint with the Registrar (could be the Integrity Commissioner) if they believe that a lobbyist is not following the Lobbyist Code of Conduct
- A by-law is enacted and offences and penalties for by-law contraventions are established

Considerations in establishing a registry would be who would be appointed as the Lobbyist Registrar; the process for registering; developing a process for reporting on lobbying activities after registering; creating and maintaining a web page with a searchable online registry; and, developing a Code of Conduct for lobbyists and a Registry by-law.

Review of Other Municipalities

Currently, municipalities in Ontario that have established a Lobbyist Registry include the Region of Peel, Toronto, Hamilton, Ottawa, Brampton, Vaughan and, more recently, Collingwood. Appendix 1 provides a comparison chart. The City of Vaughan implemented a phased-in approach for their Lobbyist Registry whereby it started as a Voluntary Registry in 2017 but transitioned to a mandatory registry with enforcement a year later in 2018.

The Town of Collingwood implemented a Lobbyist Registry in 2020; however, the first six months of the Lobbyist Registry program were considered educational and penalties for contraventions were not applied.

Municipalities who have investigated but chosen not to implement a Lobbyist Registry include the Region of Durham, Brantford, Caledon, Guelph, London, Milton and Mississauga.

For those municipalities that have chosen not to establish a Lobbyist Registry, reasons include, the costs associated with establishing and maintaining such a registry, as well as the existence of other accountability and transparency measures such as: legislation and organizational policies which address interactions between Members of Council, staff and various third parties, requirements of Purchasing by-laws, Codes of Conduct for Council and staff, Integrity Commissioner services, Declarations of Interest Registry, the Municipal Conflict of Interest Act, R.S.O. 1990, c. M. 50, and a Municipal Ombudsman/Closed Meetings Investigator.

Any mandatory registry would need to include an online registration process administered by a Lobbyist Registrar appointed by Council as well as a Code of Conduct for Lobbyists, Lobbyist By-law and would require each lobbyist to register their activity with the City prior to commencing lobbying activities or within a given timeframe after lobbying activities have taken place.

Lobbyist Registrar

Section 223.11 of the Act authorizes a municipality to appoint a registrar who is responsible for performing in an independent manner the functions assigned by the municipality with respect to the registry as described in Section 223.9 (1) and the system of registration and other matters described in Section 223.9 (2). Brampton,

Ottawa, Vaughan and Peel have appointed their Integrity Commissioners as their Lobbyist Registrar.

The Lobbyist Registrar is an independent person or body that performs duties as assigned by Council such as regulating lobbying activity by overseeing public disclosure of lobbying activity and ensuring adherence to a Lobbyist Code of Conduct. The Registrar may also enforce the by-law; review, verify and approve registrations; and, deliver information and training materials. Generally, the following are duties of a Lobbyist Registrar:

- Establish and maintain a registry of Lobbyists with a record of all returns and documents filed;
- Verify information contained in any documents filed;
- Refuse to accept a filing or document that does not comply with the Lobbyist Registry;
- Remove a filing if the person who filed does not comply with their duty to provide clarifying information;
- Issue interpretation bulletins and advisory opinions with respect to enforcement, interpretation or application of the by-law to Council;
- Investigate and report to Council on investigations and make recommendations to Council on punitive measures related to Code of Conduct violations or other applicable policies; and,
- Other duties and parameters to the position as assigned by Council.

There are many considerations regarding administering a Lobbyist Registry such as responsibility for maintaining the Registry, the registration process, the process for reporting lobbyist activities, and creation and maintenance of a searchable online registry for public access. Typically, the Lobbyist Registry would include information on individuals who lobby such as:

- name and business address;
- employer, organization or association;
- who the individual is lobbying on behalf of;
- the public office holders they are lobbying;
- the general nature of the subject matter of their lobbying; and,
- the dates on which their lobbying will start and finish.

One common component of online Lobbyist Registries is a 'Frequently Asked Questions' webpage to help determine if an activity is defined as lobbying. In addition to this feature, significant public education would need to take place to ensure the public is aware of what a Lobbyist Registry is and how it may affect them.

A mandatory registry would also include provisions for inquiries and significant sanctions and penalties for Lobbyists not in compliance. The Lobbyist Registrar may be given a range of enforcement powers including the ability to suspend or revoke a registration, impose conditions on the registration, and implement sanctions or penalties on a sliding scale dependent on the number of violations.

The Lobbyist Registrar may conduct an inquiry when requested to do so by Council as a whole, by a single member of Council or by a member of the public, and may provide a public report back to Council regarding any inquiry conducted. Provisions set out in the City of Toronto model provide that the Lobbyist Registrar may prosecute breaches of the by-law under the Provincial Offences Act with fines ranging from \$25,000 up to \$100,000. Any report from a Lobbyist Registrar must be made public.

There may also be a requirement for an administrative system to allow for management of registrations as well as staff to oversee the registry. It is helpful to note that in the City of Toronto, seven full-time staff make up the Office of the Lobbyist Registrar, not including the Lobbyist Registrar; however, the City of Toronto has a dynamic Lobbyist Registry office that has been in place over a decade.

There are a number of factors to consider when reviewing the options to establish a Lobbyist Registry, in particular, balancing the costs and benefits of such an approach. There are financial and staffing implications with respect to implementing and maintaining a Lobbyist Registry as the registry would require ongoing staff and financial resources including initial and annual operating costs, appointment of a Lobbyist Registrar, creation and maintenance of an online registration system, and potential hiring of staff to administer the registry.

Existing Accountability and Transparency Measures

Niagara Region has an Accountability and Transparency Policy as well as a contract with an Integrity Commissioner who can provide advice and conduct investigations related to breaches of the Code of Conduct for Members of Council or contraventions of the Municipal Conflict of Interest Act. In addition, there are accountability and

transparency measures that already exist and are well established for elected officials including:

- Code of Conduct for Members of Council
- Integrity Commissioner Services
- Municipal Conflict of Interest Act
- Declaration of Interest Registry
- Procurement By-law
- Council's Procedural By-law

In addition, the Region has a Code of Ethics/Conflict of Interest Policy for staff that was strengthened as a result of the recommendations from the Ontario Ombudsman report "Inside Job". Additionally, the Code of Conduct could be amended to include provisions specifically related to lobbying.

Alternatives Reviewed

This report has been provided for information purposes only, as Council has options to consider related to the type of lobbyist registry model that could be implemented. Council could:

- a) consider not establishing a Lobbyist Registry and instead rely on existing policies and legislation which address concerns regarding contracting and relations with third parties such as the Procurement By-law, Accountability and Transparency Policy, Code of Ethics/Conflict of Interest Policy, Municipal Conflict of Interest Act and the Code of Conduct for Members of Council to ensure accountability and transparency.
- b) if it wishes to implement a lobbyist registry, identify the preferred model (voluntary, mandatory – self enforcement, mandatory with enforcement) and direct staff to provide a report on the costs of the proposed model, including staffing, technology requirements, processes, necessary by-law and code of conduct and options for a Lobbyist Registrar.

Relationship to Council Strategic Priorities

This report aligns to Council's strategic priority of sustainable and engaging government including promoting an organizational culture that values continuous improvement, collaboration, and innovation and enhancing communication.

Other Pertinent Reports

None.

Prepared and Recommended by:

Ann-Marie Norio
Regional Clerk

Submitted by:

Ron Tripp, P. Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Donna Gibbs, Director, Legal and Court Services.

Appendices

Appendix 1 Municipal Comparison Chart

Municipality	Year Established	Integrity Commissioner Appointed as Lobbyist Registrar	Penalties
Brampton	2015	Yes	First contravention: may be prohibited from lobbying for 30 days Second contravention: may be prohibited from lobbying for 90 days Third or subsequent contravention: Lobbyist Registrar to determine appropriate penalty that is greater than a penalty for a second contravention
Hamilton	2015	No	First contravention: may be prohibited from lobbying for 30 days Second contravention: may be prohibited from lobbying for 60 days Third contravention or subsequent contravention: may be prohibited from lobbying for longer than 60 days as determined by the Lobbyist Registrar
Ottawa	2012	Yes	First breach: banned from communicating with public office holders for one month Second breach: banned from communicating with public office holders for three months Third breach: Integrity Commissioner determines appropriate sanction

Peel	2017	Yes	First breach: banned from communicating with public office holders for one month Second breach: banned from communicating with public office holders for three months Third breach: Integrity Commissioner determines appropriate sanction
Toronto	2008	No	First breach: the lobbyist is banned from communicating with public office holders for one month; Second breach: the lobbyist is banned from communicating with public office holders for three months; and Third breach: the Lobbyist Registrar may ban the lobbyist from communicating with public office holders for a period of not more than two years. The Lobbyist Registrar can also prosecute breaches of the Lobbying By-law under the Provincial Offences Act (POA). Every person convicted of an offence under the Lobbying By-law is liable on a first conviction to a fine of not more than \$25,000 and on each subsequent conviction to a fine of not more than \$100,000.
Vaughan	2017	No	First offence: prohibited from lobbying until completion of information and education meeting with Lobbyist Registrar Second offence: prohibited from lobbying for 3 months Third or subsequent offences: prohibition of lobbying activities as determined by the Lobbyist Registrar
Collingwood	2020	No	First contravention: ban on communication for 30 days Second contravention: ban on communication for 60 days Third or subsequent contravention: ban on communication for longer than 60 days as determined by the Lobbyist Registrar