



Ethics and Municipal Campaign Finance Codes 2024 Revisions

Updates to the Ethics Code and Municipal Campaign Finance Code, as recommended by the Ethics Review Board, were approved by City Council on May 2, 2024. The final revisions, aimed at improving clarity and ensuring consistency with state laws, are effective **October 1, 2024**.

This attached tables serve as a comprehensive guide to the revisions.

Ethics Code Revisions

Section	Final Details	Rationale
2-41: Statement of Purpose	<p>*The scope now includes any individual acting on behalf of the City (e.g., volunteers, contract/temporary employees).</p> <p>*The notice regarding compliance with state and federal laws has been moved to the beginning of the Code to increase awareness of these additional requirements.</p>	Expanding the scope enhances public confidence in City government. Additionally, moving the compliance notice ensures immediate awareness of broader legal obligations.
2-43: Conflicts of Interest	<p>*Provided guidance on when recusal is required for officials or employees serving on boards or in decision-making capacities outside the City (three step test).</p> <p>*Introduced a restriction that City officials or employees may not participate in making or awarding a contract benefiting a former employer within 12 months of starting their City employment or service.</p>	The guidance and restrictions prevent real or perceived biases, thereby maintaining public trust and ensuring fairness in decision-making.
2-45: Gifts	<p>*Clarified the distinction between a “gift” and an “honorarium” which is subject to restriction under Texas Penal Code 36.07.</p>	Penal Code 36.07 prohibits public servants from soliciting, accepting, or agreeing to accept an honorarium in consideration for services that they would not have been requested to provide but for the public servant's official position or duties.

Section	Final Details	Rationale
2-58: Prohibited Interest in Discretionary Contracts	*Clarified that the one-year restriction related to prohibited interest in contracts by former City officers and employees is specifically related to the awarding of the contract by City Council.	Provides additional guidance that a former City officer and/or employee may be able to submit a proposal for evaluation or participate in contract negotiations; however, the final awarding of the contract by City Council must be at least one year after the end of service to the City.
2-59: Disclosure of Parties, Owners, and Closely Related Persons	*Clarified that required disclosures must be made at the time a proposal is submitted but no later than 72 hours prior to action.	Early disclosure maintains transparency in the procurement process and provides sufficient time to verify eligibility and avoid late disqualifications.
2-82: Jurisdiction and Powers	*Expanded the ERB's discretion to accept or decline consideration of any alleged violation that has been resolved through other means.	Providing the ERB with additional discretion enhances its efficiency and effectiveness, ensuring that resources are allocated to matters that require further review.

Municipal Campaign Finance Code Revisions

Section	Final Details	Rationale
2-306: Campaign Bank Account Statements	*Removed the requirement to provide copies of bank account statements to the City Clerk's Office.	Texas Election Code does not require this, and removing the requirement protects sensitive information. Candidates must still maintain records of all reportable activity.
2-307: Electronic Filing of Campaign Finance Reports	*Removed quarterly campaign finance filings and reverted to state required semi-annual submissions and specific pre-election reports.	Simplifies reporting requirements and reduces confusion caused by duplicate transactions in quarterly reports. Aligns local requirements with state regulations and minimizes additional investment in campaign finance software updates.

Section	Final Details	Rationale
<p>2-308: Political Action Committees</p>	<p>*Allows General Political Action Committees (GPACs) to provide a general notice or a limited statement to the City Clerk’s office versus the filing of a full campaign finance report.</p>	<p>Provides for local reporting of applicable municipal transactions without the need for full campaign finance reports for GPACs contributing at multiple levels (local/state/federal).</p>
<p>2-309: Contribution Prohibitions</p>	<p>*Prohibits business-specific PACs and all company board members (for profit and non-profit) from contributing during high-profile contract prohibition periods.</p> <p>Note: Change rescinds previous exception for Non-Profit Board Officers.</p>	<p>Maintains public trust by preventing any perception of “pay to play” and ensures a level playing field for all entities seeking City contracts or zoning changes.</p>