Chapter 18 - ETHICS AND FINANCIAL DISCLOSURE[1]

ARTICLE I. - IN GENERAL

Sec. 18-1. - Policy.

It is the policy of the city that all city officials shall act and conduct themselves, both inside and outside the city's service, so as to give no occasion for distrust of their integrity, credibility or devotion to the best interests of the city and the public trust that it holds. To this end, there is established in this chapter an ethics commission for the city. The purpose of the commission is to accept and review complaints of impropriety on the part of city officials including, but not limited to, conflicts of interest such as the use of offices or employment for private gain, the granting and exchanging of favored treatment to persons, businesses, or organizations, and the conduct of activities that engender opportunities to influence government decisions for personal gain or advantage or that might otherwise bring discredit on or to the city. Additionally, the policy of the city in adopting article IV of this chapter is:

(1) To eliminate any undue influence, and

(2) To prohibit solicitation of campaign funds by city employees or certain appointed officials.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 92-1245, § 1, 9-16-92; Ord. No. 00-690, § 1, 7-26-00; Ord. No. 2011-47, § 2, 1-12-2011; Ord. No. 2012-773, § 2, 8-29-2012)

Sec. 18-2. - Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings provided in this section, except where otherwise expressly provided in this chapter or where the context clearly indicates a different meaning:

Benefit means anything reasonably regarded as economic gain or economic advantage, including any charitable contribution to any other person in whose welfare a city official is directly interested. The term benefit shall not apply to elected city officials in receipt of any political contribution, fee, gift, award, or other benefit as exempted by § 36.10 of the Texas Penal Code, as amended.

Business means any activity engaged in for economic gain, whether professional, industrial or commercial, and whether established to produce or deal with a product, service, or property including, but not limited to, activities operated in the form of a sole proprietorship, limited partnership, general partnership, corporation, joint stock company, joint venture, receivership or trust or in any other form. The term 'business' shall also include activities engaged in for charitable, educational or philanthropic purposes.

Candidate means a person who knowingly and willingly takes affirmative action for the purpose of gaining election to city office or for the purpose of satisfying financial obligations incurred by the person in connection with the campaign for election. The term candidate shall also include an office holder of a city elective office or an office holder elect. To the extent that any candidate elects to receive contributions or make expenditures through a 'specific-purpose committee' as that term is defined by § 251.001 of the Texas Election Code, then the specific-purpose committee shall be regarded as the agency of the candidate, and the actions of the specific-purpose committee shall be deemed to be actions of the candidate who is utilizing the specific-purpose committee. Examples of affirmative action include:

(1) The filing of a campaign treasurer appointment;

(2) The filing of an application for a place on a ballot;

(3) The filing of declaration of a write-in candidacy;

(4) The making of a public announcement of a definite intent to run for city office in a particular

election, regardless of whether the specific office is mentioned in the announcement;

(5) Before a public announcement of intent, the making of a statement of definite intent to run for city office and the soliciting of support by letter or other mode of communication; and

(6) The soliciting or accepting of a campaign contribution or the making of a campaign expenditure.

City elective office means the offices of the mayor, the various city council positions and the city controller.

City official means the elected city officials, appointive officials as defined in Article Va, Section 2(a) of the City Charter, assistant city attorneys, persons holding executive level employee positions as defined in Article Va, Section 2(f) of the City Charter, and appointed members of city boards, committees and commissions and any person whose services are donated to the city. The term includes full-time and part-time service and service on a long-term or short-term basis, whether undertaken pursuant to a written agreement or otherwise.

Commission means the ethics commission.

Contract means each contract having a value in excess of $50,000.00 that is let by the city for professional services, personal services, high-technology goods, construction or services, or other goods or services of any other nature whether the contract is awarded on a negotiated basis, request for proposal basis, competitive proposal basis or formal sealed competitive bids.

Contract award period means the period commencing upon the calendar day when the city takes formal action in publishing a request for a proposal or an invitation for formal bids for the award of the contract and ending upon the 30th day after the award of the contract by city council or a determination that the contract will not be awarded to a contractor.

Contractor means any person who has received the award of a contract, submitted a bid or proposal in any form for the award of a contract, or been proposed to be awarded the contract in an item placed upon the city council agenda, including any other person who seeks the award of the contract and is contesting, appealing or protesting the award of the contract as proposed. The term shall include the proprietor for a proprietorship, each partner having an equity interest of ten percent or more for a partnership and each corporate officer, corporate director or holder of ten percent or more of the outstanding shares of stock for a corporation. The term shall also include any subcontractor authorized to provide all or a portion of goods, labor, or services in fulfillment of an award of a contract.

Donated means provided without charge to the city or for compensation of $1.00 per year or less.

Elected city official means any person who holds a city elective office, whether through election or through an appointment to fill an unexpired term thereof.

Election means the process by which individuals (whether opposed or unopposed) seek election to city elective offices. A run-off election is a separate election.

Impropriety means conduct that violates one or more of the ethical standards established in section 18-3 of this Code.

Interest in real property includes any leasehold, beneficial interest, ownership interest or an option to acquire any such interest in real property.

Member of household means:

(1) A person who is the city official's or candidate's spouse, child, ward, parent or other relative, or the child, ward, parent or other relative of such official's or candidate's spouse, and who shares the city official's or candidate's legal residence; or

(2) A person who is the city official's or candidate's spouse, child, ward, parent or other relative, or the other relative of such official's or candidate's spouse, and over whose financial affairs and holdings candidate has legal or actual control, whether or not they share a legal residence.

Misconduct means an act committed in violation of a penal law of the United States or of the State of Texas, or an act committed in violation of any penal provision of this Code including an act committed in violation of section 18-3 of this Code.

Person means an individual, corporation, partnership, labor organization, unincorporated association, firm, committee, political committee, club or other organization or group of persons whether associated with a political party or element thereof or not.

Personal loan means a contribution, loan or other advance from personal resources made to a candidate's campaign by the candidate, or personal funds expended on a campaign by a candidate for which reimbursement will be sought, or any loans made to a candidate's campaign that are guaranteed in whole or in part by the candidate.

Salaried means receiving compensation from the city in any amount.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 92-1245, §§ 2, 3, 9-16-92; Ord. No. 94-1387, §§ 1, 2, 12-21-94; Ord. No. 00-690, § 2, 7-26-00; Ord. No. 2011-47, § 2, 1-12-2011; Ord. No. 2012-773, § 3, 8-29-2012)

Sec. 18-3. - Standards of conduct.

(a) It shall be unlawful for any city official to:

(1) Engage in any business or professional activity that conflicts with the discharge of official duties.

(2) Invest or hold any investment or interest in any financial, business, commercial or other transaction that creates a conflict between the public trust held as an official of the city and the official's private interests.

(3) Disclose confidential information concerning the property, operations, policies or affairs of the city, or use such confidential information to advance the personal interests, financial or otherwise, including the property interests, of said official or others, or accept employment or engage in business or professional activity that the official might reasonably expect would require or induce him to disclose confidential information acquired by reason of his official position.

(4) Use the official's position or the city's facilities, equipment or supplies for the private gain or advantage of the official or others, or use or attempt to use the official's position to secure special advantage for the official or others.

(5) Use or attempt to use any city employee(s) to perform acts or services for the private gain or advantage of the official or others unless the city employee(s) is acting during off-duty hours or is on a duly approved leave of absence.

(6) Negotiate for or accept future employment with any person, firm, association or corporation that has a substantial interest in any proposed ordinance or decision upon which the official may or must act or make a recommendation subsequent to such negotiation or acceptance.

(7) Appear before the body of which the official is a member while representing any private person, group or interest.

(8) Use the official's position to harass or discriminate against any person based upon ethnicity, race, gender, sexual orientation, or religion.

(9) Interfere with any criminal or administrative investigation alleging the violation of any provision of this Code, the City Charter, administrative policy or executive order in any manner, including but not limited to seeking to persuade or coerce city employees or others to withhold their cooperation in such investigation.

(10) Solicit, accept, or agree to accept a benefit from a contractor during a contract award period or any time when the city official knows the contractor is interested in any contract of any value.

(b) In addition to the provisions of subsection (a) of this section, it shall be unlawful for any elected city official to:

(1) Use or attempt to use the official's position to exercise any administrative powers over any city department, as provided for in section 10, article VII of the City Charter.

(2) Use or attempt to use the official's position to influence or attempt to influence a contractor or a recipient of grant money administered by the city to utilize the goods, labor, or services of any person for the private gain or advantage of the official or others; provided, this provision shall not be construed to prohibit an official, acting in the capacity of a citizen, from communicating with a contractor concerning matters not related to or affecting city business.

(c) It shall be unlawful for any salaried city official to:

(1) Represent any private person, group or interest before any agency of the city, except in matters of purely civic or public concern when the official is acting without compensation or remuneration.

(2) Represent any private person, group or interest in any action or proceeding against the interests of the city, or in any litigation in which the city or any agency thereof is a party. However, this provision shall not prohibit representation by a group, firm or organization the city official is associated with if such city official does not participate in the action, proceeding or litigation in any manner and does not receive any benefit directly or indirectly from the action or proceeding.

(3) Represent any private person, group or interest in any action or proceeding in the municipal courts of the city that was instituted by a city officer or employee in the course of official duties.

The provisions of this subsection shall not be construed to prohibit elected city officials and their staffs, while acting in the course and scope of their duties, from rendering assistance to constituents in lawfully obtaining city services, licenses, or permits or in transacting other routine matters of public business with city departments or agencies, provided that no preferential treatment or consideration is requested by the elected city official or his staff members on behalf of the constituents.

The provisions of this article shall be cumulative of any other applicable requirements imposed by this Code.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 89-1683, § 1, 11-15-89; Ord. No. 2011-47, § 2, 1-12-2011; Ord. No. 2012-773, § 4, 8-29-2012)

Sec. 18-4. - Chapter cumulative.

This chapter is cumulative of and supplemental to applicable state and federal laws and regulations. Compliance with the provisions of this chapter shall not excuse or relieve any person from any obligation imposed by state or federal law regarding ethics, financial reporting, campaign financing or any other issue addressed in this chapter.

(Ord. No. 92-1245, § 4, 9-16-92)

Secs. 18-5—18-10. - Reserved.

ARTICLE II. - ETHICS COMMISSION[2]

Sec. 18-11. - Created; purpose.

There is hereby created and established the ethics commission for the city to administer and implement this chapter. The commission shall have the duty and power to review allegations of impropriety on the part of city officials.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 2011-47, §§ 3, 4, 1-12-2011)

Sec. 18-12. - Composition.

The ethics commission shall consist of seven persons of good moral character who shall be adult residents of the city. No member may be a current elected city official, city employee, or candidate or applicant for such position, a campaign treasurer for a current elected city official or candidate, or an individual required to register pursuant to Article V of this chapter or, notwithstanding making expenditures or the receipt of compensation in amounts that require registration pursuant to Article V of this chapter, is otherwise engaged in conduct prescribed in section 18-72(a) of this Code and not exempted from the registration requirement in section 18-72(b) of this Code or to which an affirmative defense is not provided in section 18-73 of this Code. The mayor shall direct certain organizations to nominate the members of the commission. The positions shall be filled as follows:

(1) *Position 1:* By a member of the legal community. The Houston Bar Association shall nominate the person to fill the position from the legal community.
(2) *Position 2:* By a member of the labor community. The Central Labor Council of the AFL-CIO shall nominate the person to fill the position from the labor community.
(3) *Position 3:* By a member of the medical community. The Harris County Medical Society shall nominate the person to fill the position from the medical community.
(4) *Positions 4, 5, 6 and 7:* By four members from the city community-at-large. The city council shall nominate the persons to fill these four positions.

The city council shall confirm all nominations for positions on the commission. If any nominee is unable or declines to serve on the commission, or is not confirmed by city council, the nominating authority shall nominate another person to fill the position. If the nominating authority for Position 1, 2 or 3 declines to submit a nomination to fill its respective position, either initially or subsequently, or is unable to do so, or fails to do so within 30 days of the request by the mayor, the city council shall nominate and confirm a person to fill such vacant position.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 2011-47, §§ 3, 5, 1-12-2011; Ord. No. 2012-773, § 5, 8-29-2012)

Sec. 18-13. - Term of office.

The initial term of each position as hereby established shall commence on January 1, 1986. The initial terms of Positions 1, 3, 5 and 7 shall expire on December 31, 1987; and the initial term of Positions 2, 4 and 6 shall expire on December 31, 1986. Following the aforesaid initial terms, the term of office for each position on the commission shall be two years. Any vacancy that occurs during an unexpired term shall be filled for the remainder thereof in the manner prescribed in section 18-12 of this Code for original nominations. A member shall hold office until his successor has been nominated by the proper authority and confirmed by city council.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 2011-47, § 3, 1-12-2011; Ord. No. 2012-773, § 6, 8-29-2012)

Sec. 18-14. - Chairman, vice-chairman; quorum.

Annually, upon confirmation of its new members, the commission shall elect one of its members to serve as chairman who will preside at all meetings. The commission shall also elect another of its members to serve as vice-chairman who shall preside at meetings in the absence of the chairman. Four members of the commission shall constitute a quorum to

transact business. If a quorum is present, a vacancy on the commission shall not impair the right of the remaining members to exercise all the powers of the commission.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 2011-47, § 3, 1-12-2011)

Sec. 18-15. - Removal of members.

Members of the commission may be removed by the mayor, with the concurrence of city council, for substantial neglect of duty or for conduct that impairs the ability of the member to carry out his commission duties.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 2011-47, § 3, 1-12-2011)

Sec. 18-16. - Procedures; duties.

(a) The commission may establish for itself rules of order, evidence, or procedure that are consistent with principles of due process and not in conflict with applicable state law. Copies of commission rules of order, evidence, or procedure shall be posted on the city's internet website and maintained in the city secretary's office for inspection and purchase at the fees prescribed by law.

(b) Neither the commission nor any member shall have power to take action except by authority of majority vote, which shall mean the vote of at least four members.

(c) The commission may request the city attorney to provide legal advice, including any necessary training, or it may request of city council that special outside counsel be employed to serve in an advisory capacity to the commission. The commission may also request that city council employ or retain any additional staff that the commission may deem necessary, but no person employed or retained by the commission shall be considered an officer or employee of the city.

(d) Upon the receipt of a sworn, written complaint of any person the commission shall, or upon its own initiative may, review alleged acts of impropriety on the part of city officials. Upon the commission's request, the office of inspector general shall provide the commission with necessary assistance in the investigation of complaints. Investigations requested by the commission and conducted by the office of inspector general shall be conducted in a confidential manner and records of any such investigations shall be considered confidential to the extent permitted by state law. The unauthorized release of confidential information by any commission member shall be grounds for the removal of the commissioner.

(e) If the commission concludes that there is reasonable cause to believe that impropriety has occurred, the commission shall make a detailed written report of such conduct and forward its finding to the mayor, city council, the city attorney, and any appropriate department, agency, commission, or board.

(f) If the commission concludes that there is not reasonable cause to believe that impropriety has occurred, it shall promptly report such finding to the city official who is the subject of the complaint and the person who submitted the complaint.

(g) If any complaint received or matter brought to the attention of the commission appears to involve misconduct beyond the scope of impropriety, the commission shall refer the matter to the office of inspector general or the proper federal, state, or local governmental authority responsible for the investigation or prosecution thereof, or coordinate its review with the office of inspector general or agency responsible for the criminal investigation or prosecution so as not to prejudice any investigation or prosecution for misconduct beyond the scope of impropriety that is being conducted by criminal investigation or prosecution authorities.

(h) If, in the course of the commission's review of allegations of impropriety, there appears to be a question or issue of misconduct beyond the scope of impropriety, the commission shall immediately suspend its review and refer the matter to the office of inspector general or the proper federal, state, and local governmental authority for investigation and possible criminal prosecution, or coordinate its review with

the office of inspector general or agency responsible for the criminal investigation or prosecution so as not to prejudice any investigation or prosecution for misconduct beyond the scope of impropriety that is being conducted by criminal investigation or prosecution authorities.

(i) When the commission concludes that there has been a violation of subsection (a), part (8) of section 18-3 of this Code it shall have the power to:

(1) Issue a public rebuke and reprimand of the city official; and/or

(2) Recommend to the mayor and city council and to any appropriate department, agency, commission, or board that the city official be removed and relieved of any and all assignments or duties related to same.

(j) The commission shall review, process, and conclude all complaints in an expeditious manner.

(k) At least once each calendar year the director of the department of administration and regulatory affairs shall cause to be distributed to each city employee by email, fax, or other similar means a notice setting forth the functions and duties of the commission and the procedures for filing complaints, and periodically such notices shall be posted in prominent places in city-owned facilities. The notices shall set forth a city office and telephone number that may be contacted for further assistance or information.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 89-1683, § 2, 11-15-89; Ord. No. 08-52, § 47, 1-16-08, eff. 1-26-08; Ord. No. 2010-97, § 1, 2-10-10; Ord. No. 2011-47, §§ 3, 6, 1-12-2011; Ord. No. 2012-773, §§ 7—9, 8-29-2012)

Sec. 18-17. - Opinions.

(a) Upon receipt of a written request from any person subject to the ethical standards set out in section 18-3 herein, the commission may render written advisory opinions about the application of such ethical standards to such person in regard to a specified factual situation, whether existing or hypothetical. Any written advisory opinion so rendered shall be issued not later than the 60th day after the date the commission receives the written request.

(b) On its own initiative, the commission may issue a written advisory opinion about the application of the ethical standards set out in section 18-3 if a majority of the commission determines that an opinion would be in the public interest or in the interest of any person or persons subject to section 18-3; provided, however, that in no case shall the commission issue such an opinion which includes the name of any individual who may be affected by the opinion.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 2011-47, §§ 3, 7, 1-12-2011)

Secs. 18-18—18-20. - Reserved.

ARTICLE III. - FINANCIAL DISCLOSURE[3]

Sec. 18-21. - By covered city officials and candidates for city office.

(a) Notwithstanding the meaning of the term city official as provided in section 18-2 of this Code, only the city officials holding the following positions or performing the duties and functions enumerated and described below (hereinafter referred to as "covered city officials") shall be required to comply with the provisions of this article:

(1) The mayor, the city controller, and city council members;

(2) The city attorney, the presiding judge of the municipal courts department and all full-time and substitute municipal court judges (classified as "Associate Judges of Municipal Courts");

(3) All executive level employees of the mayor's office and the city controller's office;

(4) Council member chiefs of staff and agenda directors; and

(5) City department personnel—Directors, deputy directors, and assistant directors.

(b) On or before April 30 of each calendar year, each covered city official shall file with the city secretary a financial disclosure statement. The statement shall cover the previous calendar year. The mayor, city council members, and the city attorney shall file a financial disclosure statement pursuant to Chapter 145 of the Local Government Code. All other covered city officials may elect to use either the financial disclosure form prescribed by Chapter 145 of the Local Government Code or the financial disclosure statement form promulgated pursuant to the provisions of section 18-25 of this Code to comply with the provisions of this article.

(c) Any candidate for a city elective office at a general election who has not filed a financial disclosure statement pursuant to Chapter 145 of the Texas Local Government Code during the year in which such election is held shall file a statement pursuant to that law with the city secretary. A candidate for city elective office in a special election to fill a vacancy shall file a financial disclosure statement with the city secretary as provided in the preceding sentence. The term candidate shall include a covered city official seeking reelection or election to another city elective office. Those candidates who have not filed by the filing date provided herein shall be advised of such omission by the commission via hand delivery, electronic mail, certified mail, return receipt requested, sent or delivered to the address provided by such candidate at the time of filing for office, or by any other method approved by the commission.

(d) A covered city official who ceases to be a covered city official shall not be required to file a financial disclosure statement with the city secretary for the period existing between the previous statement filed by such official and the effective date of such official's termination of duty or employment.

(e) Any person who is appointed to a city elective office for an unexpired term and who is not otherwise subject to subsections (b) or (c) hereinabove shall file a financial disclosure statement with the city secretary for the 12 months preceding his appointment. The statement shall be filed not later than 15 days following such appointment. This subsection shall not apply to the mayor pro tem who fills a vacancy created in the office of mayor, or to the vice mayor pro tem who fills a vacancy created in the office of mayor or mayor pro tem, provided such person has previously complied with subsection (b) above.

(f) The city secretary shall retain financial disclosure statements for not less than five years from the date of filing. The city secretary shall also maintain a list of the persons who are required to file financial disclosure statements under this article and an index of the statements filed, setting forth names and dates of filing.

(g) A covered city official or candidate for a city elective office shall include the following information by separate listing of each category, as enumerated in parts (1) through (14) below, in his or her required financial disclosure statement:

(1) The name, address, public position held or sought by the covered city official or candidate, the names of all members of his household, and all names under which any of them do business.

(2) All sources of occupational income in excess of $250.00 per source of the covered city official or candidate, and members of his household, including the amount, the name and business address of the employer or employing business and the nature of the occupation or business. If the covered city official, candidate, or any member of his household is self-employed, or if such person owns, either legally or beneficially, at least a 20 percent interest in the business, then he shall report the names and addresses of the clients or customers from whom he or his employer or employing business received at least ten percent of such employer's or employing business' gross income during the period covered by the statement. If such income is for the provision of medical, health-related, or legal services, the income shall be listed but the identity of the individual patients or clients need not be disclosed.

(3) All income received during the period covered by the statement by the covered city official, candidate, member of his household, or by a business in which the person has a 20 percent or greater interest, as a fee for future, unspecified services, including the amount and the name of the source of the fee.

(4) An itemized list of all income in excess of $250.00 per source received during the period covered by the s covered city official, candidate, or member of his household from interest, dividends, royalties or rents, i amount and the identification of the source.

(5) An itemized list of all income in excess of $250.00 per source received during the period covered by the statement by the covered city official, candidate, or member of his household as the beneficiary of a trust, including the amount and the identification of the source.

(6) The identification of any person, business, or organization from whom the covered city official, candidate, or member of his household has received, during the period covered by the statement, a gift of any money or other thing of value in excess of $250.00, or a series of gifts from the same source, the total value of which exceeds $250.00, including, by itemized listing, the source of the gift and its value. Excluded from this requirement are gifts received from persons related to the covered city official, candidate, or member of his household within the second degree of consanguinity or affinity, and campaign contributions which were received and reported as required by state statute. Also excluded from this requirement are meals and beverages received during the period covered by the statement by such person from some other person, business or organization.

(7) The name of any business in which the covered city official, candidate, or member of his household held or owned stock, legally or beneficially, at any time during the period covered by the statement, which stock is registered and publicly traded on a recognized exchange (or through the over-the-counter market).

(8) The name, street address, and nature of any business in which the covered city official, candidate, or member of his household held or owned stock, legally or beneficially, at any time during the period covered by the statement, which stock is either unregistered, closely held or not publicly traded on a recognized exchange (or through the over-the-counter market), and a statement as to whether the holdings constitute a ten percent or larger interest in such business.

For purposes of sub-items 7 and 8, stock held in a mutual fund, company 401K plan, or similar investment in which the shares of the fund or investment may be actively traded or exchanged, stock ownership may simply be identified by the fund name, investment fund name, or other descriptive name (i.e., Fidelity Magellan Fund, COH 457 Plan, etc.).

(9) A description and the amount of all bonds, notes and other commercial paper held or owned, legally or beneficially, by the covered city official, candidate, or member of his household at any time during the period covered by the statement.

(10) All other income received during the period covered by the statement by the covered city official, candidate, or member of his household in excess of $250.00, including, by itemized listing, the amount and description of the source.

(11) All real property in which the covered city official, candidate, or member of his household has held, at any time during the period covered by the statement, any legal or beneficial interest, including, by itemized listing, a description of the property sufficient to locate the property, including the street address, if any, the present use of the property and the proportion, by percent, of the interest held in each tract by the covered city official, candidate, or member of his household.

(12) An itemized list of all real property that, at any time during the period covered by the statement, was owned, either directly or through a subsidiary, by a corporation, partnership, limited partnership, trust, or other business in which the covered city official, candidate, or member of his household is an officer or owns at least a ten percent interest, including a description of the property sufficient to locate the property, including the street address, if any, and the present use of the property.

(13) All contractual financial liabilities of the covered city official, candidate, or member of his household that are in excess of $1,000.00 and that existed at any time during the period covered by the

statement, including the amount of the liability, the interest rate and the name of the obligee. Provided, however, that such liabilities shall not be construed to include normal household accounts such as those with retail business establishments or bank credit or debit cards. Additionally excluded from this requirement are campaign loans which are to be reported as required by state statute.

(14) All boards of directors of which the covered city official, candidate, or member of his household was a member and the executive positions which the person held during the period covered by the statement in any business, stating the name of each such business and the position held.

(h) Reports of cash value or interest by category.

(1) Where a monetary amount or value is required to be reported, the exact amount need not be stated. The statement may instead include the category of amount as follows:

a.	*Category I:*	Less than $1,000.00
b.	*Category II:*	At least $1,000.00 but less than $10,000.00
c.	*Category III:*	At least $10,000.00 but less than $50,000.00
d.	*Category IV:*	At least $50,000.00 but less than $100,000.00
e.	*Category V:*	At least $100,000.00 but less than $500,000.00
f.	*Category VI:*	At least $500,000.00 but less than $1,000,000.00
g.	*Category VII:*	$1,000,000.00 or more

(2) Where the rate of interest is required to be reported, the exact rate of interest need not be stated. The statement may instead include the rate of interest by category as follows:

a.	*Category I:*	Not more than five percent.
b.	*Category II:*	Greater than five percent, but not more than ten percent.
c.	*Category III:*	Greater than ten percent, but not more than 15 percent.

d.	*Category IV:*	Greater than 15 percent, but not more than 20 percent.
e.	*Category V:*	More than 20 percent.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 94-1006, § 1, 9-21-94; Ord. No. 94-1388, § 1, 12-21-94; Ord. No. 05-1060, § 1, 9-14-05; Ord. No. 05-1222, § 1, 11-9-05; Ord. No. 2011-47, §§ 8—11, 1-12-2011; Ord. No. 2012-773, § 10, 8-29-2012; Ord. No. 2014-231, § 2(Exh. A), 3-26-2014; Ord. No. 2015-245, § 2, 3-25-2015)

Sec. 18-22. - Public records.

All financial disclosure statements required by this article shall be sworn or conform to minimum state law requirements for unsworn declarations and shall constitute public records. The city secretary shall maintain such statements in a manner that is accessible to the public during regular business hours.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 2014-231, § 2(Exh. A), 3-26-2014)

Sec. 18-23. - Dates.

All financial disclosure statements required by this article shall be filed with the city secretary by 5:00 p.m. of the last day designated. When the last day falls on a Saturday or Sunday, or on an official city holiday as established by city council, the deadline for filing is extended to 5:00 p.m. of the next day which is not a Saturday or Sunday or official city holiday. Such statement shall be deemed to be timely filed if it is placed in the United States Post Office or in the hands of a common or contract carrier properly addressed to the city secretary within the time limit applicable to such statement. The postmark or receipt mark (if received by a common or contract carrier) will be prima facie evidence of the date that such statement was deposited with the post office or carrier.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 2014-231, § 2(Exh. A), 3-26-2014)

Sec. 18-24. - Legal opinions.

Any elected city official may request, and the city attorney shall thereupon promptly issue, a written opinion concerning the meaning or effect of any section, word, or requirement of this article as it affects such official. At the request of such official, the city attorney shall not disclose the requesting party's identity in the written requested opinion or in any other manner, and shall render the opinion in the form of a response to an anonymous, hypothetical fact situation.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 2014-231, § 2(Exh. A), 3-26-2014)

Sec. 18-25. - Forms.

The city secretary shall promulgate forms on which statements required by this article may be made and shall make them available to all covered city officials who are subject to the terms of this article.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 2014-231, § 2(Exh. A), 3-26-2014)

Sec. 18-26. - Penalty.

Any violation of this article, upon conviction, shall be fined not less than $100.00 nor more than $500.00 for each violation. Each day that any violation continues shall constitute a separate and distinct offense. Financial disclosure statements filed pursuant to Chapter 145 of the Local Government Code shall be subject to the provisions and penalties therein.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 92-1449, § 33, 11-4-92; Ord. No. 05-1060, § 2, 9-14-05; Ord. No. 2014-231, § 2(Exh. A), 3-26-2014)

Cross reference— General penalty, § 1-6.

Sec. 18-27. - Review by ethics commission.

All financial disclosure statements shall be reviewed by the commission, and if a majority of the commission determines that the statement has been completed incorrectly or not in accordance with the provisions of this article or other applicable law, the covered city official or candidate who filed such statement shall be advised of such by the commission via hand delivery, electronic mail, certified mail, return receipt requested, sent or delivered to the address provided by such covered city official or candidate at the time of his or her filing, or by any other method approved by the commission. Any violation of this article or other applicable law pertaining to financial disclosure shall be referred to the city attorney or other appropriate official by the commission.

(Ord. No. 87-59, § 1, 1-14-87; Ord. No. 05-1060, § 2, 9-14-05; Ord. No. 2011-47, § 12, 1-12-2011; Ord. No. 2014-231, § 2(Exh. A), 3-26-2014)

Secs. 18-28—18-30. - Reserved.

ARTICLE IV. - LIMITATIONS ON SOLICITATIONS AND CONTRIBUTIONS[4]

Sec. 18-31. - Scope; contribution cycles.

(a) The provisions of this article shall be applicable to all candidates and persons making contributions to candidates and to such additional matters as are addressed herein.

(b) Each candidate shall file with his application for a place on the ballot or declaration of write-in candidacy a written statement acknowledging that he has received a copy of this chapter.

(c) As used in this article the term contribution cycle shall mean:

(1) For a person or political committee:

a. The period beginning January 1 following a general municipal election and ending on December 31 of the next year, and

b. The period beginning January 1 after the end of the previous period and ending on December 31 following a general municipal election;

(2) For a person or political committee contributing to a candidate in a run-off election, the period beginning the day after a general municipal election and ending on December 31 following a run-off election; and

(3) For a person or political committee contributing to a candidate in a special election to fill a vacancy:

a. The period beginning when a person takes affirmative action to become a candidate as defined in section 18-2 of this Code and ending on December 31 of the year in which the special election is held, and

b. If candidate is in a run-off election, an additional period beginning the day after the special election and ending on December 31 of the year in which the special election run-off is held.

(d) Terms not defined in this article but defined in Title 15 of the Texas Election Code shall have the meanings ass them in Title 15 of the Texas Election Code.

(Ord. No. 92-1245, § 5, 9-16-92; Ord. No. 2011-47, § 13, 1-12-2011; Ord. No. 2016-528 , § 2, 6-29-2016, eff. 7-1-2016)

Sec. 18-32. - No contributions in city owned or operated buildings or facilities.

It shall be unlawful for any person to deliver a contribution to a candidate or for any candidate to accept a contribution in any city owned or operated building or facility. It is a defense to prosecution that the delivery was made by the United States Postal Service or other delivery service or common carrier or the contribution was offered and accepted during an authorized campaign fundraising event conducted at a city owned or operated building or facility pursuant to a written agreement with the city regarding the use of the city owned or operated building or facility.

(Ord. No. 92-1245, § 5, 9-16-92; Ord. No. 95-104, § 1, 1-25-95; Ord. No. 2011-47, § 13, 1-12-2011; Ord. No. 2011-107, § 2, 2-9-2011; Ord. No. 2012-773, § 12, 8-29-2012)

Sec. 18-33. - Prohibited solicitations.

(a) It shall be unlawful for any candidate to accept or to offer or agree to accept any contribution that was solicited by a member of the ethics commission, planning commission or a member of the sports authority board, the port authority board, or the metropolitan transit authority board appointed by the city.

(b) It shall be unlawful for any member of the ethics commission, planning commission or a member of the sports authority board, the port authority board, or the metropolitan transit authority board appointed by the city to solicit contributions for any candidate.

(c) It shall be unlawful for a city employee to solicit contributions for any candidate at any time unless the employee is acting during off-duty hours or is on a duly approved leave of absence. Further, this section does not contradict state law as it applies to police and fire personnel.

(Ord. No. 92-1245, § 5, 9-16-92; Ord. No. 95-104, § 1, 1-25-95; Ord. No. 01-742, § 1, 8-8-01; Ord. No. 2011-47, § 14, 1-12-2011; Ord. No. 2012-773, § 13, 8-29-2012)

Sec. 18-34. - Prohibition of contributions by litigants.

It shall be unlawful for any person who has any litigation pending in which the person is an adverse party to the city or who has an ownership interest of ten percent or more in any party that has any litigation pending in which it is an adverse party to the city to contribute or donate any funds to any candidate if the litigation seeks recovery of an unspecified amount or of an amount in excess of $50,000.00, exclusive of costs of court and attorneys' fees. Such restriction shall not be applicable to attorneys representing such person. It shall be the duty of any candidate to refuse to accept any contribution that may be offered by a person who is known to the candidate to have a litigation interest described in the foregoing provision. In the event that any candidate unknowingly accepts a contribution in contravention of the foregoing provision, then it shall be the duty of the candidate to return the contribution within ten days after the candidate becomes aware of the litigation.

(Ord. No. 92-1245, § 5, 9-16-92)

Sec. 18-35. - Reserved.

Editor's note— Ord. No. 2016-528 , § 3, adopted June 29, 2016, effective July 1, 2016, repealed § 18-35 in its entirety. Formerly said section pertained to restricted period for solicitations and contributions and derived from Ord. No. 92-1245, § 5, 9-16-92; Ord. No. 94-1387, § 3, 12-21-94; Ord. No. 00-690, § 3, 7-26-00.

Sec. 18-36. - Prohibited contractor contributions.

(a) It shall be unlawful for any contractor to contribute or offer any contribution to a candidate, or for any candid solicit or accept any contribution from a contractor during a contract award period. In the event that a candid unknowingly accepts a contribution in contravention of the foregoing provision, it shall be the duty of the can return the contribution within ten days after he becomes aware of the violation.

(b) Each request for proposal or other document, notice or advertisement for a contract shall contain a notice regarding this section in a form approved by the city attorney. Each contractor shall be required to submit with any proposal or other submission for the award of any contract a complete list of the persons included in the term "contractor" as defined in this chapter in a form prescribed by the city attorney. It shall be the duty of each city department director to immediately forward each contractor list received to the city secretary who shall compile and maintain a log of persons who are required to be reported. In addition, the city secretary shall compile, maintain and post, by the 14th day after a city council meeting, a list of contracts awarded at such council meeting by city council, including on such list, the date of the initial posting of the request for council action relative to each specific contract, the name of the contractor, a short description of the contract and the date occurring 30 days after the award of the contract or the determination by city council or the mayor that the contract would not be awarded to a contractor.

(c) As used in this section the term contract award period shall mean the period commencing at the time of posting of the city council meeting agenda including an item for the award of the contract and ending upon the 30th day after the award of the contract by city council or a determination by city council or the mayor that the contract will not be awarded to a contractor.

(d) As used in this section the term contractor shall not include a subcontractor.

(Ord. No. 92-1245, § 5, 9-16-92; Ord. No. 00-690, § 4, 7-26-00; Ord. No. 05-91, § 1, 1-25-05; Ord. No. 2011-47, § 15, 1-12-2011; Ord. No. 2016-528 , ;ss; 4, 6-29-2016, eff. 7-1-201)

Sec. 18-37. - Limitation on repayment of personal loans.

It shall be unlawful for any candidate to be reimbursed or to be repaid from campaign contributions for any personal loan in excess of $75,000.00 for the office of mayor, $75,000.00 for any other city-wide office (controller and at-large council offices) or $50,000.00 for a district council office. This provision shall not alter, remove or affect any reporting requirements under the laws of the State of Texas or this article.

(Ord. No. 92-1245, § 5, 9-16-92; Ord. No. 2016-528 , § 5, 6-29-2016, eff. 7-1-2016)

Sec. 18-38. - Limitation on candidate contribution by individual and political committee.

(a) No person shall make contributions to any single candidate in excess of $5,000.00 per contribution cycle. No political committee shall make contributions to any single candidate in excess of $10,000.00 per contribution cycle.

(b) A candidate may utilize unexpended political contributions raised in connection with a non-city elective public office in an amount not to exceed the maximum contribution that the candidate may accept from a single donor under subsection (a), regardless of category, provided he files with the city secretary a statement of intent to do so at the time of the filing with the city secretary of his campaign treasurer designation, or if the filing of a campaign treasurer designation is not required, prior to the making of any expenditure in connection with his campaign for city elective office. The provisions of this subsection shall also be applicable to a run-off election, provided that the statement of intent shall be filed within three days after the run-off election is called.

(c) A coordinated campaign expenditure shall be considered a contribution subject to the limits set forth in subsection (a) and subject to the disclosure requirements for campaign contributions made to a candidate for city office. As used in this subsection, the term coordinated campaign expenditure means a payment,

other than a direct contribution, for an activity, service or product that contains express advocacy for the election or defeat of a clearly identified candidate for city office and is made in cooperation, consultation, or concert, with or at the request or suggestion of, a candidate for city office or a candidate's representative, agent, or employee.

(1) Coordinated campaign expenditures shall include, but not be limited to the following:

a. Voter identification and/or get-out-the-vote activity on behalf of a specific candidate for city office; and

b. A public communication that refers to a clearly identified candidate for city office and that promotes or supports a candidate for that office, or attacks or opposes a candidate for that office, or is suggestive of no plausible meaning other than an exhortation to vote for or against a specific candidate.

(2) If an individual or organization is engaging in express advocacy for the election or defeat of a clearly identified candidate for city office, the following shall not be considered a coordinated campaign expenditure:

a. Direct monetary contributions made to a candidate for city office;

b. In kind contributions made to a candidate for city office;

c. Payments by an individual or organization for the individual's or organization's overhead expenses including but not limited to rent, utilities, taxes, office supplies or salaries; or

d. Volunteer (unpaid) activity on the part of the individual or the members of the organization.

(d) As used in this section, the term person shall not include a political committee.

(Ord. No. 92-1245, § 5, 9-16-92; Ord. No. 94-1387, § 4, 12-21-94; Ord. No. 01-799, § 1, 8-22-01; Ord. No. 05-73, § 1, 1-25-05; Ord. No. 2011-47, § 16, 1-12-2011; Ord. No. 2016-528 , § 6, 6-29-2016, eff. 7-1-2016)

Editor's note— Ord. No. 2016-528 , §§ 9, 10, adopted June 29, 2016, retroactively applied the changes to the contribution limits in Section 18-38(a) to March 5, 2016, or April 5, 2016, for a candidate who participated in the December 12, 2015 run-off election. The contribution cycles leading up to the November 5, 2019 election are as follows:

1) March 5, 2016 (or April 5, 2016 as applicable) through December 31, 2017;

2) January 1, 2018 through December 31, 2019; and

3) (For run-off candidates) November 6, 2019 through December 31, 2019.

Any contributions made before March 5, 2016, or April 5, 2016, as applicable, shall be governed by the provisions of Section 18-38(a) of the Code of Ordinances, Houston, Texas, that were in effect on the date the contribution was made.

Sec. 18-39. - Reserved.

Editor's note— Ord. No. 2016-528 , § 7, adopted June 29, 2016, effective July 1, 2016, repealed § 18-39 in its entirety. Formerly said section pertained to retirement of debt by term limited candidates and derived from Ord. No. 94-1387, § 5, 12-21-94.

Sec. 18-40. - Reserved.

Editor's note— Ord. No. 2006-1239, § 3, adopted December 13, 2006, repealed § 18-40 in its entirety. Formerly, said section pertained to Internet posting of campaign finance reports and derived from Ord. No. 01-597, § 2, 6-27-01.

Sec. 18-41. - Violations.

All provisions of this article shall be punishable as provided in section 1-6 of this Code.

(Ord. No. 92-1245, § 5, 9-16-92; Ord. No. 2012-773, § 14, 8-29-2012)

Secs. 18-42—18-70. - Reserved.

ARTICLE V. - LOBBYING

Sec. 18-71. - Definitions.

The definitions established in section 18-2 of this Code shall not apply in this article unless expressly indicated below. In this article, the following words and terms shall have the meanings provided to them in this section, unless the context clearly indicates another meaning:

Administrative action means rulemaking, licensing, or any other matter that may be the subject of action by a city official, city department or other city agency, including the proposal, consideration, or approval of the matter. The term does not include the day-to-day application, administration or execution of city programs and policies such as permitting, platting, and design approval matters related to or in connection with a specific project or development.

Benefit shall have the meaning provided in section 18-2 of this Code.

Candidate means a person who knowingly and willingly takes affirmative action for the purpose of gaining election to city office or for the purpose of satisfying financial obligations incurred by the person in connection with the campaign for election. Examples of affirmative action include:

(1) The filing of a campaign treasurer appointment;
(2) The filing of an application for a place on a ballot;
(3) The filing of a declaration of write-in candidacy;
(4) The making of a public announcement of definite intent to run for city office in a particular election, regardless of whether the specific office is mentioned in the announcement;
(5) Before a public announcement of intent, the making of a statement of definite intent to run for city office and the soliciting of support by letter or other mode of communication; and
(6) The soliciting or acceptance of a campaign contribution or the making of a campaign expenditure.

City elective office has the meaning provided in section 18-2 of this Code.

Communicates directly with, or any variation of the phrase, means contact in person or by telephone, telegraph, letter, facsimile, electronic mail, or other electronic means of communication.

Compensation means money, service, facility, or other thing of value or benefit that is received or is to be received in return for or in connection with services rendered or to be rendered.

Expenditure means a payment, distribution, loan, advance, reimbursement, deposit, or gift of money or any thing of value, including a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.

Member of the executive branch means the mayor, city controller, mayor-elect, city controller-elect, candidate for mayor or controller, or member of the Archaeological and Historical Commission, Airport Land Use Regulations Board of Adjustment, Automotive Board, Board of Public Trusts, Boiler Code Review and Licensing Board, Building and Standards Commission, Civil Service Commission, Electrical Board, Fire Board of Appeals, General Appeals Board, Helicopter Facilities Licensing and Appeals Board, Mechanical Code Review Board, Municipal Board on Sign Control, Planning Commission, Plumbing Code Review Board, Tower Permit Commission, or Wastewater Capacity Reservation Review Board.

Member of the legislative branch means a council member, council member-elect, or candidate for the office of council member.

Municipal legislation means:

(1) An ordinance, resolution, motion, amendment, nomination, or other matter pending before the city council; or

(2) Any matter that is or may be the subject of action by the city council or a council committee, including drafting, placing on the agenda, consideration, passage, defeat, approval, or countersignature of the matter.

Owner means a person who is a sole proprietor of a business, a majority shareholder of a corporation, or a general partner of a partnership and who communicates directly with one or more members of the legislative or executive branch to influence municipal legislation or administrative action on behalf of such business, corporation, or partnership.

Person means an individual, corporation, association, firm, partnership, committee, club, organization, or group of persons who are voluntarily acting in concert.

Registrant means a person required to register under section 18-72 of this Code.

Reimbursement shall have the same meaning as "compensation" defined above.

(Ord. No. 98-732, § 2, 8-26-98; Ord. No. 01-115, § 1, 1-24-01; Ord. No. 02-399, § 44, 5-15-02; Ord. No. 2011-47, §§ 17, 18, 1-12-2011; Ord. No. 2011-107, § 3, 2-9-2011; Ord. No. 2012-773, § 16, 8-29-2012)

Sec. 18-72. - Persons required to register.

(a) A person must register with the city secretary under this article if the person communicates directly with a member of the legislative or executive branch to influence municipal legislation or administrative action and:

(1) Makes or reasonably expects to make a total expenditure of $200.00 or more in a calendar quarter, or $800.00 or more in a calendar year, not including the person's own travel, food, or lodging expenses or the person's own membership dues, on activities described in section 18-75 of this Code to communicate directly with one or more members of the legislative or executive branch to influence municipal legislation or administrative action; or

(2) Receives or may reasonably expect to receive from another person compensation or reimbursement, not including reimbursement for the person's own travel, food, or lodging expenses or the person's own membership dues, of $200.00 or more in a calendar quarter, or $800.00 or more in a calendar year, to communicate directly with one or more members of the legislative or executive branch to influence municipal legislation or administrative action; or

(3) As part of the person's regular employment, communicates directly with one or more members of the legislative or executive branch to influence municipal legislation or administrative action on behalf of the employer by whom the person is compensated or reimbursed, whether or not the person receives any compensation for the communication in addition to the salary for that regular employment.

(b) A person otherwise required to register under subsection (a)(1) or (a)(2) who communicates directly with a member of the executive branch to influence administrative action is not required to register if:

(1) The person is performing an act that may be performed only by a licensed attorney; or

(2) The person is a representative of a city employee union whose only direct communication concerning administrative action is on behalf of an individual member of the union; or

(3) The person is an owner as defined in section 18-71 of this Code.

(Ord. No. 98-732, § 2, 8-26-98; Ord. No. 2011-47, § 19, 1-12-2011; Ord. No. 2011-107, § 4, 2-9-2011)

Sec. 18-73. - Affirmative defenses for failure to register.

It shall be an affirmative defense to prosecution for failure to register under this article that:

(1) The person owns, publishes, or is employed by a newspaper, any other regularly published periodical, a radio station, a television station, a wire service, or any other bona fide news medium that in the ordinary course of business disseminates news, letters to the editor, editorial or other comments, or paid advertisements that directly or indirectly oppose or promote legislation or administrative action, provided the person does not engage in further or other activities that require registration under this article and has not been retained to represent another person in connection with influencing municipal legislation or administrative action;

(2) The person's only direct communication with a member of the legislative or executive branch to influence municipal legislation or administrative action is an appearance before or testimony to one or more members of the legislative or executive branch in a hearing conducted by or on behalf of either the legislative or the executive branch or public expression at a meeting of city officials, provided that the hearing or meeting is open to the public under the Open Meetings Act, Chapter 551, Texas Government Code, and that the person receives no special or extra compensation for the appearance other than actual expenses incurred in attending the hearing;

(3) The person's only activity is to encourage or solicit members, employees, or stockholders of an entity by whom the person is retained or members of a union or association to which the person belongs to communicate directly with members of the legislative or executive branch to influence municipal legislation or administrative action;

(4) The person's only activity to influence municipal legislation or administrative action is to compensate or reimburse a registrant to act in the person's behalf to communicate directly with a member of the legislative or executive branch to influence municipal legislation or administrative action;

(5) The person's only activity to influence municipal legislation or administrative action is attendance at a meeting or entertainment event that is also attended by a member of the legislative or executive branch if the total cost of that meeting or entertainment event is paid by a business entity, union, or association; or

(6) The person's only compensation or reimbursement subject to section 18-72(a)(2) of this Code consists of reimbursement for any wages not earned due to attendance at a meeting or entertainment event, travel to and from the meeting or entertainment event, admission to the meeting or entertainment event, and any food and beverage consumed at the meeting or entertainment event, if the meeting or entertainment event is also attended by a member of the legislative or executive branch and if the total cost of the meeting or entertainment event is paid by a business entity, union, or association.

(Ord. No. 98-732, § 2, 8-26-98)

Sec. 18-74. - Registration.

(a) A person required to register under this article who has not registered or whose registration has expired in connection with the communication shall file annually with the city secretary a registration form signed under oath not later than five working days after the date on which the person or person's employee makes the first direct communication with a member of the legislative or executive branch that requires

the person's registration. If the registrant is not an individual, an authorized officer or agent of the registrant shall sign the form. Such registration shall be on a form prescribed by the city secretary and shall include:

(1) The registrant's full name, permanent street address and mailing address, if different;

(2) The name, address and nature of business of each entity or employer, if any, on whose behalf the registrant will communicate directly with one or more members of the legislative or executive branch to influence municipal legislation or administrative action;

(3) The subject or subjects on which the registrant will communicate directly with one or more members of the legislative or executive branch to influence municipal legislation or administrative action;

(4) If the registrant is acting as the agent or employee of an entity, the name, address, and nature of business of the entity; and

(5) Whether the registrant's compensation, if any, is totally or partially contingent on the passage or defeat of any municipal legislation or the outcome of any administrative action.

(b) At the time of registering, a registrant shall pay to the city and the city secretary shall collect an annual registration fee stated for this provision in the city fee schedule. The fee shall be payable for each registration form. All registration fees shall be deposited into the general fund.

(c) A registration expires one year from the date of its filing.

(Ord. No. 98-732, § 2, 8-26-98; Ord. No. 2010-1016, § 2, 12-15-2010; Ord. No. 2011-47, § 20, 1-12-2011; Ord. No. 2011-1168, § 13, 12-14-2011)

Sec. 18-75. - Activity reports.

(a) Each registrant shall file with the city secretary between the first and tenth day of April, July, October and January an activity report signed under oath concerning the registrant's activities during the previous calendar quarter. If the registrant is not an individual, an authorized officer or agent of the registrant shall sign the form. Such report shall be on a form prescribed by the city secretary and shall include:

(1) A complete and current statement of the information required to be supplied pursuant to section 18-74 of this Code;

(2) Certain operational expenditures other than benefits included under item (3) for direct communication with a member of the legislative or executive branch to influence municipal legislation or administrative action, provided that each expenditure of $50.00 or more shall be itemized by the date, name and status of the recipient that requires the reporting of the expenditure, including the official title of any city official or employee, amount and purpose, broken down into the following categories:

a. Compensation or reimbursement to persons other than employees for professional or consulting services; and

b. Other professional expenses related to direct communication, including but not limited to advertising, public relations and catering expenses.

(3) Each expenditure, gift or honorarium of $250.00 or more (excluding those made for the attendance of a member of the legislative or executive branch at political fund-raisers or charity events) made by the registrant or anyone acting on behalf of the registrant to benefit a member of the legislative or executive branch, itemized by date, beneficiary, amount and circumstances of the transaction and the aggregate of all such individual expenditures that are less than $250.00 but more than $25.00; and

(4) Each business entity in which the registrant knows or has reason to believe that a member of the legislative or executive branch is a proprietor, partner, director, officer, manager, employer or employee or has a substantial interest within the meaning of Chapter 171, Texas Local Government Code and with which the registrant has engaged in an exchange of money, goods, services or

anything of value if the total of such exchanges is $250.00 or more in a calendar quarter, identified by its name and address, the member of the legislative or executive branch, and the date, amount and nature of each such exchange.

(b) Each registrant shall obtain and preserve all accounts, bills, receipts, books, papers and documents necessary to substantiate the registrations and activity reports required to be made pursuant to this article for six years from the date of filing of the registration or report containing such items or for the period otherwise required by law, whichever is longer.

(c) Each person about whose activities a registrant is required by subsection (a) of this section to report shall provide all information necessary for the report concerning such activities to the registrant at least five days before such registrant's report is due to be filed.

(d) No quarterly activity report shall be required if there is no activity during the preceding quarter and there are no other changes to items required to be reported.

(Ord. No. 98-732, § 2, 8-26-98; Ord. No. 2011-47, §§ 21, 22, 1-12-2011)

Sec. 18-76. - Other applicable policies.

Nothing in this article shall supersede or preempt the stricter provisions of any applicable policy of the mayor, the city controller, a city department director or a council member with respect to employees subject to their supervision and control.

(Ord. No. 98-732, § 2, 8-26-98; Ord. No. 05-91, § 1, 1-25-05)

Sec. 18-77. - Termination notice.

(a) A person who ceases to engage in activities requiring registration under this article shall file a written, verified statement with the city secretary acknowledging the termination of activities. The notice of termination shall be filed within 30 days after the registrant ceases the activity that required registration. The notice is effective immediately.

(b) A person who files a notice of termination under this section must file the reports required by section 18-75 of this Code for any reporting period during which the person was registered.

(Ord. No. 98-732, § 2, 8-26-98)

Sec. 18-78. - Maintenance of registrations and reports.

(a) All registrations and reports filed under this article are public records and shall be made available for public inspection during regular business hours.

(b) The city secretary shall:

(1) Provide appropriate forms, covering only the items required to be disclosed under this article, to be used for the registration and reporting of required information;

(2) Maintain registrations and reports in a separate, alphabetical file;

(3) Retain registrations and reports filed under this article for at least six years after the date of filing;

(4) Remove registrations and reports from the current files after two years from the date of filing and thereafter preserve or dispose of them in accordance with other applicable law; and

(5) Maintain a deputy available to receive registrations and reports and make the registrations and reports available to the public for inspection.

(Ord. No. 98-732, § 2, 8-26-98; Ord. No. 2011-47, § 23, 1-12-2011)

Sec. 18-79. - Timeliness of filing registrations and reports.

A registration or report filed by certified first-class United States mail, return receipt requested, or by common or contract carrier is timely if:

(1) It is properly addressed with postage or handling charges prepaid;

(2) It bears a post office cancellation mark or a receipt mark from a common or contract carrier indicating a time within the applicable filing period or before the applicable filing deadline or if the person required to file furnishes satisfactory proof that it was deposited in the mail or with a common or contract carrier within that period or before that deadline; and

(3) It is in fact received by the city secretary.

(Ord. No. 98-732, § 2, 8-26-98)

Sec. 18-80. - List of registrants and employers.

(a) The city secretary shall maintain a current list of the names of registrants and shall indicate by each registrant's name each person employing the registrant, if any, or the name of the entity or person on whose behalf the registrant communicated.

(b) In addition to the list required under subsection (a), the city secretary shall prepare a list of the names of any person employing a registrant and shall indicate each registrant compensated by the person.

(c) The city secretary shall provide the lists prepared under this section and a monthly update of the lists to the mayor, each member of the city council, the city controller, all city department directors, and any other member of the executive or legislative branches or person required to register or file under this article who requests one.

(Ord. No. 98-732, § 2, 8-26-98; Ord. No. 05-91, § 1, 1-25-05; Ord. No. 2011-47, § 24, 1-12-2011)

Sec. 18-81. - Restrictions on expenditures.

(a) A person registered under section 18-74 of this Code or a person acting on the registrant's behalf and with the registrant's consent or ratification may not offer, confer, or agree to confer on a member of the legislative or executive branch:

(1) A loan, including the guarantee or endorsement of a loan; or

(2) A gift of cash or a negotiable instrument as described by section 3.104, Texas Business and Commerce Code.

(b) A member of the legislative or executive branch may not solicit, accept, or agree to accept from a person registered under section 18-74 of this Code or from a person acting on the registrant's behalf and with the registrant's consent or ratification an item listed in subsection (a).

(Ord. No. 98-732, § 2, 8-26-98)

Sec. 18-82. - Affirmative defenses concerning restricted expenditures.

It shall be an affirmative defense to a prosecution under section 18-81 of this Code that the loan, gift or expenditure is:

(1) A loan in the due course of business from a corporation or other business entity that is legally engaged in the business of lending money and that has conducted that business continuously for more than one year before the loan is made;

(2) A loan or guarantee of a loan or a gift made or given by a person related within the second degree by affinity or consanguinity to the member of the legislative or executive branch; or

(3) A political contribution as defined by section 251.001 of the Texas Election Code.

(Ord. No. 98-732, § 2, 8-26-98)

Sec. 18-83. - Required disclosure on legislative advertising.

(a) A person required to register under this article or a person acting on his behalf commits an offense if the person knowingly enters into a contract or other agreement to print, publish, or broadcast legislative advertising that does not indicate in the advertising:

(1) That it is legislative advertising;

(2) The full name of the individual who personally entered into the contract or agreement with the printer, publisher, or broadcaster and the name of the person, if any, that the individual represents; and

(3) In the case of advertising that is printed or published, the address of the individual who personally entered into the agreement with the printer or publisher and the address of the person, if any, that the individual represents.

(b) A professional advertising agent conducting business in this state on behalf of a person required to register under this article who seeks to procure the broadcasting, printing, or publication of legislative advertising on behalf of the sponsor of the advertising commits an offense if the agent enters into a contract or agreement for the broadcasting, printing, or publication of legislative advertising and does not, before the performance of the contract or agreement, give the sponsor written notice as provided by subsection (c).

(c) The notice required by subsection (b) must be substantially as follows:

"City of Houston Code of Ordinances Section 18-83 requires legislative advertising to disclose certain information. A person required to register under this article or a person acting on his behalf who knowingly enters into a contract or other agreement to print, publish, or broadcast legislative advertising that does not contain the information required under that section commits an offense that is a Class C misdemeanor."

(d) In this section, "legislative advertising" means a communication that supports, opposes, or proposes municipal legislation and that:

(1) In return for consideration, is published in a newspaper, magazine, or other periodical or is broadcast by radio, television, or on the internet; or

(2) Appears in a pamphlet, circular, flier, billboard or other sign, bumper sticker, button, or similar form of written or electronic means of communication.

(Ord. No. 98-732, § 2, 8-26-98)

Sec. 18-84. - Criminal penalties.

(a) A person commits an offense if the person intentionally or knowingly violates any provision of this article.

(b) Violations shall be punishable as provided by section 1-6 of this Code.

(Ord. No. 98-732, § 2, 8-26-98)

Sec. 18-85. - Failure to register or file all required forms.

(a) The city secretary shall maintain a record of all registrations, termination notices and reports filed under this article.

(b) Whenever the city attorney determines that a person has failed to register or file any required form, statement, or report as required by this article, the city attorney shall send a written statement of this finding to the person involved by certified mail to the last known mailing address.

(c) If the person fails to register or file the form, statement, or report as required by this article before the twenty after the date on which the notice was deposited in the mail, the city attorney shall file a sworn complaint in t municipal court.

(Ord. No. 98-732, § 2, 8-26-98)

Sec. 18-86. - Enforcement.

(a) Complaints of violations of this article shall be forwarded to the city attorney for review. If the city attorney determines that a violation may have occurred, he shall take appropriate action.

(b) A person may file a written, sworn statement alleging a violation of this article with the city attorney.

(c) If the person fails to register or file the form, statement, or report as required by this article before the 21st day after the date on which the notice was deposited in the mail, the city attorney shall file a sworn complaint in the municipal courts.

(Ord. No. 98-732, § 2, 8-26-98; Ord. No. 2010-846, § 9, 11-3-2010)

Sec. 18-87. - Regulations.

The city secretary may adopt regulations for the efficient administration of this article. Any such regulations shall be consistent with this article and applicable laws and shall be approved prior to implementation by the city attorney. A copy of the regulations shall be maintained for inspection in the city secretary's office and shall be available for purchase at the fees prescribed by law.

(Ord. No. 98-732, § 2, 8-26-98)

Sec. 18-88. - Certain actions by former city officials prohibited.

(a) No former city official shall during the one year period following his departure date enter into a contractual relationship with the city or hold more than a 20 percent interest in any company that has a contractual relationship with the city. Nothing in this subsection shall prohibit a former city official from accepting employment with the city following his departure date.

(b) No former city official shall during the one year period following his departure date communicate directly with a member of the legislative or executive branch to influence municipal legislation or administrative action. It is an exception to the application of this subsection that the former city official is primarily acting for his own benefit or making an uncompensated direct communication relating to matters of purely civic or public concern.

(c) No former city official shall communicate directly with a member of the legislative or executive branch in an attempt to secure access to information not otherwise available to the general public.

(d) For purposes of this section "departure date" means the last day of employment with the city or holding of city elective office. Where leave time is taken prior to termination, the departure date is the last day of the leave period.

(e) For purposes of this section and section 18-89 the term "city official" shall have the meaning provided in section 18-2 of this Code, except that persons whose services are donated, appointed members of city boards, committees and commissions who are compensated on a per-meeting basis, and persons who are compensated at the rate of $1.00 per year shall be excluded.

(f) If, within one year after commencement of a contract between an individual/company and the city, the company or individual who negotiated and entered into said contract with the city hires a city employee who while a city employee had substantial and personal involvement with the negotiation of said contract, then said contract shall be subject to cancellation and/or the individual/company shall be barred from additional contracting with the city for a period of three years. For purposes of this subsection, the term

had substantial and personal involvement means that a person, either as a person assigned to handle or participate in the handling of the matter or as a supervisor making decisions with respect to the matter, exercised discretion or decision-making in the handling of a matter that then was associated with a specific party or parties.

(Ord. No. 01-128, § 2, 1-31-01; Ord. No. 2011-47, § 26, 1-12-2011)

Sec. 18-89. - Notice.

At least once each calendar year in conjunction with the notice to city employees required by section 18-16(d) of this Code, the director of administration and regulatory affairs shall cause to be distributed to each city official a notice regarding the provisions of section 18-88 of this Code. Each new city official shall be furnished the notice at the time of hiring, appointment or election. However, the failure of any city official to receive a notice shall not excuse compliance with section 18-88 of this Code.

(Ord. No. 01-128, § 2, 1-31-01; Ord. No. 08-52, § 48, 1-16-08, eff. 1-26-08)

Secs. 18-90—18-100. - Reserved.

ARTICLE VI. - ELECTRONIC FILING OF CAMPAIGN FINANCE REPORTS

Sec. 18-101. - Purpose.

The purpose of this article is to require, with certain exceptions, that campaign finance reports required to be filed with the city secretary by any city officeholder, candidate for city elective office, or political committee, whether general purpose or special purpose, be filed in an electronic format. It is the intent of this article that the requirement of filing of campaign finance reports in an electronic format by city officeholders, candidates for city elective offices and general and special purpose political committees will not inconvenience those required to file such reports and will afford persons interested in the information contained in the reports easier access and an efficient means by which such information may be examined or extracted.

(Ord. No. 06-1239, § 2, 12-13-06; Ord. No. 2016-528 , § 8, 6-29-2016, eff. 7-1-2016)

Sec. 18-102. - Definitions

The following words, terms and phrases, when used in this article, have the meanings provided to them in this section, except where the context clearly indicates a different meaning:

Filer means the holder of a city elective office, any candidate for any such office, the duly authorized representative of a political committee, whether general purpose or special purpose, or any individual required to file a report under this article or Chapter 254, Texas Election Code.

Report means a campaign finance report required to be filed with the city secretary by Title 15 of the Texas Election Code.

Terms not defined in this article but defined in the Texas Election Code shall have the meanings assigned to them in the Texas Election Code.

(Ord. No. 06-1239, § 2, 12-13-06; Ord. No. 2011-47, § 27, 1-12-2011; Ord. No. 2016-528 , § 8, 6-29-2016, eff. 7-1-2016)

Sec. 18-103. - Electronic filing required; exceptions

(a) Except as provided in subsection (c) of this section, a report required to be filed under this article shall be filed with the city secretary in electronic format utilizing the system provided by the city. Updates, corrections or amendments to a report shall be filed in like manner. The report shall be in a format approved by the Texas Ethics Commission.

(b) Each report shall contain all information required by Chapter 254, Texas Election Code. In addition, each report shall include the occupation and employer of each person making one or more political contributions that in the aggregate exceed $500.00 in a reporting period.

(c) A filer shall be exempt from the requirement set forth in subsection (a) of this section if the filer:

(1) Delivers to the city secretary an affidavit stating that the filer, or the person with whom the filer contracts, does not use computer equipment to keep the current records of political contributions, political expenditures, or persons making political contributions to the filer and the filer or committee does not, in a calendar year, accept political contributions that in the aggregate exceed $20,000.00 or make political expenditures that in the aggregate exceed $20,000.00; or

(2) Is an individual not acting in concert with another person who makes one or more direct expenditures in a campaign for an election from the individual's own property that exceed $100.00 on any one or more candidates or measures if the individual complies with Chapter 254, Texas Election Code, as if the individual were a campaign treasurer of a political committee and the individual receives no reimbursement for the expenditures.

The affidavit required in item (1) of this subsection shall conform to all requirements set forth in Chapter 254, Texas Election Code, and be filed with each report that is not filed electronically as required by this article.

(Ord. No. 06-1239, § 2, 12-13-06; Ord. No. 07-1147, § 1, 10-17-07; Ord. No. 2011-47, § 28, 1-12-2011)

Sec. 18-104. - Offense; penalty

(a) It shall be unlawful for any filer to fail to timely file in an electronic format a report required by this article to be filed in that format.

(b) Each violation of this article shall constitute a separate offense that shall be punishable as provided in section 1-6 of this Code.

(Ord. No. 06-1239, § 2, 12-13-06)

Sec. 18-105. - Internet posting of reports.

(a) The city secretary shall, within two business days following the date of each report's receipt, instruct the director of Houston Information Technology Services or his designee to post copies of all reports filed with the office of the city secretary on the city's Internet web site; provided that in such postings the address portion shall contain only the city, state and zip code of a person listed as having made a political contribution to the filer in the reporting period.

(b) The access allowed by this section to political reports is in addition to the public's access to the information through other electronic or print distribution of the information.

(Ord. No. 06-1239, § 2, 12-13-06; Ord. No. 2012-908, § 3, 10-17-2012)