

ORDINANCE NO. 2024-24

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF LEAGUE CITY BY AMENDING DIVISION 2, ENTITLED CODE OF ETHICS, OF CHAPTER 2, ENTITLED "ADMINISTRATION", TO IMPLEMENT VARIOUS AMENDMENTS TO THE CITY'S CODE OF ETHICS; PROVIDING FOR CODIFICATION, PUBLICATION, AND AN EFFECTIVE DATE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, as follows:

Section 1. That Division 2 (Code of Ethics) of Article II (City Council) of Chapter 2 (Administration) of the Code of Ordinances, is hereby repealed and replaced as indicated in Exhibit A, which is attached and incorporated into this ordinance.

Section 2. Savings. All rights and remedies which have accrued in favor of the City under this Ordinance and amendments thereto shall be and are preserved for the benefit of the City.

Section 3. Severability. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid, unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

Section 4. Repealer. All ordinances and parts of ordinances in conflict herewith are hereby repealed but only to the extent of such conflict.

Section 5. Codification. It is the intent of the City Council of the City of League City, Texas, that the provisions of this Ordinance shall be codified in the City's official Code of Ordinances as provided hereinabove.

Section 5. Publication and Effective Date. The City Secretary shall cause this Ordinance, or its caption, to be published in the official newspaper of the City of League City, upon passage of such Ordinance. The Ordinance shall become effective immediately upon passage.

PASSED first reading the _____ day of _____, 2024.

PASSED AND ADOPTED the _____ day of _____, 2024.

NICK LONG
Mayor

ATTEST:

DIANA M. STAPP
City Secretary

APPROVED AS TO FORM:

MICHELLE L. VILLARREAL
City Attorney

EXHIBIT A

DIVISION 2. CODE OF ETHICS

Part I. Rules of Ethical Conduct

Sec. 2-33. Statement of purpose and principles.

It is the policy of the city council of the City of League City to hold its elected officials and the appointed officials and employees to the highest standards of ethical conduct. The city council believes that it has a responsibility to make every reasonable effort to assure the citizens of League City that their elected and appointed officials and city employees will always place the public's interest above their own.

Sec. 2-34. Rules of ethical conduct.

(a) Definitions. In this article:

Appointed city officer means the city manager or any person appointed directly by the city council and who is compensated as an employee of the city.

Board means a group created by the city council to serve a particular purpose and with a membership set by the mayor or the city council, sometimes referred to as a commission or committee.

City Official means the Mayor, a City Council member, a Board member and/or an Appointed city officer.

Member(s) means all appointees to a Board who have voting authority.

(b) Required Disclosure and Possible Abstention. All City Officials shall comply with the notice and applicable voting abstention requirements identified in state law, including Texas Local Government Code Chapter 171 and Chapter 176, regarding disclosure of real property/business interests and disclosure of vendor relationships.

(c) Certain Transactions Prohibited and Disclosures Required.

- (1) No current Board Member, Member of the City Council or spouse, parent or child of either shall directly enter into a contract or transaction with the City that exceeds \$1,000.
- (2) In addition to the requirements of Chapter 171 of the Local Government Code, current Board Members or Members of the City Council are prohibited from voting on or participating in a matter involving a business entity or real property where the Member has a Substantial Interest that will result in a special economic effect on the business that is distinguishable from the effect on the public.
 - a. A Member has a "Substantial Interest" in a business entity if the Member: (1) owns 5 percent or more of the voting stock or shares of the business entity; (2) owns either 5 percent or more or \$10,000 or more of the fair market value of the business entity; or (3) receives funds from the business entity that exceed 5 percent of the Member's gross income for the preceding year.
 - b. A member has a "Substantial Interest" in real property if the interest is an equitable or legal ownership interest with a fair market value of \$1,000 or more.
 - c. A Member with a Substantial Interest in a business entity or real property must disclose the nature of substantial interest to the City Manager before a vote or decision is taken on the proposed contract or transaction.
- (3) This section does not apply to the city's acquisition by eminent domain proceedings of an interest in land owned by a City Official

(d) Appearance on behalf of private interests of others. City Officials shall not appear before the city council or any board for the purpose of representing the interests of another person or entity. However, a City Official may, to the extent otherwise permitted by law, appear before any such body to represent his/her own interests or the interests of the City Official's spouse or minor children.

(e) Restrictions on political activity and political contributions.

(1) No city official or candidate for city council shall meet with any employee or group of employees of the city for political campaign purposes while such employees are on duty unless part of an approved city council activity.

(2) No city official shall, directly or indirectly, coerce or attempt to coerce any city employee to:

a. Participate in an election campaign, contribute to a candidate or political committee, or engage in any other political activity relating to a particular party, candidate, or issue; or

b. Refrain from engaging in any lawful political activity.

(3) The following actions by city officials are not prohibited by this section:

a. The making of a general statement encouraging another person to vote in an election;

b. A solicitation of contributions or other support that is directed to the general public or to an association or organization; and

c. The acceptance of a campaign contribution from a city employee.

(4) No city official shall use, request, or permit the use of city facilities, personnel, equipment, or supplies for the creation or distribution of materials to be used in a political campaign or for any other purpose in support of a political campaign. However, meeting rooms and other city facilities that are made available for use by the public may be used for political purposes by city officials under the same terms and conditions as they are made available for other public uses.

(f) Regulations applicable to former city officials.

(1) A former City Official shall not use or disclose confidential government information acquired during the member's service with the City. A former City Official is not prohibited from disclosing information if:

a. The information is no longer confidential;

b. The information involves reports of illegal or unethical conduct and is disclosed to a law enforcement agency; or

c. The disclosure is necessary to further public safety and is not otherwise prohibited by law.

(2) No former Member of the City Council shall directly enter into a contract or transaction with the City that exceeds \$1,000 within 60 months following the end of the Member's most recent term of Office.

(3) No former Member of the City Council may be employed by the City in any capacity within 60 months following the end of the former Member's most recent term of office.

(g) Officials required to comply with both state and local law. Where a City Official's conduct is regulated by a provision of this article and a similar provision of state law, and it is possible to comply with the requirements of both, a city official shall comply with both.

(h) Education. The city shall provide training and educational materials to City Officials on their ethical obligations under state law and this article. Such training shall include at least one formal classroom session in each calendar year. All City Officials shall attend the formal training session offered by the city or equivalent training sessions conducted by the Texas Municipal League or similar organizations. The city also shall prepare and distribute brochures and other written materials on the subject to each City Official at the time of his or her election or appointment to office.

Part II. Campaign Finance

Sec. 2-50. Statement of policy.

(a) General. It is essential in a democratic system that the public has confidence in the integrity, independence, and impartiality of those who are elected to act on their behalf in government. There is a public perception that a relationship exists between substantial contributions and access to elected officials. To diminish the perceived or actual connection between contributions and influence, the city adopts these municipal campaign finance provisions to promote public confidence and, it is hoped, a greater degree of citizen participation in the electoral process. These campaign finance provisions do not affect any elected official's obligation to comply with all elements of the Texas Election Code and/or any other applicable state law.

(b) Definitions.

- (1) Contribution: A "contribution" means a direct or indirect transfer of money, goods, services, or any other thing of value and includes an agreement made or other obligation incurred, whether legally enforceable or not, to make a transfer. The term includes a loan or extension of credit, other than those expressly excluded by the Texas Election Code, and a guarantee of a loan or extension of credit, including a loan described by the Texas Election Code.

The term "contribution" does not include a loan made in the ordinary due course of business by a corporation that is legally engaged in the business of lending money and that has conducted the business continuously for more than one year before the loan is made, or an expenditure required to be reported under V.T.C.A., Government Code § 305.006.

- (2) A loan is deemed to be made in the ordinary due course of business if it:
- a. Bears the usual and customary interest rate of the lending institution for the category of loan involved;
 - b. Is made on a basis that assures repayment;
 - c. Is evidenced by a written instrument; and
 - d. Is subject to a due date or amortization schedule.
- (3) Terms not defined in this chapter but defined in the Texas Election Code shall have the meanings assigned to them in the Texas Election Code.

Sec. 2-51. Reserved.

Sec. 2-52. Conflicts of interest.

(a) Definitions.

- (1) *Contribution cycle*: The following constitute separate contribution cycles:

- a. The pre-election contribution cycle begins on July 1 of the calendar year before the date of the regular municipal election, and ends on the date of the regular municipal election;
- b. For a candidate or officeholder in a runoff election after the regular municipal election, beginning the day after the regular municipal election and ending on the date of the runoff election;
- c. The post-election contribution cycle begins on the day after the regular municipal election or the day after the runoff election, as applicable, until June 30 of the calendar year before the next regular municipal election.

(b) Conflicts of interest, generally.

- (1) A city councilperson or mayor shall abstain from participation in discussion of and any vote on a matter, and shall file an affidavit stating the nature and extent of his or reason for abstention in a matter, when an action on the matter by the city council will have a special economic effect on a person or entity that is distinguishable from its effect on the public where the city councilperson or mayor received campaign contributions exceeding \$1,500.00 in the aggregate from such person or entity during the contribution cycles which correspond to the regular or runoff election date for the councilperson's or mayor's current term of office.
- (2) For the purposes of this subsection, the term "contribution" shall have the meaning assigned to it under subsection 2-50(b).
- (3) A city official who is required to abstain from participation in a matter under this section or under state law shall leave the room where the meeting is held during any discussion of, and vote on, the matter.

Secs. 2-53—2-60. Reserved.