

Sec. 2.423. - Prohibition against involvement in actions affecting economic interests.

(a) *General rule.* It is unlawful for a city official or employee to take any official action that he or she knows is likely to:

(1) Affect an economic interest of:

- a. The official or employee;
- b. His or her immediate family member;
- c. A member of his or her household;
- d. An outside employer of the official or employee or of his or her immediate family member;
- e. A business entity in which the official or employee or his or her immediate family member holds an economic interest;
- f. A business entity for which the city official or employee serves as an officer or director or in any other policy making position;
- g. A person or business entity from whom the official or employee, or his or her immediate family member, has solicited, received and not rejected, or accepted any benefit or an offer of employment within the past twenty-four months; or
- h. A person, business entity, or association from whom the official has received a campaign contribution in an amount exceeding \$300.00. This provision does not apply to campaign contributions received prior to November 7, 2018. This provision does not apply in circumstances where four or more council members would be prohibited from voting on a matter.

(2) Confer a benefit on the official or employee, or deprive the official or employee of a benefit, where the effect of the action on the official or employee is distinguishable from the effect of the action on members of the public in general or a substantial segment of the public.

(b) *Meaning of "affect".*

(1) In subsection (a)(1) above, an action is likely to affect an official's or employee's economic interest if it meets all of the following:

- a. The action is likely to have an effect on that interest, either positive or negative, that is distinguishable from its effect on members of the public in general or a substantial segment of the public.
- b. The effect of the action on that interest is direct, and not secondary or indirect. However, the action need not be the only producing cause of the effect in order for the effect to be direct.
- c. The effect on the interest must be more than insignificant or de minimis in nature or value.

(2) In determining whether a person, entity or property is or was affected by a vote or decision, it will not be necessary to prove the actual existence or occurrence of an economic effect or consequence if the effect or consequence would be reasonably expected to exist or occur.

(c) *Recusal and disclosure.* A city official or employee whose conduct would otherwise violate subsection (a), or a state conflict of interest law, if he or she took an action must abstain from participation in the action in accordance with the following:

- (1) Immediately refrain from further participation in the matter, including communications with any persons likely to consider the matter, such as any department, agency, commission or board of the city, from the time he or she discovers or reasonably should have discovered the matter triggering the recusal and until a decision regarding the matter has been made by the council, board or commission having final approval authority.
- (2) Promptly file a form for disclosing the nature and extent of the interest triggering the recusal with the city clerk, if the person is an official, or with the person's supervisor, if the person is an employee;

- (3) Promptly notify the person's supervisor of the nature and extent of the interest triggering the recusal, if the person is a city employee, so that the supervisor can reassign responsibility for handling the matter to another person; and
- (4) Publicly disclose the interest triggering the recusal immediately after the agenda item has been called up for discussion or action, if the person is a member of a city board, commission, or city council, and leave the room while the board, commission, or city council is discussing or voting on the matter.

(Ord. No. [2017-20](#), § 1, 11-21-17; Ord. No. [2018-37](#), § 2, 9-18-18; Ord. No. [2018-39](#), § 1, 10-16-18)

Sec. 2.424. - Standards of conduct.

(a) *Standards for immediate family members.* It is unlawful for an immediate family member to intentionally or knowingly:

- (1) Solicit, accept or agree to accept from another person any benefit that the member's relative, who is a city officer or employee, is prohibited from soliciting, accepting or agreeing to accept under state law;
- (2) Misuse any official information obtained from the member's relative, who is a city officer or employee, to which the relative has access by virtue of the relative's office or employment and that has not been made public, in a manner prohibited as to the relative under state law; or
- (3) Misuse, as defined in V.T.C.A., Penal Code § 39.01, any city property, services, personnel or any other thing of value belonging to the city that has come into the member's custody or possession by virtue of the office or employment of the member's relative who is a city officer or employee.

(b) *Representation and appearance at meetings.* No city officer or employee shall knowingly:

- (1) Appear before the body of which the officer or employee is a member, as a representative for any private person, including the officer or employee or any immediate family member, or any group or interest;
- (2) Represent, directly or indirectly, any private person, including the officer or employee or any immediate family member, or any group or interest in any action or proceeding against the interests of the city or in any litigation in which the city or any department, agency, commission or board thereof is a party;
- (3) Accept other employment or engage in outside activities incompatible with the full and proper discharge of city duties or that might impair independent judgment in the performance of city duties; or
- (4) Make a false statement of material fact at a public meeting.

This subsection shall not be construed to deprive an officer or employee of the right to due process under the law, including the right to represent himself/herself in a court proceeding.

(c) *Representation by council members.* No city council member shall knowingly represent any private person, including the city council member or any immediate family member, or any group or interest in any matter before any department, agency, commission or board of the city, except that city council members may represent their interests in their owner-occupied homesteads before a board, agency, commission or department of the city other than the city council.

(d) *Representation in municipal court.* In any action or proceeding in the municipal court which is instituted by a city officer or employee in the course of official duties:

- (1) No city council member shall knowingly represent any private person other than himself or herself. If a city council member elects to have a trial in municipal court, the city council, without

the participation of the affected city council member, will appoint a special judge to preside over the trial.

- (2) No city officer or employee shall knowingly represent any private person other than himself or herself, including any immediate family member, or any group or interest.
- (e) *Representation in land use and development matters.* A member of the planning and zoning commission shall not knowingly represent the member or any other person, group or interest in any matter before the zoning board of adjustments involving land use or development, and a member of the zoning board of adjustments shall not knowingly represent the member or any other person, group or interest in any matter before the planning and zoning commission involving land use or development. This subsection does not apply to members representing their interests in their owner-occupied homesteads.
- (f) *Prohibited use of city position.* A city official or employee shall not use his or her position to unfairly advance or impede private interests, or to grant or secure, or attempt to grant or secure, for any person (including himself or herself) any form of special consideration, treatment, exemption, or advantage beyond that which is lawfully available to other persons. A city official or employee who represents to a person that the official or employee may provide an advantage or impediment to the person based on the official's or employee's office or position violates this rule.

(Ord. No. [2017-20](#), § 1, 11-21-17)

Sec. 2.425. - Contracts with city; eligibility for appointment or election to office.

- (a) No member of the city council and no city employee shall have a financial interest in the sale to the city of any land, materials, supplies or service, outside of the person's position with the city. Any person having an interest shall be ineligible for election as a city council member or appointment as a city employee, and any city council member or city employee who acquires an interest shall forfeit the office or employment. Any violation of this subsection with the actual or constructive knowledge of the city council member or employee shall render the contract voidable by the city manager or the city council.
- (b) In subsection (a) of this section and in subsection 2.425(c), the term "sale to the city" includes a sale to city-sponsored entities and organizations subject to substantial control by the city in one or more of the following respects:
 - (1) All or a majority of the governing body of the entity or organization is appointed by the city council;
 - (2) The city provides more than one-half of the operating funds of the entity or organization;
 - (3) The city has approval authority over purchasing decisions made by the entity or organization;
 - (4) The city has approval authority over bonds or other indebtedness issued by the entity or organization; or
 - (5) The city has approval authority over the budget of the organization.
- (c) This section does not apply to acquisition of property by the city as a result of eminent domain proceedings or the threat of eminent domain proceedings.

(Ord. No. [2017-20](#), § 1, 11-21-17)

Sec. 2.426. - Restrictions on former employees.

- (a) No former city employee shall, for a period of two years from the date of leaving city employment, knowingly:
 - (1) Appear at a meeting of a board or commission staffed by members of the department of which the employee was a member, as a representative for any private person, including the employee or any immediate family member, or any group or interest.
 - (2) Represent, directly or indirectly, any private person, including the former employee or any immediate family member, or any group or interest in any action or proceeding against the interests of the city or in any litigation in which the city or any department, agency, commission or board thereof is a party.

This subsection shall not be construed to deprive a former employee of the right to due process under the law, including the right to represent himself/herself in a court proceeding.

- (b) In any action or proceeding in the municipal court which is instituted by a city officer or employee in the course of official duties, no former city employee shall, for a period of two years from the date of leaving city employment, knowingly represent any private person other than himself or herself, including any immediate family member, or any group or interest.
- (c) For a period of two years from the date of leaving employment, a former city employee shall not have any financial interest in the sale to the city of any land, materials, supplies or service. Any violation of this subsection with the actual or constructive knowledge of the former city employee shall render the contract voidable by the city manager or the city council. This subsection shall not apply to a former city employee whose employment was terminated as part of a reduction in force or to a former employee whose skills or experience are so unique that failure to contract with him or her would be a detriment to the city as determined by the city manager.

(Ord. No. [2017-20](#), § 1, 11-21-17)