



## Legislation Text

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**File #:** Ord. 2017-20(e), **Version:** 1

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**AGENDA CAPTION:**

Consider approval of Ordinance 2017-20, on the second of two readings, amending Chapter 2, Article 5, Code of Ethics, of the San Marcos City Code; requiring updating of Financial Disclosure Forms; requiring Financial Disclosure Forms to be filed by members of temporary boards, commissions, subcommittees or similar groups; and providing an effective date.

**Meeting date:** April 18, 2017 - 1<sup>st</sup> Reading  
November 21, 2017 - 2<sup>nd</sup> Reading

**Department:** City Attorney's Office

**Funds Required:** N/A  
**Account Number:** N/A  
**Funds Available:** N/A  
**Account Name:** N/A

**CITY COUNCIL GOAL:**

**COMPREHENSIVE PLAN ELEMENT(s):** *[add the Plan elements and Goal # and Objective(s)]*

**BACKGROUND:**

In September of 2016, the City Council approved several amendments to the San Marcos Code of Ethics upon the recommendation of the Ethics Review Commission. The definition of "*Officer or official*" was amended to include members of temporary boards and commission for purposes of complying with the standards of conduct and conflicts of interest regulations.

The attached ordinance amends the definition of "*Board member*" to include members of temporary boards, commissions, subcommittees or similar groups for purpose of requiring those members to file the same financial disclosure forms as permanent board members within 15 days following appointment.

Pursuant to City Council's direction, the Ethics Review Commission also recommends an amendment to Section 2.462 to require all financial disclosure forms to be updated within 30 days after a council member or a board member acquires an additional interest in real property. The attached ordinance includes that amendment.

On May 2, 2017 the City Council postponed consideration of the ordinance on second reading to allow the Ethics Review Commission (ERC) to make a recommendation on a proposed amendment requiring financial disclosure forms also to be updated to reflect newly acquired ownership interests in business entities doing business in San Marcos other than publicly traded companies.

The ERC's recommendation was to require disclosure form updates to report newly acquired interests in business entities doing business in San Marcos *without an exception for publicly traded companies*. A redlined copy of the ERC's recommendation is attached. On June 6, 2017 the City Council considered the ERC's recommendation but, after discussion, postponed consideration of Ordinance 2017-20 on second reading.

On November 7, 2017 the voters approved Proposition "R" to amend Section 12.02(a)(2) of the City Charter to add the following requirement regarding updates to the financial disclosure statements filed by council members and members of boards and commissions:

"The financial disclosures shall be updated within 30 days of any significant change in the interests of an official - even if such a change is temporary. For this part, "significant" means a change in interest that would tend to render the annual financial disclosure misleading or incomplete."