City of Dallas

Proposed Amendments to the Code of Ethics

City Council Briefing

June 7, 2023

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Purpose

This presentation provides an overview of the proposed ordinance amending Chapter 12A, "Code of Ethics," of the Dallas City Code appearing on the June 14, 2023 city council agenda.

History

On December 8, 2021, city council approved the first phase of amendments to Dallas City Code Chapter 12A based on recommendations in the Report of the City's Ethics Reform Task Force (Report) with a focus on implementing the "High-Level Overview of Principal Proposals" in the Report.

History

Ad Hoc Committee on General Investigating and Ethics briefings:

- June 14, 2022
- November 10, 2022
- May 4, 2023

Conflicts of Interest

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- Clarify that the exceptions to the general rule on gifts are not reportable gifts. *[Sec. 12A-12(b)]*
- Apply the restrictions on substantial interest in a business entity to city employees (in addition to city officials). *[Sec. 12A-13.1]*

Conflicts of Interest

- Abstention from participation in a matter is not required if the majority of city councilmembers, board or commission members, or other body reports a similar conflict of interest. (Texas Local Government Code § 171.004) *[Sec. 12A-24(c)]*
- The rules against impermissible financial interest in discretionary contracts or sales during service with the city or within one year of ending service with the city would not apply to volunteers on a committee or task force formed by a board or commission. *[Sec. 12A-22(c)]*

Disclosure of Confidential Information

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- Create an offense for disclosing confidential information. *[Sec. 12A-17(d)]*
- In addition to being a violation of the code of ethics, an unauthorized disclosure of confidential information could be prosecuted in municipal court as a Class C misdemeanor.

Campaign Activities

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- Add a disclosure requirement for a person who was paid to participate in a sitting councilmember's most recent city council campaign and who represents themselves, their client, their employer, or another third party; and a person who represents before the city council the interests of a person who was paid to participate in a sitting councilmember's most recent city council campaign. *[Sec. 12A-18(a)(4)]*
- Add campaign/political consultants to the provision that prohibits campaign managers and campaign treasurers from lobbying within one year of the election. *[Sec. 12A-35(h)]*

Inspector General and Ethics Advisory Commission Matters

IG Subpoena Process

- For the purpose of conducting investigations, the inspector general shall subpoena witnesses and compel the production of books, papers, and other evidence material in the same manner as is prescribed by the laws of this state for compelling the attendance of witnesses and production of evidence in the corporation court.
- A person receiving a subpoena may, before the return date specified in the subpoena, petition the corporation court for a motion to modify or quash the subpoena. *[Sec. 12A-47(b)(2)]*

(reflects the process in Section 2-8 of the Dallas City Code)

EAC Subpoena Process

The ethics advisory commission has the power to issue subpoenas in accordance with Section 2-8 to compel the attendance of witnesses and the production of testimony and evidence at the hearing. *[Sec. 12A-50(e)]*

- Processed by the city secretary.
- Allow for objections with the panel chair to rule on the objections.
- Documents must be released to the parties with a copy maintained by the secretary.
- Refusal to appear or produce evidence after receiving a subpoena is a violation of Chapter 12A subject to sanctions described in Section 2-9.

IG and EAC Matters

- A city official or employee named as the respondent in the information may retain an independent outside attorney once an information is filed by the IG. *[Sec. 12A-48(b)(1)]*
- Define INFORMATION to be a written statement filed with the ethics advisory commission by the inspector general alleging violation(s) of the code of ethics and contains the name of the respondent, the city rule or city code or city charter provision alleged to have been violated, the place where the violation is alleged to have been committed, the date of the alleged violation, and a description of the violation. *[Sec. 12A-2(20)]*

IG and EAC Matters

- Amend standard from *intentionally and knowingly* to simply *knowingly*:
    - The prohibition on inducing or aiding or assisting someone to violate the chapter. *[Sec. 12A-7(c)]*
    - Disclosure of confidential information. *[Sec. 12A-17(b)]*
    - Making false statements as a lobbyist. *[Sec. 12A-35(a)]*
- For evidentiary hearings, amend the standard of proof from "clear and convincing" to "preponderance of the evidence." *[Secs. 12A-53(c) and 12A-63(l)]*
- Amend how the CSO assigns the EAC hearing panels. *[Sec. 12A-49(b)(1)]*

IG and EAC Matters

- The IG shall not investigate conduct that is the subject of pending criminal or civil litigation. *[Sec. 12A-47(b)(3)]*
- Complaints filed against the IG Division will be investigated and prosecuted by outside counsel. *[Sec. 12A-48(c)]*
- The ethics advisory commission shall review invoices submitted by outside council and determine whether the fees and costs are reasonable and necessary. *[Sec. 12A-48(b)(2)]*
- EAC hearing procedures have been simplified. *[Sec. 12A-53]*

Chart Summarizing All Article VI Reporting Requirements

Reporting Chart – Financial Disclosure

REPORT	WHO REPORTS	DUE DATE	SUBMITTED TO
Financial Disclosure Report **Section 12A-40**	1. City of Dallas appointed members to the following boards, commissions, and committees a. Board of Adjustment and Board of Adjustment Alternate Members b. Building Inspection Advisory, Examining, and Appeals Board c. Business Development Corporation Board d. City Plan and Zoning Commission e. Civil Service Board and Civil Service Board Adjunct Members f. Community Development Commission g. Dallas Area Rapid Transit Board h. Dallas-Fort Worth International Airport Board i. Ethics Advisory Commission j. Fire Code Advisory and Appeals Board k. Housing Finance Corporation Board l. Landmark Commission and Landmark Commission Alternate Members m. Park and Recreation Board n. Permit and License Appeal Board o. All Reinvestment Zone Boards p. All Municipal Management District Boards 2. First Assistant City Attorney 3. Inspector General 4. City Auditor and City Secretary, and their First Assistants 5. Assistant City Managers and Chiefs 6. Municipal Judges 7. Chief Financial Officer	Annual Filing Date: 5:00 p.m., April 30th. * When the deadline falls on a Saturday or Sunday, or on an official city holiday as established by the city council, the deadline for receipt by the City Secretary is extended to 5:00 p.m. of the next day that is not a Saturday, Sunday, or official city holiday. * The Inspector General may for good cause grant an extension of time in which to file a report upon written request submitted in advance of the deadline. The extension may not exceed 15 days.	City Secretary

Reporting Chart – Financial Statement

REPORT	WHO REPORTS	DUE DATE	SUBMITTED TO
Financial Statement Report **Texas Local Government Code Chapter 14**	1. Mayor 2. City Council Members 3. City Attorney 4. City Manager 5. Candidates for a Place on the City Council	Annual Filing Date for the Mayor, City Council Members, City Attorney, and City Manager – 5:00 p.m., April 30th Filing Date for Candidates for a Place on City Council, not later than the earlier of: 1. The 20th day after deadline for filing an application for a place on the ballot of an election; or 2. The fifth day before the date of the election. * When the deadline falls on a Saturday, Sunday, or an official national or state holiday, the deadline for receipt by the City Secretary is extended to 5:00 p.m. of the next day that is not a Saturday, Sunday, or an official national or state holiday. * The City Attorney or City Manager may request the City Secretary to grant an extension of not more than 60 days for filing the statement.	City Secretary

Reporting Chart – Short Form

REPORT	WHO REPORTS	DUE DATE	SUBMITTED TO
Short Form Annual Report **Section 12A-41**	A person who is required to file an annual financial disclosure report may fulfill those filing obligations by submitting a short sworn statement if there have been no changes in the information disclosed by that person in a complete financial disclosure report filed within the past five years.	Annual Filing Date: 5:00 p.m., April 30th. * When the deadline falls on a Saturday or Sunday, or on an official city holiday as established by the city council, the deadline for receipt by the City Secretary is extended to 5:00 p.m. of the next day that is not a Saturday, Sunday, or official city holiday.	City Secretary

Reporting Chart – Gifts

REPORT	WHO REPORTS	DUE DATE	SUBMITTED TO
Gift Reporting **Section 12A-42**	City officials and city employees who are <u>not</u> required to file an annual financial disclosure report: 1. Not required to report gifts with a monetary value of less than $300, except that reporting is required for gifts from a single source in a single year with a cumulative value of $300 or more, excluding gifts of perishable food or beverages of an estimated value of $100 or less. 2. Must also follow departmental reporting requirements for gifts. City officials and city employees who <u>are</u> required to file an annual financial disclosure report: 1. Received gifts with a monetary value of $300 or more, excluding gifts of perishable food or beverages of an estimated value of $100 or less. 2. May use the annual financial disclosure report as the first quarter's disclosure statement. 3. Must also follow departmental reporting requirements for gifts. The Mayor, City Council Members, City Attorney, City Manager, and City Officials and Employees under Section 12A-40(a) are required to report: 1. Gifts of $300 or more in the financial disclosure report in addition to the quarterly report. 2. If no reportable gifts were received, must file a quarterly gift report acknowledging that no reportable gifts were received. No one is required to report gifts from a relative or person with whom the city official or employee has a personal, professional, or business relationship, unless the gift is accepted in the city official or employee's official capacity. *See Section 12A-12(b) for gifts that are not considered reportable gifts.	Disclosure statement must be filed on a quarterly basis, for all <u>reportable</u> gifts received in each three-month period in a calendar year.	City Secretary (electronic format)

Reporting Chart – Donations

REPORT	WHO REPORTS	DUE DATE	SUBMITTED TO
Donations **Section 12A-43**	City Officials, city employees, and city departments: 1. Reporting is required for donations to the city of money, real estate, products, or services with a monetary value of $1,000 or more or from a single source in a single year with a cumulative value of $1,000 or more. 2. The donation report must be filed in addition to any other documentation required for the donation.	Donations must be reported to the city secretary on a quarterly basis, received in each three-month period in a calendar year. Donations must be reported to the city manager within 30 days after receipt of the donation.	City Secretary (quarterly) City Manager (within 30 days of receipt of the donation)

Reporting Chart – Travel

REPORT	WHO REPORTS	DUE DATE	SUBMITTED TO
Travel **Section 12A-44**	Any person who, in connection with his or her official duties, accepts a trip or excursion to a location greater than 50 miles from the city that involves the gratuitous provision of transportation, accommodations, entertainment, meals, or refreshments paid for by a person or entity other than a public agency.	Travel must be reported on a quarterly basis in each three-month period in a calendar year.	City Secretary Subordinates of the City Manager shall also file with the City Manager.

City of Dallas

Next step:

City Council Action on June 14, 2023

Questions?