



City of Dallas

Updates on and Proposed Amendments to the Code of Ethics

**Ad Hoc Committee on
General Investigating and
Ethics**

November 10, 2022

City Attorney's Office

Purpose



This presentation:

- (1) provides a summary of proposed Chapter 12A amendments that were briefed to the Committee on June 14, 2022;
- (2) presents additional proposed amendments based on comments from Committee members at the June 14, 2022 meeting; and
- (3) asks for a recommendation from the Committee to full council.





Summary of Proposed Chapter 12A Amendments Briefed to the Committee on June 14, 2022



Previously Briefed Proposed Amendments to Chapter 12A



- 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.
- Amend standard from *intentionally and knowingly* to simply *knowingly*:
 - The prohibition on inducing or aiding or assisting someone to violate the chapter.
 - Disclosure of confidential information.
 - Making false statements as a lobbyist.
- Clarify that the exceptions to the general rule on gifts are not reportable gifts.



Previously Briefed Proposed Amendments to Chapter 12A



- A person commits an offense if the person discloses confidential information.
- 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)
- The IG shall not investigate conduct that is the subject of pending criminal or civil litigation.
- Complaints filed against the IG Division shall be investigated and prosecuted by outside counsel.
- EAC hearing procedures have been simplified.
- Provisions throughout Chapter 12A have been reworded to make language clearer and more readable.





Additional Proposed Amendments Based on Comments from Committee Members at the June 14, 2022 Meeting



Additional Proposed Amendments



Public Improvement Districts

Add to the definition of OFFICIAL or CITY OFFICIAL: For purposes of Chapter 12A, a member of the board of directors for a public improvement district and its executive director and chief executive officer.

- Same exception for PIDs as for directors of reinvestment zones under miscellaneous conflicts of interest.
- Donations to PIDs must follow same rules as donations to the city.
- Nepotism rules apply to a PID when making appointments.
- Restrictions on conflicting outside employment do not apply to PIDs.
- For purposes of the restrictions on the use of public property and resources, property funded with PID money are considered city property.
- Rules on discretionary contracts for one year after service with the city do not apply to PIDs.



Additional Proposed Amendments



Substantial Interest in a Business Entity

If a city official or employee has a substantial interest in a business entity or in real property, the city official or employee shall file in accordance with Section 12A-24, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if:

- in the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
- in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a specific economic effect on the value of the property, distinguishable from the effect on the public.



Additional Proposed Amendments



Discretionary Contracts

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. This reflects the same exception that has always existed for members of boards and commissions that are advisory only, boards of a nonprofit development corporation that acts as an instrumentality of the city, and municipal management district boards.



Additional Proposed Amendments



Lobbying by Campaign Personnel

Expand the scope of Section 12A-35(h).

Options:

1. Include campaign treasurer and campaign/political consultant.
2. Include any person who was paid to work on a city council member's campaign.

Current Language: “A person who served as a campaign manager for a person who was elected as a city council member may not (either personally or through a representative, employee, or agent) lobby a city council member or a city official for one year after the date of the city council election. A “campaign manager” is any person who directs day-to-day operations of the campaign or determines the strategies or policies of the campaign.”



Additional Proposed Amendments



Outside Counsel for Respondents

Once an information is filed by the inspector general with the ethics advisory commission, a city official or employee named as the respondent in the information may retain an independent outside attorney.

The EAC shall review and approve invoices submitted by outside counsel to determine if the fees and costs associated with the representation are reasonable and necessary.



Additional Proposed Amendments



EAC Hearing Panels

Approved December 2021: The city secretary shall divide the commission into panels of five members each. The chair and vice-chairs shall act as presiding officers of the evidentiary hearing panels. At least two members meeting the special qualifications must be assigned to each five-member panel

Proposed Language: The city secretary shall select hearing panel members on a random basis, subject to availability. The panel chair shall meet a special qualification requirement and shall act as the presiding officer of the panel. Hearing panels must include at least one other member meeting the special qualifications requirements.





City of Dallas

Next steps:

**Committee
feedback/recommendation
and City Council action**

Questions?