

City of Dripping Springs

Ethics Ordinance

ORDINANCE No. 2026-##

AN ORDINANCE OF THE CITY OF DRIPPING SPRINGS, TEXAS, AMENDING ARTICLE 2.02, ETHICS, OF THE CITY CODE OF ORDINANCES; INCORPORATING RELEVANT TEN TEXAS TRAITS OF GOOD GOVERNMENT INTO LOCAL ETHICS AND CONFLICT-OF-INTEREST PROCEDURES; ENHANCING DISCLOSURE, ABSTENTION, RECUSAL, ATTORNEY-GUIDANCE, AND SAFE-HARBOR PROTOCOLS FOR CITY COUNCIL MEMBERS AND MEMBERS OF CITY BOARDS, COMMISSIONS, COMMITTEES, AND OTHER CITY BODIES; PROVIDING FOR CUMULATIVE EFFECT; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEALER; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Dripping Springs, Texas is a Type A general-law municipality; and

WHEREAS, the City Council finds that public confidence in municipal government depends not only on compliance with minimum state-law conflict rules, but also on transparent, consistent, and practical local procedures for identifying and addressing relationships that may create an appearance of partiality or divided loyalty; and

WHEREAS, the City's current ethics ordinance declares that proper democratic government requires City officials to be independent, impartial, responsible to the people, and committed to avoiding the use of public office for personal gain; and

WHEREAS, the City Council desires to supplement, and not replace, the requirements of Texas Local Government Code Chapters 171, 176, and 212, Texas Government Code Chapter 573, the Texas Penal Code, the Texas Open Meetings Act, and other applicable state law; and

WHEREAS, the City Council finds that the Ten Texas Traits of Good Government provide useful principles for local ethics administration, including respectful treatment of public concerns, responsiveness to public inquiries, transparency in decision-making, competence through training, ethical avoidance of conflicts and appearances of impropriety, lawful exercise of authority, innovative practical procedures, economical use of public resources, and accountability for official conduct; and

WHEREAS, the City Council recognizes that a member may not know that a possible conflict exists until an agenda item is called, staff or applicant presentations are made, public testimony is received, or deliberations begin; and

WHEREAS, the City Council finds that City officials should be encouraged to promptly disclose potential conflicts, seek legal guidance, and rely in good faith on advice from the City Attorney or other authorized legal counsel; and

WHEREAS, the City Council finds that this Ordinance is necessary and proper for the government, interest, welfare, and good order of the City.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Dripping Springs:

1. FINDINGS OF FACT

The foregoing recitals are incorporated into this Ordinance by reference as findings of fact as if expressly set forth herein.

2. ENACTMENT

Article 2.02 (“Ethics”) is amended to read in accordance with “**Exhibit B**”, which is attached hereto and incorporated into this Ordinance for all intents and purposes. Any underlined text in “**Exhibit A**” shall be added to Article 2.02 and any text that is struck through shall be removed.

3. REPEALER

All ordinances, or parts thereof, that are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters regulated herein.

4. SEVERABILITY

Should any of the clauses, sentences, paragraphs, sections, or parts of this Ordinance be deemed invalid, unconstitutional, or unenforceable by a court of law or administrative agency with jurisdiction over the matter, such action shall not be construed to affect any other valid portion of this Ordinance.

5. CODIFICATION

The City Secretary is hereby directed to record and publish the attached rules, regulations, and policies in the City’s Code of Ordinances as authorized by Section 52.001 of the Texas Local Government Code.

6. EFFECTIVE DATE

This Ordinance shall be effective immediately upon passage and publication as provided for by law.

7. PROPER NOTICE & MEETING

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551. Notice was also provided as required by Chapter 52 of the Texas Local Government Code.

PASSED & APPROVED this, the ____ day of XXX, _____, by a vote of ____ (ayes) to ____ (nays) to ____ (abstentions) of the City Council of Dripping Springs, Texas.

CITY OF DRIPPING SPRINGS:

by: _____
Bill Foulds, Jr., Mayor

ATTEST:

Diana Boone, City Secretary

City of Dripping Springs
CODE OF ORDINANCES
CHAPTER 2. ADMINISTRATION AND
PERSONNEL
ARTICLE 02.02

DIVISION 1. GENERALLY

Sec. 2.02.001. Definitions.

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. Words used in the present tense include the future tense. Words used in the plural number include the singular, and words in the singular include the plural. The word "shall" is always mandatory. The word "herein" means in this article. The word "person" means any human being or legal entity and includes a corporation, a partnership, and an incorporated or unincorporated association.

Affected entity means a business entity, nonprofit corporation, unincorporated association, partnership, limited liability company, trust, governmental or quasi-governmental entity, or other organization whose application, contract, funding, permit, entitlement, enforcement matter, appointment, policy position, or other identifiable interest is the subject of, or is likely to be specially affected by, official action.

Authorized legal counsel means the City Attorney, an assistant or deputy city attorney, special counsel retained or authorized by the City, or other attorney expressly authorized by the City Council, City Administrator, or City Attorney to provide legal advice to the City or to a City body or City official regarding a conflict-of-interest question.

Business entity: Any corporation, partnership, sole proprietorship, firm, holding company, joint stock company, receivership, trust, or any other entity recognized by law.

City body means the City Council and any City board, commission, committee, task force, corporation board, or other body created or appointed by the City Council or under City ordinance, including without limitation the Planning and Zoning Commission, Board of Adjustment, and any advisory or recommending body.

Redline version

City contractor: Any person and entity that is engaged by the city to provide professional services and receives compensation therefor.

City official: The mayor, any member of the city council, or another officer, whether elected, appointed, paid, or unpaid, of the city who exercises responsibilities beyond those that are advisory in nature.

Compensation: Any economic benefit received in return for labor, services, property, or investment.

Covered relationship means a relationship, role, duty, financial interest, or affiliation described in Section 2.02.003(c). A covered relationship is not automatically a disqualifying conflict, but it may require disclosure and may become a local conflicting interest when connected to a pending matter.

Deliberation means discussion, debate, questioning, recommendation, direction, motion, second, vote, decision, or other participation in official action by a member of a City body. The term includes participation from the dais or meeting table and participation in executive session.

Economic benefit: Any money, real or personal property, purchase, sale, lease, contract, option, credit, loan, discount, service, or other tangible or intangible thing of value, whether similar or dissimilar to those enumerated.

Gift: A favor, hospitality, or economic benefit other than compensation, but which does not include campaign contributions reported as required by state law, gifts received from a relative if given on account of kinship, or any value received by will, intestate succession, or as a distribution from an inter vivos or testamentary trust established by a spouse or ancestor.

Income: Economic benefit received.

Intentionally: A person acts intentionally, or with intent, with respect to the nature of his/her conduct or to a result of his/her conduct or to a result of his/her conduct [sic] when it is his/her conscious objective or desire to engage in the conduct or cause the result.

Knowingly: A person acts knowingly, or with knowledge, with respect to the nature of his/her conduct or to circumstances surrounding his/her conduct when he/she is aware of the nature of his/her conduct so [or] that the circumstances exist. A person acts knowingly, or with knowledge, with respect to a result of his/her conduct when he/she is aware that his/her conduct is reasonably certain to cause the result.

Local conflicting interest means a covered relationship that is reasonably likely to be specially, distinctly, or nonremotely affected by a pending matter, or that authorized legal counsel determines requires nonparticipation to comply with this article, state law, or the City's good-government principles.

Member means a member of a City body, including the mayor, a council member, and a regular, alternate, or ex officio member of a City board, commission, committee, task force, or other City body.

Pending matter means an agenda item, application, contract, purchase, sale, lease, license, permit, plat, zoning matter, variance, special exception, appeal, enforcement matter, funding request, appointment, policy decision, or other matter that is pending before a City body for briefing, discussion, deliberation, recommendation, decision, or vote.

Potential conflict means a substantial interest, covered relationship, appearance concern, or other circumstance that may require disclosure, abstention, recusal, or legal guidance under this article or state law.

Recusal means a member's withdrawal from deliberation on a pending matter because of a substantial interest under state law, a local conflicting interest under this article, or advice from authorized legal counsel.

Substantial interest:

- (1) A person has a substantial interest in a business entity if:
 - (A) The person owns ten percent or more of the voting stock or shares of the business entity or owns either ten percent or more or \$15,000.00 or more of the fair market value of the business entity; or

Redline version

- (B) Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
- (2) A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500.00 or more.
- (3) A city official is considered to have a substantial interest under this section if a person related to the city official in the first degree by consanguinity or affinity, as determined under chapter 573, Government Code, has a substantial interest under this section.

Sec. 2.02.002. Standards of conduct and disclosure of interest.

(a) Policy.

- (1) It is the policy of the city that the proper operation of democratic government requires that city officials be independent, impartial and responsible to the people; that government decisions and policy be made in proper channels of the governmental structure; that public office not be used for personal gain; and that the public have confidence in the integrity of its government. In recognition of these goals, a code of ethics for city officials is adopted.
- (2) This code has four purposes:
 - (A) To encourage high ethical standards in official conduct by city officials;
 - (B) To establish guidelines for ethical standards of conduct for all such city officials by setting forth those acts or actions that are incompatible with the best interests of the city;
 - (C) To require disclosure by such city officials of private financial or other interests in matters affecting the city; and
 - (D) To serve as a basis for disciplining those who fail to abide by its terms.
- (3) Notwithstanding anything contained in this article to the contrary, the provisions of this article shall not apply to political contributions, loans, expenditures, reports, or regulation of political campaigns, or the conduct of candidates in such campaigns, except as expressly provided herein.

(b) Standards of conduct.

- (1) Grounds for removal from office. A city official may be removed from office for:
 - (A) Official misconduct; or
 - (B) The conviction of any felony or for a misdemeanor involving official misconduct.
- (2) Gifts. No city official shall intentionally or knowingly offer, confer, or agree to confer on another, or solicit, accept, or agree to accept from another:
 - (A) Any benefit as consideration for the recipient's decision, opinion, recommendation, vote or other exercise of discretion as a city official; or
 - (B) Any benefit as consideration for a violation of a duty imposed by law on a city official.
- (3) Conflicts, disclosure, abstention, and recusal~~Abstention from voting.~~
 - (A) State-law substantial interests. If a city official has a substantial interest in a business entity or in real property, the city official shall comply with Texas Local Government Code Chapter 171, including the filing of any required affidavit file, 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~~abstaining from further participation ~~in the matter~~ when required by state law.~~if:-~~

- ~~(i) 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~~
- ~~(ii) In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.~~
- ~~(B) The affidavit must be filed with the secretary of the city.~~
- ~~(C) If a city official is required to file and does file an affidavit under subsection (A), the city official is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the governmental entity of which the city official is a member is composed of persons who are likewise required to file and who do file affidavits of similar interests on the same official action.~~
- (B) **Local conflicting interests.** In addition to the requirements of state law, a member shall comply with Section 2.02.003 when the member has a covered relationship, local conflicting interest, or potential conflict in a pending matter.
- (C) **Disclosure does not always require recusal.** A disclosure made to promote transparency, address an appearance concern, or seek legal guidance does not, by itself, require abstention or recusal unless required by state law, this article, or advice of authorized legal counsel.
- (D) **No limitation on state law.** Nothing in this article limits, waives, narrows, or replaces any requirement imposed by Texas Local Government Code Chapters 171, 176, or 212, Texas Government Code Chapter 573, the Texas Penal Code, the Texas Open Meetings Act, or any other applicable law.
- (E) **Majority exception preserved only where legally available.** A member may rely on any state-law exception allowing participation when a majority of the body has similar conflicts only to the extent the exception is available under applicable state law. Unless authorized legal counsel advises otherwise, a member with a local conflicting interest should disclose the interest and abstain from deliberation.
- (4) **Good-government principles.** This article shall be interpreted and administered to promote the following local good-government principles:
 - (A) **Respectful governance,** by treating public concerns regarding conflicts, appearances of impropriety, and official impartiality with fairness, courtesy, and professionalism;
 - (B) **Responsive governance,** by providing practical procedures for timely review of conflict questions raised by officials, staff, applicants, or members of the public;
 - (C) **Transparent governance,** by requiring disclosures, records, and meeting procedures that allow the public to understand when a member participates, abstains, or recuses;
 - (D) **Competent governance,** by encouraging training, pre-meeting review, and consultation with authorized legal counsel;
 - (E) **Ethical governance,** by placing the public good above self-interest, restraining self-dealing, preventing corruption, and avoiding both actual conflicts and reasonably perceived appearances of impropriety;
 - (F) **Lawful governance,** by preserving state law as the mandatory minimum and ensuring that local procedures are cumulative of and not inconsistent with applicable law;
 - (G) **Innovative governance,** by establishing workable procedures for conflict questions that arise before, during, or after deliberation begins;

(H) **Economical governance**, by using standardized forms, training, and predictable procedures to reduce uncertainty, delay, and avoidable disputes; and

(I) **Accountable governance**, by documenting disclosures, abstentions, recusals, and reliance on legal guidance.

(45) General provisions.

- (A) No city official shall, in reliance on information to which he/she has access by virtue of his/her office or employment and that has not been made public, acquire or aid another to acquire a pecuniary interest in any property, transaction, or enterprise that may be affected by the information, or speculate or aid another to speculate on the basis of the information.
- (B) No city official shall, with intent to obtain a benefit or with intent to harm or defraud another, disclose or use information for a nongovernmental purpose that he/she has access to by means of his/her office or employment, and has not been made public.
- (C) No city official shall, with intent to obtain a benefit or with intent to harm or defraud another, intentionally or knowingly misuse government property, services or personnel, or any other thing of value belonging to the government that has come into the public servant's custody or possession by virtue of the public servant's office of employment.
- (D) Any city official who has a legal or equitable interest in property that is to be acquired with public funds shall file an affidavit within ten days before the date on which the property is to be acquired by purchase or condemnation. The affidavit must:
 - (i) State the name of the city official;
 - (ii) State the city official's office, public title, or job designation;
 - (iii) Fully describe the property;
 - (iv) Fully describe the nature, type, and amount of interest in the property, including the percentage of ownership interest;
 - (v) State the date when the person acquired an interest in the property;
 - (vi) Include a verification; and
 - (vii) Contain an acknowledgement of the same type required for recording a deed in the deed records of the county.
- (E) Any city contractor that has a substantial interest in a business entity, or represents a person or business entity that has any pending applications with the city, shall file a notice with the city secretary stating such interest or representation at least two weeks prior to the date of any consideration of such application by the appropriate body of the city. If such body desires such city contractor to continue to advise such body regarding such application, a written acknowledgement and waiver shall be executed by the presiding officer of such body.

Sec. 2.02.003. Covered relationships and local conflicting interests.

(a) **Purpose.** This section establishes a local, supplemental process for disclosing and addressing relationships that may affect, or may reasonably appear to affect, a member's impartiality. This section is intended to promote transparent, ethical, lawful, and accountable decision-making while preserving state law as the mandatory minimum.

(b) **General rule.** A member shall not knowingly deliberate on a pending matter when the member has a local conflicting interest in the matter, unless participation is permitted by state law, this article, and advice from authorized legal counsel.

- (c) Covered relationships. A member has a covered relationship when a pending matter is reasonably likely to have a direct, particularized effect on a person, entity, property, or relationship described below. A covered relationship warrants disclosure when material to the pending matter, but does not by itself require abstention or recusal. A general effect on an industry, organization, or broad class, or a person's incidental involvement in a matter, does not alone establish a covered relationship.
- (1) the member;
 - (2) the member's spouse, parent, child, sibling, or other family member within the second degree of consanguinity or affinity;
 - (3) a member of the member's household;
 - (4) the member's outside employer, outside client, business partner, business associate, or source of professional referrals;
 - (5) a person or entity from whom the member, the member's spouse, or a member of the member's household received more than \$5,000.00 in income, compensation, professional fees, commissions, payments for goods or services, referral benefits, or other economic benefit during the preceding twelve months;
 - (6) a business entity in which the member, the member's spouse, or a member of the member's household owns five percent or more of the voting stock, shares, membership interest, partnership interest, or equity interest;
 - (7) a business entity in which the member, the member's spouse, or a member of the member's household owns \$5,000.00 or more of the fair market value of the entity;
 - (8) real property, other than the member's homestead when the matter affects the property only in the same manner as a broad class of similarly situated properties, in which the member, the member's spouse, or a member of the member's household has a legal or equitable ownership interest with a fair market value of \$1,000.00 or more;
 - (9) a business entity, nonprofit corporation, unincorporated association, foundation, club, civic organization, chamber, advocacy organization, or other organization for which the member serves as an officer, director, trustee, governing-board member, executive committee member, or in a substantially similar fiduciary, leadership, or policy-making capacity, unless the member serves solely as an official City representative appointed by the City Council;
 - (10) a business entity, nonprofit corporation, unincorporated association, foundation, club, civic organization, chamber, advocacy organization, or other organization for which the member serves in an official, named capacity as a designated fundraiser, treasurer, spokesperson, or other public representative, if the pending matter directly concerns that organization and the member's role creates a reasonably identifiable loyalty concerning that matter; provided that this paragraph does not apply solely because of campaign activity subject to applicable campaign-finance law or service solely as an official City representative appointed by the City Council;
 - (11) a creditor, debtor, or guarantor relationship involving the member, the member's spouse, or a member of the member's household in the amount of \$5,000.00 or more, excluding a home mortgage loan for the member's homestead or a market-rate personal vehicle loan or lease with a commercial lending institution entered into in the ordinary course of business;
 - (12) a person or entity with whom the member, the member's spouse, or a member of the member's household is negotiating for employment, independent contractor work, board service, consulting work, business opportunities, or another economic relationship, if the negotiations are pending or have not been clearly terminated;

- (13) an affiliate, parent, subsidiary, partner, joint venturer, or closely related entity of an entity described in this subsection, when the member knows or reasonably should know of the relationship and the relationship is material to the pending matter; or
- (14) any other relationship that the member believes, or that authorized legal counsel advises, may reasonably create an appearance of partiality, divided loyalty, or impropriety in connection with the pending matter.
- (d) When a covered relationship becomes a local conflicting interest. A covered relationship becomes a local conflicting interest requiring nonparticipation when:
 - (1) the pending matter is reasonably likely to have a special, distinguishable, or nonremote effect on the person, entity, property, or relationship described in subsection (c);
 - (2) the member's fiduciary, employment, contractual, financial, fundraising, representational, or organizational loyalty to the person or entity is reasonably likely to compete with the member's duty to the public; or
 - (3) nonparticipation is otherwise required by applicable law or an express provision of this article.
- (e) Authorized legal counsel may advise the member concerning the legal requirements described in paragraph (d); the advice does not independently create a new category of local conflicting interest.
- (ef) Matters generally not treated as local conflicting interests. Unless state law, this article, or authorized legal counsel requires otherwise, a local conflicting interest does not include:
 - (1) an interest shared by the member in common with the general public or with a broad class of City residents, taxpayers, utility customers, voters, or property owners;
 - (2) the general effect of a broad policy matter on an industry, profession, or occupation in which the member participates, unless the matter is reasonably likely to specially affect the member, the member's employer, the member's client, or another covered relationship;
 - (3) ownership of an interest in a mutual fund, exchange-traded fund, pension fund, retirement plan, or other common investment vehicle, unless the member participates in managing the fund or the pending matter specifically concerns the fund or a material holding known to the member;
 - (4) service on an entity solely as an official City representative appointed by the City Council, provided that the member discloses that service when the entity appears before the City body and authorized legal counsel does not advise that recusal is required; ~~or~~
 - (5) a remote, speculative, or de minimis interest that authorized legal counsel determines does not require abstention or recusal; or
 - (6) participation on an advisory body in a seat expressly designated by the City for a stakeholder organization or category, solely by reason of the member's representation of that stakeholder, unless the member has a separate interest requiring abstention under state law or the matter would directly and particularly affect the member or the represented organization; in the latter case, the member shall disclose the relationship and seek guidance under Section 2.02.004.
- (fg) Appearance disclosures. A member is encouraged to disclose relationships or circumstances that could reasonably create an appearance concern even when the member does not believe recusal is required. Appearance disclosures advance transparency and accountability and do not automatically disqualify the member from participation.

Sec. 2.02.004. Procedures for identifying, disclosing, and addressing conflicts.

- (a) Pre-meeting review encouraged. Each member is encouraged to review each posted agenda before the meeting and promptly notify the City Secretary and City Attorney if the member believes the member may

- have a substantial interest, covered relationship, local conflicting interest, or potential conflict regarding a pending matter.
- (b) Request for guidance. A member may request guidance from authorized legal counsel regarding whether disclosure, affidavit filing, abstention, recusal, or other action is required. The request should be made as early as reasonably practicable and should include all material facts known to the member.
- (c) Disclosure before item is heard. If a member knows before a pending matter is called that the member has a substantial interest, covered relationship, local conflicting interest, or unresolved potential conflict, the member shall disclose the issue before deliberation begins and shall not deliberate if nonparticipation is required by state law, this article, or advice of authorized legal counsel.
- (d) Conflict discovered after item is called or after deliberation begins. If, after a pending matter is called or after deliberation begins, a member becomes aware of facts that may create a substantial interest, covered relationship, local conflicting interest, or unresolved potential conflict, the member shall:
- (1) promptly disclose on the record that a potential conflict issue has arisen;
 - (2) cease deliberating on the matter until the issue is resolved;
 - (3) request guidance from the presiding officer and authorized legal counsel, if available;
 - (4) follow the advice or procedural direction provided by authorized legal counsel, including leaving the dais, remaining silent, abstaining, filing a written disclosure, or recusing from the item; and
 - (5) if a written affidavit or disclosure is required and could not reasonably be filed before the issue arose, file the required affidavit or disclosure with the City Secretary as soon as reasonably practicable and, in any event, not later than the next business day unless state law requires an earlier filing.
- (e) Recess, pass, or deferral. The presiding officer may recess the meeting, pass the item temporarily, or defer the item to allow consultation with authorized legal counsel. If the conflict question cannot be resolved during the meeting, the member shall not deliberate on the pending matter unless authorized legal counsel advises that participation may continue.
- (f) Executive session. If a conflict question arises in executive session, the member shall promptly disclose the potential conflict to the City body and authorized legal counsel in executive session, shall cease participating in executive-session deliberation on that matter until the issue is resolved, and shall follow the advice or direction of authorized legal counsel.
- (g) Minutes and record. The minutes should reflect the member's disclosure, abstention, recusal, or return to participation, as applicable. The minutes need not describe privileged legal advice. A written disclosure, affidavit, or memorandum of advice may be filed with the City Secretary as a public record unless protected from disclosure by law.
- (h) Participation after guidance. A member may participate after guidance only if authorized legal counsel advises that participation is not prohibited by state law or this article. If the advice is qualified, conditional, or based on stated assumptions, the member may rely on the advice only while the assumptions remain materially accurate.

Sec. 2.02.005. Safe harbor for good-faith reliance on attorney advice.

- (a) Safe harbor established. A member shall not be subject to a local enforcement penalty, sanction, censure, reprimand, recommendation for removal, or finding of violation under this article for participating in, abstaining from, or recusing from a pending matter if the member establishes that:
- (1) before participating, or as soon as reasonably practicable after the potential conflict became apparent, the member sought advice from authorized legal counsel;

- (2) the member fully and accurately disclosed all material facts known to the member at the time advice was requested;
 - (3) the member received advice from authorized legal counsel that the member's proposed participation, abstention, recusal, disclosure, or other action complied with this article and applicable law, or that no recusal was required based on the facts disclosed;
 - (4) the member reasonably and in good faith relied on the advice; and
 - (5) the member acted consistently with the advice.
- (b) Form of advice. Advice may be relied upon under this section if it is:
 - (1) in writing, including by email or memorandum;
 - (2) stated orally during a public meeting and reflected in the meeting record; or
 - (3) stated orally during executive session and later memorialized in a manner that preserves any applicable attorney-client privilege while documenting that advice was provided.
- (c) Emergency or meeting-time advice. If the potential conflict first becomes apparent during a meeting and written advice cannot reasonably be obtained before the City body must proceed, the member may rely on oral advice from authorized legal counsel given during the meeting, provided that the member complies with Section 2.02.004 and the advice is memorialized as soon as reasonably practicable.
- (d) Continuing duty to update facts. A member who receives advice under this section has a continuing duty to disclose material changes in facts. The safe harbor applies only to the facts disclosed and only so long as those facts remain materially accurate.
- (e) Limitations. The safe harbor does not apply if:
 - (1) the member knowingly, intentionally, or recklessly withheld, misstated, or concealed material facts;
 - (2) the member failed to follow the advice provided;
 - (3) the advice was obtained from a person who was not authorized legal counsel;
 - (4) the member acted after material facts changed and did not seek updated advice;
 - (5) the member's conduct involved bribery, fraud, misuse of confidential information, misuse of City property, abuse of official position, or other conduct prohibited independently of the conflict-of-interest determination; or
 - (6) state law requires a different result.
- (f) No waiver of state law or criminal law. This section creates only a local safe harbor from enforcement under this article. It does not legalize conduct prohibited by state law, excuse a required affidavit or disclosure under state law, validate a vote that is void or voidable under state law, prevent referral to an outside enforcement authority, or waive the City's right to seek judicial guidance.
- (g) No private right of action. This section is intended solely for administration and enforcement of this article and does not create a private right of action against the City, a City body, a City official, the City Attorney, authorized legal counsel, or any other person.

Sec. 2.02.006. Forms, annual disclosures, training, and administration.

- (a) Forms. The City Secretary, in consultation with the City Attorney, may prepare forms for disclosures, affidavits, recusal notices, and requests for attorney guidance under this article.
- (b) Filing location. Unless state law requires filing elsewhere, disclosures and affidavits required by this article shall be filed with the City Secretary.

- (c) Timing. A disclosure or affidavit required by this article shall be filed before deliberation on the pending matter when reasonably practicable. If the need for disclosure becomes apparent only after the item is called or after deliberation begins, the member shall make an oral disclosure on the record and file any required written disclosure as soon as reasonably practicable. A member need not file a new local disclosure solely because the same relationship and same pending matter return at a later meeting, if the prior filing identifies the matter, remains materially accurate, and is identified in the later meeting record; this provision does not excuse an affidavit or filing required for that meeting or action by state law.
- (d) Annual and supplemental disclosures. The City Council may, by resolution or policy, require members to file annual or periodic disclosures identifying outside employment, business ownership, board service, officer positions, designated fundraising roles, real-property interests, and other relationships that may assist in identifying conflicts before meetings. Filing an annual or periodic disclosure does not eliminate the member's duty to disclose and abstain or recuse when a specific pending matter creates a substantial interest, local conflicting interest, or other conflict.
- (e) Training. The City Attorney or authorized legal counsel should provide periodic training to members regarding state-law conflicts, covered relationships, local conflicting interests, disclosure procedures, recusal procedures, the attorney-advice safe harbor, and the good-government principles incorporated into this article.
- (f) Public education. The City may publish plain-language guidance explaining the difference between a state-law substantial interest, a covered relationship, a local conflicting interest, an appearance disclosure, and a safe-harbor request.
- (g) Administrative review. The City Attorney and City Secretary may periodically review the operation of this article and recommend amendments to improve respectful, responsive, transparent, competent, ethical, lawful, innovative, economical, and accountable administration.

Sec. 2.02.007. Gifts and vendor-contact clarification.

- (a) Construction with state law. This section is intended to supplement, and not conflict with, applicable state law governing bribery, honoraria, abuse of office, gifts, or misuse of official position.
- (b) Improper influence prohibited. No member shall knowingly solicit or accept any gift, favor, hospitality, or other benefit offered for the purpose of influencing the member's decision, recommendation, vote, or other exercise of official discretion.
- (c) Disclosure of significant benefit. If a member receives a gift, hospitality, travel-related benefit, or other thing of value from a person or entity with business pending before the City, and the benefit is not clearly excluded by state law or ordinary social custom, the member is encouraged to seek guidance from authorized legal counsel and, when appropriate, disclose the circumstance before participating in any related pending matter.
- (d) Vendor-contact expectations. A member should avoid private communications with vendors, applicants, or representatives seeking discretionary City action when the communication could reasonably create an appearance of preferential access, undue influence, or divided loyalty. This subsection does not prohibit communications that are expressly authorized by law, occur in the ordinary course of official duties, or are promptly disclosed when disclosure is appropriate.
- (e) No automatic recusal. A circumstance described in this section does not automatically require recusal unless required by state law, another provision of this article, or advice of authorized legal counsel.

City of Dripping Springs
CODE OF ORDINANCES
CHAPTER 2. ADMINISTRATION AND
PERSONNEL
ARTICLE 02.02

DIVISION 1. GENERALLY

Sec. 2.02.001. Definitions.

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. Words used in the present tense include the future tense. Words used in the plural number include the singular, and words in the singular include the plural. The word "shall" is always mandatory. The word "herein" means in this article. The word "person" means any human being or legal entity and includes a corporation, a partnership, and an incorporated or unincorporated association.

Affected entity means a business entity, nonprofit corporation, unincorporated association, partnership, limited liability company, trust, governmental or quasi-governmental entity, or other organization whose application, contract, funding, permit, entitlement, enforcement matter, appointment, policy position, or other identifiable interest is the subject of, or is likely to be specially affected by, official action.

Authorized legal counsel means the City Attorney, an assistant or deputy city attorney, special counsel retained or authorized by the City, or other attorney expressly authorized by the City Council, City Administrator, or City Attorney to provide legal advice to the City or to a City body or City official regarding a conflict-of-interest question.

Business entity: Any corporation, partnership, sole proprietorship, firm, holding company, joint stock company, receivership, trust, or any other entity recognized by law.

City body means the City Council and any City board, commission, committee, task force, corporation board, or other body created or appointed by the City Council or under City ordinance, including without limitation the Planning and Zoning Commission, Board of Adjustment, and any advisory or recommending body.

Clean version

City contractor: Any person and entity that is engaged by the city to provide professional services and receives compensation therefor.

City official: The mayor, any member of the city council, or another officer, whether elected, appointed, paid, or unpaid, of the city who exercises responsibilities beyond those that are advisory in nature.

Compensation: Any economic benefit received in return for labor, services, property, or investment.

Covered relationship means a relationship, role, duty, financial interest, or affiliation described in Section 2.02.003(c). A covered relationship is not automatically a disqualifying conflict, but it may require disclosure and may become a local conflicting interest when connected to a pending matter.

Deliberation means discussion, debate, questioning, recommendation, direction, motion, second, vote, decision, or other participation in official action by a member of a City body. The term includes participation from the dais or meeting table and participation in executive session.

Economic benefit: Any money, real or personal property, purchase, sale, lease, contract, option, credit, loan, discount, service, or other tangible or intangible thing of value, whether similar or dissimilar to those enumerated.

Gift: A favor, hospitality, or economic benefit other than compensation, but which does not include campaign contributions reported as required by state law, gifts received from a relative if given on account of kinship, or any value received by will, intestate succession, or as a distribution from an inter vivos or testamentary trust established by a spouse or ancestor.

Income: Economic benefit received.

Intentionally: A person acts intentionally, or with intent, with respect to the nature of his/her conduct or to a result of his/her conduct or to a result of his/her conduct [sic] when it is his/her conscious objective or desire to engage in the conduct or cause the result.

Knowingly: A person acts knowingly, or with knowledge, with respect to the nature of his/her conduct or to circumstances surrounding his/her conduct when he/she is aware of the nature of his/her conduct so [or] that the circumstances exist. A person acts knowingly, or with knowledge, with respect to a result of his/her conduct when he/she is aware that his/her conduct is reasonably certain to cause the result.

Local conflicting interest means a covered relationship that is reasonably likely to be specially, distinctly, or nonremotely affected by a pending matter, or that authorized legal counsel determines requires nonparticipation to comply with this article, state law, or the City's good-government principles.

Member means a member of a City body, including the mayor, a council member, and a regular, alternate, or ex officio member of a City board, commission, committee, task force, or other City body.

Pending matter means an agenda item, application, contract, purchase, sale, lease, license, permit, plat, zoning matter, variance, special exception, appeal, enforcement matter, funding request, appointment, policy decision, or other matter that is pending before a City body for briefing, discussion, deliberation, recommendation, decision, or vote.

Potential conflict means a substantial interest, covered relationship, appearance concern, or other circumstance that may require disclosure, abstention, recusal, or legal guidance under this article or state law.

Recusal means a member's withdrawal from deliberation on a pending matter because of a substantial interest under state law, a local conflicting interest under this article, or advice from authorized legal counsel.

Substantial interest:

- (1) A person has a substantial interest in a business entity if:
 - (A) The person owns ten percent or more of the voting stock or shares of the business entity or owns either ten percent or more or \$15,000.00 or more of the fair market value of the business entity; or

Clean version

- (B) Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
- (2) A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500.00 or more.
- (3) A city official is considered to have a substantial interest under this section if a person related to the city official in the first degree by consanguinity or affinity, as determined under chapter 573, Government Code, has a substantial interest under this section.

Sec. 2.02.002. Standards of conduct and disclosure of interest.

(a) Policy.

- (1) It is the policy of the city that the proper operation of democratic government requires that city officials be independent, impartial and responsible to the people; that government decisions and policy be made in proper channels of the governmental structure; that public office not be used for personal gain; and that the public have confidence in the integrity of its government. In recognition of these goals, a code of ethics for city officials is adopted.
- (2) This code has four purposes:
 - (A) To encourage high ethical standards in official conduct by city officials;
 - (B) To establish guidelines for ethical standards of conduct for all such city officials by setting forth those acts or actions that are incompatible with the best interests of the city;
 - (C) To require disclosure by such city officials of private financial or other interests in matters affecting the city; and
 - (D) To serve as a basis for disciplining those who fail to abide by its terms.
- (3) Notwithstanding anything contained in this article to the contrary, the provisions of this article shall not apply to political contributions, loans, expenditures, reports, or regulation of political campaigns, or the conduct of candidates in such campaigns, except as expressly provided herein.

(b) Standards of conduct.

- (1) Grounds for removal from office. A city official may be removed from office for:
 - (A) Official misconduct; or
 - (B) The conviction of any felony or for a misdemeanor involving official misconduct.
- (2) Gifts. No city official shall intentionally or knowingly offer, confer, or agree to confer on another, or solicit, accept, or agree to accept from another:
 - (A) Any benefit as consideration for the recipient's decision, opinion, recommendation, vote or other exercise of discretion as a city official; or
 - (B) Any benefit as consideration for a violation of a duty imposed by law on a city official.
- (3) Conflicts, disclosure, abstention, and recusal.
 - (A) **State-law substantial interests.** If a city official has a substantial interest in a business entity or in real property, the city official shall comply with Texas Local Government Code Chapter 171, including the filing of any required affidavit before a vote or decision and abstaining from further participation when required by state law.
 - (B) **Local conflicting interests.** In addition to the requirements of state law, a member shall comply with Section 2.02.003 when the member has a covered relationship, local conflicting interest, or potential conflict in a pending matter.

- (C) **Disclosure does not always require recusal.** A disclosure made to promote transparency, address an appearance concern, or seek legal guidance does not, by itself, require abstention or recusal unless required by state law, this article, or advice of authorized legal counsel.
 - (D) **No limitation on state law.** Nothing in this article limits, waives, narrows, or replaces any requirement imposed by Texas Local Government Code Chapters 171, 176, or 212, Texas Government Code Chapter 573, the Texas Penal Code, the Texas Open Meetings Act, or any other applicable law.
 - (E) **Majority exception preserved only where legally available.** A member may rely on any state-law exception allowing participation when a majority of the body has similar conflicts only to the extent the exception is available under applicable state law. Unless authorized legal counsel advises otherwise, a member with a local conflicting interest should disclose the interest and abstain from deliberation.
- (4) Good-government principles. This article shall be interpreted and administered to promote the following local good-government principles:
- (A) **Respectful governance,** by treating public concerns regarding conflicts, appearances of impropriety, and official impartiality with fairness, courtesy, and professionalism;
 - (B) **Responsive governance,** by providing practical procedures for timely review of conflict questions raised by officials, staff, applicants, or members of the public;
 - (C) **Transparent governance,** by requiring disclosures, records, and meeting procedures that allow the public to understand when a member participates, abstains, or recuses;
 - (D) **Competent governance,** by encouraging training, pre-meeting review, and consultation with authorized legal counsel;
 - (E) **Ethical governance,** by placing the public good above self-interest, restraining self-dealing, preventing corruption, and avoiding both actual conflicts and reasonably perceived appearances of impropriety;
 - (F) **Lawful governance,** by preserving state law as the mandatory minimum and ensuring that local procedures are cumulative of and not inconsistent with applicable law;
 - (G) **Innovative governance,** by establishing workable procedures for conflict questions that arise before, during, or after deliberation begins;
 - (H) **Economical governance,** by using standardized forms, training, and predictable procedures to reduce uncertainty, delay, and avoidable disputes; and
 - (I) **Accountable governance,** by documenting disclosures, abstentions, recusals, and reliance on legal guidance.
- (5) General provisions.
- (A) No city official shall, in reliance on information to which he/she has access by virtue of his/her office or employment and that has not been made public, acquire or aid another to acquire a pecuniary interest in any property, transaction, or enterprise that may be affected by the information, or speculate or aid another to speculate on the basis of the information.
 - (B) No city official shall, with intent to obtain a benefit or with intent to harm or defraud another, disclose or use information for a nongovernmental purpose that he/she has access to by means of his/her office or employment, and has not been made public.
 - (C) No city official shall, with intent to obtain a benefit or with intent to harm or defraud another, intentionally or knowingly misuse government property, services or personnel, or any other

thing of value belonging to the government that has come into the public servant's custody or possession by virtue of the public servant's office of employment.

- (D) Any city official who has a legal or equitable interest in property that is to be acquired with public funds shall file an affidavit within ten days before the date on which the property is to be acquired by purchase or condemnation. The affidavit must:
- (i) State the name of the city official;
 - (ii) State the city official's office, public title, or job designation;
 - (iii) Fully describe the property;
 - (iv) Fully describe the nature, type, and amount of interest in the property, including the percentage of ownership interest;
 - (v) State the date when the person acquired an interest in the property;
 - (vi) Include a verification; and
 - (vii) Contain an acknowledgement of the same type required for recording a deed in the deed records of the county.
- (E) Any city contractor that has a substantial interest in a business entity, or represents a person or business entity that has any pending applications with the city, shall file a notice with the city secretary stating such interest or representation at least two weeks prior to the date of any consideration of such application by the appropriate body of the city. If such body desires such city contractor to continue to advise such body regarding such application, a written acknowledgement and waiver shall be executed by the presiding officer of such body.

Sec. 2.02.003. Covered relationships and local conflicting interests.

- (a) Purpose. This section establishes a local, supplemental process for disclosing and addressing relationships that may affect, or may reasonably appear to affect, a member's impartiality. This section is intended to promote transparent, ethical, lawful, and accountable decision-making while preserving state law as the mandatory minimum.
- (b) General rule. A member shall not knowingly deliberate on a pending matter when the member has a local conflicting interest in the matter, unless participation is permitted by state law, this article, and advice from authorized legal counsel.
- (c) Covered relationships. A member has a covered relationship when a pending matter is reasonably likely to have a direct, particularized effect on a person, entity, property, or relationship described below. A covered relationship warrants disclosure when material to the pending matter, but does not by itself require abstention or recusal. A general effect on an industry, organization, or broad class, or a person's incidental involvement in a matter, does not alone establish a covered relationship.
- (1) the member;
 - (2) the member's spouse, parent, child, sibling, or other family member within the second degree of consanguinity or affinity;
 - (3) a member of the member's household;
 - (4) the member's outside employer, outside client, business partner, business associate, or source of professional referrals;
 - (5) a person or entity from whom the member, the member's spouse, or a member of the member's household received more than \$5,000.00 in income, compensation, professional fees, commissions,

- payments for goods or services, referral benefits, or other economic benefit during the preceding twelve months;
- (6) a business entity in which the member, the member's spouse, or a member of the member's household owns five percent or more of the voting stock, shares, membership interest, partnership interest, or equity interest;
 - (7) a business entity in which the member, the member's spouse, or a member of the member's household owns \$5,000.00 or more of the fair market value of the entity;
 - (8) real property, other than the member's homestead when the matter affects the property only in the same manner as a broad class of similarly situated properties, in which the member, the member's spouse, or a member of the member's household has a legal or equitable ownership interest with a fair market value of \$1,000.00 or more;
 - (9) a business entity, nonprofit corporation, unincorporated association, foundation, club, civic organization, chamber, advocacy organization, or other organization for which the member serves as an officer, director, trustee, governing-board member, executive committee member, or in a substantially similar fiduciary, leadership, or policy-making capacity, unless the member serves solely as an official City representative appointed by the City Council;
 - (10) a business entity, nonprofit corporation, unincorporated association, foundation, club, civic organization, chamber, advocacy organization, or other organization for which the member serves in an official, named capacity as a designated fundraiser, treasurer, spokesperson, or other public representative, if the pending matter directly concerns that organization and the member's role creates a reasonably identifiable loyalty concerning that matter; provided that this paragraph does not apply solely because of campaign activity subject to applicable campaign-finance law or service solely as an official City representative appointed by the City Council;
 - (11) a creditor, debtor, or guarantor relationship involving the member, the member's spouse, or a member of the member's household in the amount of \$5,000.00 or more, excluding a home mortgage loan for the member's homestead or a market-rate personal vehicle loan or lease with a commercial lending institution entered into in the ordinary course of business;
 - (12) a person or entity with whom the member, the member's spouse, or a member of the member's household is negotiating for employment, independent contractor work, board service, consulting work, business opportunities, or another economic relationship, if the negotiations are pending or have not been clearly terminated;
 - (13) an affiliate, parent, subsidiary, partner, joint venturer, or closely related entity of an entity described in this subsection, when the member knows or reasonably should know of the relationship and the relationship is material to the pending matter; or
 - (14) any other relationship that the member believes, or that authorized legal counsel advises, may reasonably create an appearance of partiality, divided loyalty, or impropriety in connection with the pending matter.
- (d) When a covered relationship becomes a local conflicting interest. A covered relationship becomes a local conflicting interest requiring nonparticipation when:
- (1) the pending matter is reasonably likely to have a special, distinguishable, or nonremote effect on the person, entity, property, or relationship described in subsection (c);
 - (2) the member's fiduciary, employment, contractual, financial, fundraising, representational, or organizational loyalty to the person or entity is reasonably likely to compete with the member's duty to the public; or
 - (3) nonparticipation is otherwise required by applicable law or an express provision of this article.

- (e) Authorized legal counsel may advise the member concerning the legal requirements described in paragraph (d); the advice does not independently create a new category of local conflicting interest.
- (f) Matters generally not treated as local conflicting interests. Unless state law, this article, or authorized legal counsel requires otherwise, a local conflicting interest does not include:
 - (1) an interest shared by the member in common with the general public or with a broad class of City residents, taxpayers, utility customers, voters, or property owners;
 - (2) the general effect of a broad policy matter on an industry, profession, or occupation in which the member participates, unless the matter is reasonably likely to specially affect the member, the member's employer, the member's client, or another covered relationship;
 - (3) ownership of an interest in a mutual fund, exchange-traded fund, pension fund, retirement plan, or other common investment vehicle, unless the member participates in managing the fund or the pending matter specifically concerns the fund or a material holding known to the member;
 - (4) service on an entity solely as an official City representative appointed by the City Council, provided that the member discloses that service when the entity appears before the City body and authorized legal counsel does not advise that recusal is required;
 - (5) a remote, speculative, or de minimis interest that authorized legal counsel determines does not require abstention or recusal; or
 - (6) participation on an advisory body in a seat expressly designated by the City for a stakeholder organization or category, solely by reason of the member's representation of that stakeholder, unless the member has a separate interest requiring abstention under state law or the matter would directly and particularly affect the member or the represented organization; in the latter case, the member shall disclose the relationship and seek guidance under Section 2.02.004.
- (g) Appearance disclosures. A member is encouraged to disclose relationships or circumstances that could reasonably create an appearance concern even when the member does not believe recusal is required. Appearance disclosures advance transparency and accountability and do not automatically disqualify the member from participation.

Sec. 2.02.004. Procedures for identifying, disclosing, and addressing conflicts.

- (a) Pre-meeting review encouraged. Each member is encouraged to review each posted agenda before the meeting and promptly notify the City Secretary and City Attorney if the member believes the member may have a substantial interest, covered relationship, local conflicting interest, or potential conflict regarding a pending matter.
- (b) Request for guidance. A member may request guidance from authorized legal counsel regarding whether disclosure, affidavit filing, abstention, recusal, or other action is required. The request should be made as early as reasonably practicable and should include all material facts known to the member.
- (c) Disclosure before item is heard. If a member knows before a pending matter is called that the member has a substantial interest, covered relationship, local conflicting interest, or unresolved potential conflict, the member shall disclose the issue before deliberation begins and shall not deliberate if nonparticipation is required by state law, this article, or advice of authorized legal counsel.
- (d) Conflict discovered after item is called or after deliberation begins. If, after a pending matter is called or after deliberation begins, a member becomes aware of facts that may create a substantial interest, covered relationship, local conflicting interest, or unresolved potential conflict, the member shall:
 - (1) promptly disclose on the record that a potential conflict issue has arisen;
 - (2) cease deliberating on the matter until the issue is resolved;

- (3) request guidance from the presiding officer and authorized legal counsel, if available;
 - (4) follow the advice or procedural direction provided by authorized legal counsel, including leaving the dais, remaining silent, abstaining, filing a written disclosure, or recusing from the item; and
 - (5) if a written affidavit or disclosure is required and could not reasonably be filed before the issue arose, file the required affidavit or disclosure with the City Secretary as soon as reasonably practicable and, in any event, not later than the next business day unless state law requires an earlier filing.
- (e) Recess, pass, or deferral. The presiding officer may recess the meeting, pass the item temporarily, or defer the item to allow consultation with authorized legal counsel. If the conflict question cannot be resolved during the meeting, the member shall not deliberate on the pending matter unless authorized legal counsel advises that participation may continue.
- (f) Executive session. If a conflict question arises in executive session, the member shall promptly disclose the potential conflict to the City body and authorized legal counsel in executive session, shall cease participating in executive-session deliberation on that matter until the issue is resolved, and shall follow the advice or direction of authorized legal counsel.
- (g) Minutes and record. The minutes should reflect the member's disclosure, abstention, recusal, or return to participation, as applicable. The minutes need not describe privileged legal advice. A written disclosure, affidavit, or memorandum of advice may be filed with the City Secretary as a public record unless protected from disclosure by law.
- (h) Participation after guidance. A member may participate after guidance only if authorized legal counsel advises that participation is not prohibited by state law or this article. If the advice is qualified, conditional, or based on stated assumptions, the member may rely on the advice only while the assumptions remain materially accurate.

Sec. 2.02.005. Safe harbor for good-faith reliance on attorney advice.

- (a) Safe harbor established. A member shall not be subject to a local enforcement penalty, sanction, censure, reprimand, recommendation for removal, or finding of violation under this article for participating in, abstaining from, or recusing from a pending matter if the member establishes that:
- (1) before participating, or as soon as reasonably practicable after the potential conflict became apparent, the member sought advice from authorized legal counsel;
 - (2) the member fully and accurately disclosed all material facts known to the member at the time advice was requested;
 - (3) the member received advice from authorized legal counsel that the member's proposed participation, abstention, recusal, disclosure, or other action complied with this article and applicable law, or that no recusal was required based on the facts disclosed;
 - (4) the member reasonably and in good faith relied on the advice; and
 - (5) the member acted consistently with the advice.
- (b) Form of advice. Advice may be relied upon under this section if it is:
- (1) in writing, including by email or memorandum;
 - (2) stated orally during a public meeting and reflected in the meeting record; or
 - (3) stated orally during executive session and later memorialized in a manner that preserves any applicable attorney-client privilege while documenting that advice was provided.
- (c) Emergency or meeting-time advice. If the potential conflict first becomes apparent during a meeting and written advice cannot reasonably be obtained before the City body must proceed, the member may rely on

oral advice from authorized legal counsel given during the meeting, provided that the member complies with Section 2.02.004 and the advice is memorialized as soon as reasonably practicable.

- (d) Continuing duty to update facts. A member who receives advice under this section has a continuing duty to disclose material changes in facts. The safe harbor applies only to the facts disclosed and only so long as those facts remain materially accurate.
- (e) Limitations. The safe harbor does not apply if:
 - (1) the member knowingly, intentionally, or recklessly withheld, misstated, or concealed material facts;
 - (2) the member failed to follow the advice provided;
 - (3) the advice was obtained from a person who was not authorized legal counsel;
 - (4) the member acted after material facts changed and did not seek updated advice;
 - (5) the member's conduct involved bribery, fraud, misuse of confidential information, misuse of City property, abuse of official position, or other conduct prohibited independently of the conflict-of-interest determination; or
 - (6) state law requires a different result.
- (f) No waiver of state law or criminal law. This section creates only a local safe harbor from enforcement under this article. It does not legalize conduct prohibited by state law, excuse a required affidavit or disclosure under state law, validate a vote that is void or voidable under state law, prevent referral to an outside enforcement authority, or waive the City's right to seek judicial guidance.
- (g) No private right of action. This section is intended solely for administration and enforcement of this article and does not create a private right of action against the City, a City body, a City official, the City Attorney, authorized legal counsel, or any other person.

Sec. 2.02.006. Forms, annual disclosures, training, and administration.

- (a) Forms. The City Secretary, in consultation with the City Attorney, may prepare forms for disclosures, affidavits, recusal notices, and requests for attorney guidance under this article.
- (b) Filing location. Unless state law requires filing elsewhere, disclosures and affidavits required by this article shall be filed with the City Secretary.
- (c) Timing. A disclosure or affidavit required by this article shall be filed before deliberation on the pending matter when reasonably practicable. If the need for disclosure becomes apparent only after the item is called or after deliberation begins, the member shall make an oral disclosure on the record and file any required written disclosure as soon as reasonably practicable. A member need not file a new local disclosure solely because the same relationship and same pending matter return at a later meeting, if the prior filing identifies the matter, remains materially accurate, and is identified in the later meeting record; this provision does not excuse an affidavit or filing required for that meeting or action by state law.
- (d) Annual and supplemental disclosures. The City Council may, by resolution or policy, require members to file annual or periodic disclosures identifying outside employment, business ownership, board service, officer positions, designated fundraising roles, real-property interests, and other relationships that may assist in identifying conflicts before meetings. Filing an annual or periodic disclosure does not eliminate the member's duty to disclose and abstain or recuse when a specific pending matter creates a substantial interest, local conflicting interest, or other conflict.
- (e) Training. The City Attorney or authorized legal counsel should provide periodic training to members regarding state-law conflicts, covered relationships, local conflicting interests, disclosure procedures, recusal procedures, the attorney-advice safe harbor, and the good-government principles incorporated into this article.

- (f) Public education. The City may publish plain-language guidance explaining the difference between a state-law substantial interest, a covered relationship, a local conflicting interest, an appearance disclosure, and a safe-harbor request.
- (g) Administrative review. The City Attorney and City Secretary may periodically review the operation of this article and recommend amendments to improve respectful, responsive, transparent, competent, ethical, lawful, innovative, economical, and accountable administration.

Sec. 2.02.007. Gifts and vendor-contact clarification.

- (a) Construction with state law. This section is intended to supplement, and not conflict with, applicable state law governing bribery, honoraria, abuse of office, gifts, or misuse of official position.
- (b) Improper influence prohibited. No member shall knowingly solicit or accept any gift, favor, hospitality, or other benefit offered for the purpose of influencing the member's decision, recommendation, vote, or other exercise of official discretion.
- (c) Disclosure of significant benefit. If a member receives a gift, hospitality, travel-related benefit, or other thing of value from a person or entity with business pending before the City, and the benefit is not clearly excluded by state law or ordinary social custom, the member is encouraged to seek guidance from authorized legal counsel and, when appropriate, disclose the circumstance before participating in any related pending matter.
- (d) Vendor-contact expectations. A member should avoid private communications with vendors, applicants, or representatives seeking discretionary City action when the communication could reasonably create an appearance of preferential access, undue influence, or divided loyalty. This subsection does not prohibit communications that are expressly authorized by law, occur in the ordinary course of official duties, or are promptly disclosed when disclosure is appropriate.
- (e) No automatic recusal. A circumstance described in this section does not automatically require recusal unless required by state law, another provision of this article, or advice of authorized legal counsel.