

Sec. 18-42. – Disqualifications for Certain Political Contributors and Related Parties

It is the intention of the residents of the City that their elected officials discharge their public responsibilities without undue influence from political contributions. To further that objective, political contributors shall be subject to disqualification as follows:

(a) For the purposes of this section the following terms will have the following meanings:

Person - Any individual, corporation, partnership, limited liability company, business trust, trust, association, or other organization, estate, or other legal entity, including any Related Party and Political Committee.

Political Committee - refers to a political committee as defined in Section 251.001(12) of the Texas Election Code.

Political Contribution - refers to a political contribution as defined in Section 251.001(5) of the Texas Election Code, and which is made to any candidate or officeholder for the positions of Mayor, Controller, or City Council.

Disqualifying Political Contribution(s) - any Political Contribution or series of Political Contributions by any Person or a Related Party of such Person to any single candidate or officeholder in excess of \$500 during the prior twelve-month period or a series of political contributions to any single candidate or officeholder by multiple Related Parties of such Person in excess of \$2500 in the aggregate during the prior twelve-month period.

Related Party/Related Parties – refers to (i) each individual within the third degree by consanguinity or within the second degree by affinity of a Person, as currently defined by Texas Government Code, Chapter 573; (ii) any entity in which such Person is an officer, director, partner or owns any beneficial interest of five-percent (5%) or more; (iii) any entity in which the spouse or child of such Person is an officer, director or partner or owns, in the aggregate, any beneficial interest of five-percent (5%) or more, (iv) any agent for such Person; and (v) any Specific Purpose Committee as defined by Section 251.001(13) of the Texas Election Code which is established for the primary benefit of such Person.

(b) City Council shall not for a period of two (2) years from the date of any person's most recent Disqualifying Political Contribution (whether made directly or in combination with one or more Related Parties):

(1) award such person any contract with the City, any local government corporation in which the City participates (specifically including Houston First Corporation or any successor thereto), or any enterprise fund of the City or permit such person to be awarded subcontracts under contracts authorized by City Council;

(2) approve payments or contracts to such person pursuant to any budget approved by City Council for any local government corporation, any tax increment reinvestment zone corporation or any management district;

(3) select as underwriter or financial advisor for any bonds or notes to be issued by or for the benefit of the City any entity that engages such person as counsel, subcontractor or consultant with respect to that bond or note issue.

(c) Any person who makes a Disqualifying Political Contribution (whether made directly or in combination with one or more Related Parties) shall be ineligible to register as a lobbyist pursuant to Article V of this Chapter for a period of two (2) years.

(d) Before any contract is placed on the City Council agenda or the registration of any lobbyist is accepted by the City Secretary:

(1) the proposed contractor or lobbyist must certify to the City in a form prescribed by the City Attorney, that, based on reasonable investigation, neither the proposed contractor or lobbyist (either directly or in combination with one or more Related Parties) has made a Disqualifying Political Contribution during the two (2) year period prior to the effective date of the contract, appointment or registration; and

(2) the City Controller certifies to the Mayor and Council or City Secretary that the Controller has examined the contributions made to all candidates for any City offices for two years prior to the proposed effective date of the contract, appointment or lobbyist registration and found no contribution that is a Disqualifying Political Contribution with respect to the proposed contractor, appointee or lobbyist. The Controller must complete this certification within thirty (30) days of the submission of a request from the Mayor. If the Controller does not complete the certification or issue a finding that a Disqualifying Political Contribution has been made within thirty (30) days, it will be presumed that no disqualifying contribution has been made. Such presumption may be challenged by any member of Council when the action is presented to Council for approval.

(e) City Council shall have the authority to grant exemptions to the provision of this Section 18-42 to organizations which have qualified for non-profit status under Internal Revenue Code Section 501(c)(3) on a showing of good cause.

(f) If it is determined that any provision of this Section 18-42 is in conflict with any other ordinance of the City, its provisions will prevail over any other ordinance.

(g) No candidate for an elected office of the City, or the mayor, the controller or any member of City Council shall accept any campaign contribution from:

(1) a person or entity that holds a permit issued pursuant to the City Code of Ordinances Article III, Section 28 (Sexually Oriented Businesses) or any person that is exempt from holding such license pursuant to any agreement with the City or any person that is a Related Party as defined by Subsection (a) above to a person that holds such a permit or is exempt from holding such a permit pursuant to an agreement with the City; or

(2) any person who is a member of any City board or commission including: the boards of any tax increment redevelopment zone corporations, redevelopment corporations, management districts, the Port of Houston Authority, any local government corporation (specifically including Houston First Corporation or any successor thereto) or any person that is a Related Party of such person in an amount that is defined as a Disqualifying Political Contribution in Subsection (a).

(h) If any member of the board of any tax increment redevelopment zone corporations, redevelopment corporations, management districts, the Port of Houston Authority, any local government corporation (specifically including Houston First Corporation or any successor thereto) or the member of any City commission or board makes a Disqualifying Political Contribution (either directly or in combination with one or more Related Parties), the Mayor shall, without any action of City Council, suspend such member from any further participation as a board member or commissioner of that organization. The member will have thirty (30) days to request a review of such suspension by City Council. If no review is requested within thirty (30) days that board member will, without further action, be terminated from such board. If the board member requests a hearing before City Council, such hearing will take place within sixty (60) days to affirm or overrule the Mayor's suspension. Any person so removed will not be eligible to be appointed to any board or commission described herein for a period of five (5) years.

(i) The provisions of this Section 18-42 will be effective on the date they are approved by City Council or, if not approved by Council, at 7:00PM on November 5, 2019.

(j) The provisions of this act are severable. If any part of this ordinance is declared invalid or unconstitutional, that declaration shall not affect the part which remains.