City Council Candidate Packet

December 12, 2026
Special Election
Council Member District 3

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CITY OF KYLE

1700 Kohlers Crossing • Kyle, Texas 78640 • (512) 262-1010 •FAX (512) 262-3981

October 5, 2026

City of Kyle Council Candidate:

Thank you for your interest in serving on the Kyle City Council. This Candidate Packet will serve as a reference to you for information on candidate qualifications, filing your application, conducting your campaign, and the election process in general, as well as providing insight and information about the City of Kyle as a political subdivision.

The Office of the City Secretary is responsible for overseeing the election process. It is the duty of this office to administer the election process accurately and fairly according to state and local election laws. The election and campaign process should be a positive experience for everyone. Please be sure to share your phone number and email address with the City Secretary's Office when you submit your candidacy.

Please note that this packet is meant to provide everything you need in one location with each page number being a clickable link to the referenced page. The packet also provides hyperlinks to various external websites for further exploration. You will not need to print many pages in this document. For your convenience it has been bookmarked for quick reference. It is the mission of this office to provide a wealth of information in a convenient, searchable, and easy manner.

If you have any questions regarding the materials enclosed, or any election/campaign issues, please contact my office directly at 512.262.3981 or jkirkland@cityofkyle.com. Again, thank you for seeking involvement in your local government.

Sincerely,

Jennifer Kirkland

Jennifer Kirkland
City Secretary

Important Contact & Reference Information

City of Kyle
www.cityofkyle.gov

District Boundaries Map (See pg. 11)
Kyle City Charter (See pg. 12)
Kyle Ethics Code (See pg. 60)
Kyle Election Information: http://www.cityofkyle.gov/election

Jennifer Kirkland, City Secretary; jkirkland@cityofkyle.com; 512-262-3981
Perwez Moheet, Interim City Manager; pmoheet@cityofkyle.com; 512-262-3952

Hays County Elections Office – For Voter Registration Information
https://www.hayscountytx.gov/elections; 512-393-7310

Texas Ethics Commission – Information about Campaign Finance Forms www.ethics.state.tx.us

First Steps for Candidates Running for a City Office (See pg. 208)
https://www.ethics.state.tx.us/data/resources/guides/CityCandidateGuide.pdf
Campaign Finance Guide for Candidates and Office Holders (See pg. 210)
https://www.ethics.state.tx.us/data/resources/guides/coh_local_guide.pdf

Texas Secretary of State – General Election Information
www.sos.state.tx.us

Important Election Dates
https://www.sos.state.tx.us/elections/voter/important-election-dates.shtml
Candidate Information
https://www.sos.state.tx.us/elections/laws/candidacy.shtml

Texas Election Code – State Election Statutes
https://statutes.capitol.texas.gov/?link=EL

TML
A Guide to Becoming a City Official (See pg. 237)
Handbook for Mayors and Council Members (See pg. 253)
How Cities Work (See pg. 340)

Council Candidate Qualifications

Qualifications Pursuant to Texas Election Code Section 141.001:

(1) be a United States citizen;
(2) be 18 years of age or older on the first day of the term to be filled at the election or on the date of appointment, as applicable;
(3) have not been determined by a final judgment of a court exercising probate jurisdiction to be:
    (A) totally mentally incapacitated; or
    (B) partially mentally incapacitated without the right to vote;
(4) have not been finally convicted of a felony from which the person has not been pardoned or otherwise released from the resulting disabilities;
(5) have resided continuously in the state for 12 months and in the territory from which the office is elected for six months immediately preceding the following date:
    (A) for a candidate whose name is to appear on a general primary election ballot, the date of the regular filing deadline for a candidate's application for a place on the ballot;
    (B) for an independent candidate, the date of the regular filing deadline for a candidate's application for a place on the ballot;

(C) for a write-in candidate, the date of the election at which the candidate's name is written in;
(D) for a party nominee who is nominated by any method other than by primary election, the date the nomination is made; and
(E) for an appointee to an office, the date the appointment is made;

(6) on the date described by Subdivision (5), be registered to vote in the territory from which the office is elected; and

(7) satisfy any other eligibility requirements prescribed by law for the office.

Qualifications Pursuant to City Charter Section 3.02:

- Be at least 18 years of age.
- Be citizens of the United States.
- Be qualified voters of the city.
- Have been residents of the State of Texas for at least twelve consecutive months.
- Have been residents of the city and the district for which they seek election, or an area having been annexed into the city and/or the district, for twelve consecutive months.
- Not be delinquent on any indebtedness to the city.

Forms to become a Council Candidate

1. Application for a Place on the Ballot Special Election – Form (See pg. 104)
2. Appointment of a Campaign Treasurer – Form – Instructions (See pg. 108/110)
3. Amended Appointment of a Campaign Treasurer – Form – Instructions (See pg. 120/122)
4. Code of Fair Campaign Practices – Form (See pg. 127)
5. Request for Confidentiality of Candidates – Form (See pg. 201)
6. Report of Contributions/Expenditures – Form – Instructions (See pg. 129/146)

December 2026 City Council Election
Important Dates and Candidate Information

October 5	Candidate Packets Available
October 5 October 6	1st Day to File by email or fax after Council calls Election at some point during the 7:00 p.m. Council Meeting File during business hours at Kyle Public Safety Center
October 5	Order Election
November 2 at 5:00 p.m.	Last Day to File at 5:00 p.m.
November 5 at 5:00 p.m.	Drawing for Order of Ballot at Kyle Public Safety Center
November 7	Last Day for Candidate to Withdraw 5:00 p.m.
November 12	30-Day Campaign Finance Report Due
November 12	Voter Registration Deadline
November 30 – December 8	Early Voting
December 4	8-Day Campaign Finance Report Due
December 12	Election Day
December 22*	Canvass
December 29*	Oath of Office
*To Be Determined**	Run-off Election, if needed
January 15, 2026	Semi-Annual Campaign Finance Reports Due

*Subject to Change

Subject: Political Campaign Signs and Electioneering

Date: June 16, 2026

The basic requirements for political campaign signage within the City of Kyle are governed by Sec. 29 of the Code of Ordinances.

General Location:

- Signs are not permitted within the public right-of-way (ROW), including streets, medians, sidewalks, and public easements.
- Shall not be a minimum of 10 feet from the curbline.
- Signs must be located on private property, with the permission of the property owner.
- Electioneering, including political signage, is prohibited within 100 feet of the entrance to a polling location or curbside voting.
- Shall not be within 25 feet of intersections or driveways (sight triangle requirements).

General Specifications

- May not exceed 36 square feet in area or 8 feet in height and may not be illuminated or have moving parts.
- Non-polling locations.
  - Signs may be installed 90 days prior to election day and must be taken down within 10 days following the election.
- Polling Locations:
  - Signs may not be installed until 48 hours prior to the opening of the poles.
  - Signs may remain in place through 8:00 p.m. on the first business day following election day (typically Wednesday for Tuesday elections and Monday for Saturday elections).

For more information on Campaign Signs, follow the below links:

- TxDOT Campaign Signs: www.txdot.gov/business/right-of-way/campaign-signs.html
- Texas Ethics Commission: www.ethics.state.tx.us/data/resources/advertising/Gpol_adv.pdf

City of Kyle Polling Locations:

City Hall serves as an official polling location during early voting, election day, and potential runoff elections. Due to its visibility and proximity to voters, surrounding properties—including the Kyle Railroad Depot & Heritage Center and adjacent areas—are frequently used for political signage and electioneering. Union Pacific (UP) does not allow political signage or electioneering on its property, and these areas are not available for public use.

In addition, the Kyle Public Library often serves as an election day voting location.

The following guidance applies to political signage and electioneering on City-owned properties and at City-controlled polling locations.

SIGN PLACEMENT GUIDANCE (SEE ATTACHED MAPS)

To improve safety, visibility, and access at polling locations, the City has identified general placement guidance areas as shown on the maps:

PROHIBITED AREAS

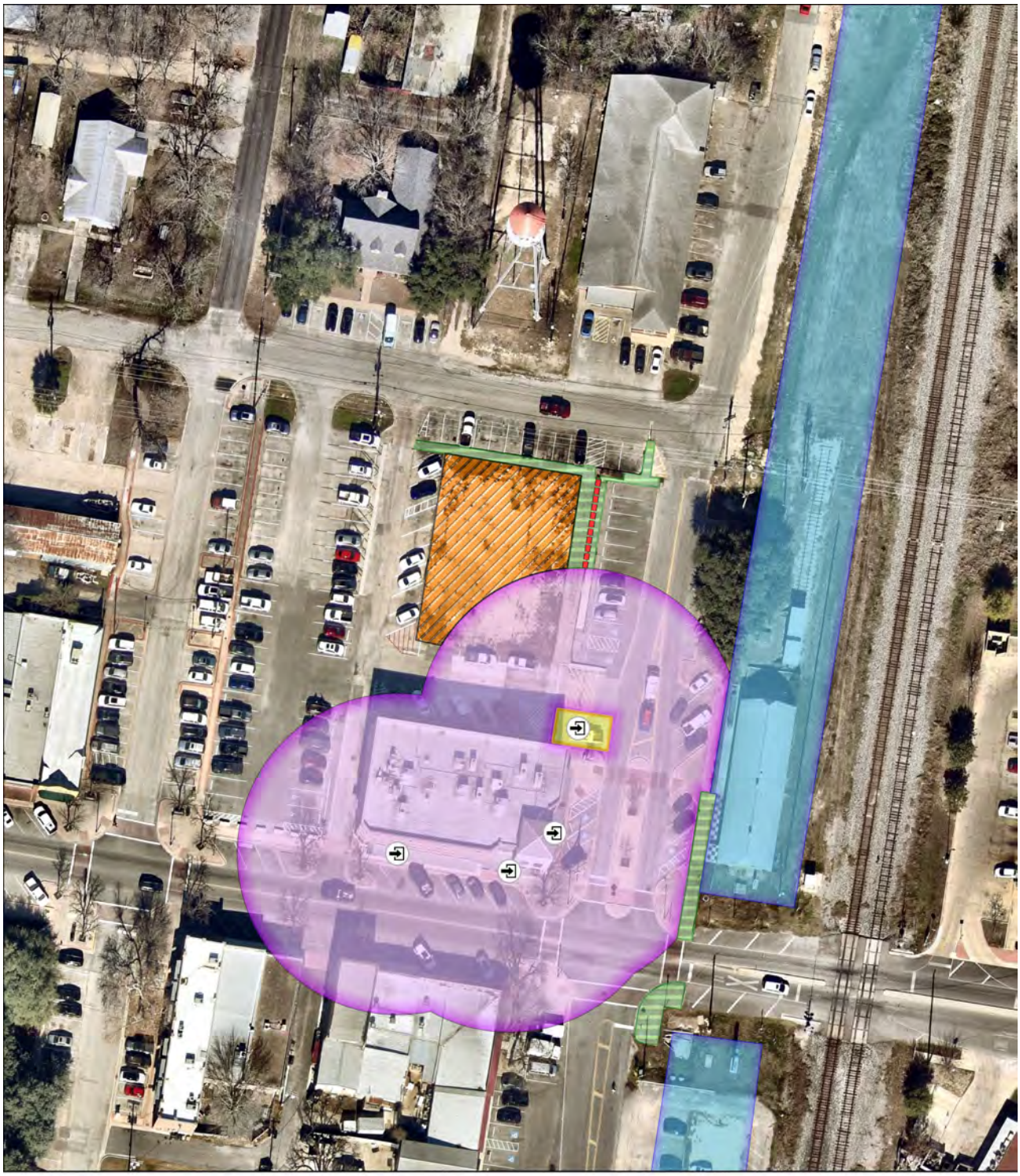
- Within 100 feet of polling place entrances including curbside voting (purple area)
- Public right-of-way (ROW), including streets, medians, sidewalks, and public easements
- Union Pacific (UP) property (blue areas)
- Areas that obstruct sidewalks, driveways, or visibility at intersections

LIMITED / "AT YOUR OWN RISK" AREAS

- Areas near but outside restricted zones (orange areas)
- May have limited visibility or space constraints
- Signs must be self-supporting and not create safety hazards
- Subject to removal if safety concerns arise
- Political signs may be affixed to designated railings on a first-come, first-served basis, provided they are located outside of the 100-foot polling place buffer, as shown on the attached maps, and do not obstruct pedestrian access or create safety concerns.

FIRST AMENDMENT / HUMAN EXPRESSION AREAS

- Sidewalks and designated areas (green areas)
- Individuals may hold signs or engage in political expression
- No staked or permanent signage allowed in pedestrian areas
- Must not obstruct ADA access or pedestrian movement



Voter Entry

Curbside Voting

No Loitering or electioneering for or against any candidate, measure or political party, Tex. Election Code 61.003(a)

Union Pacific (UP) Property, no electioneering signs allowed

First Amendment expression, self-supporting signs and metal H-frame signs, and human signs

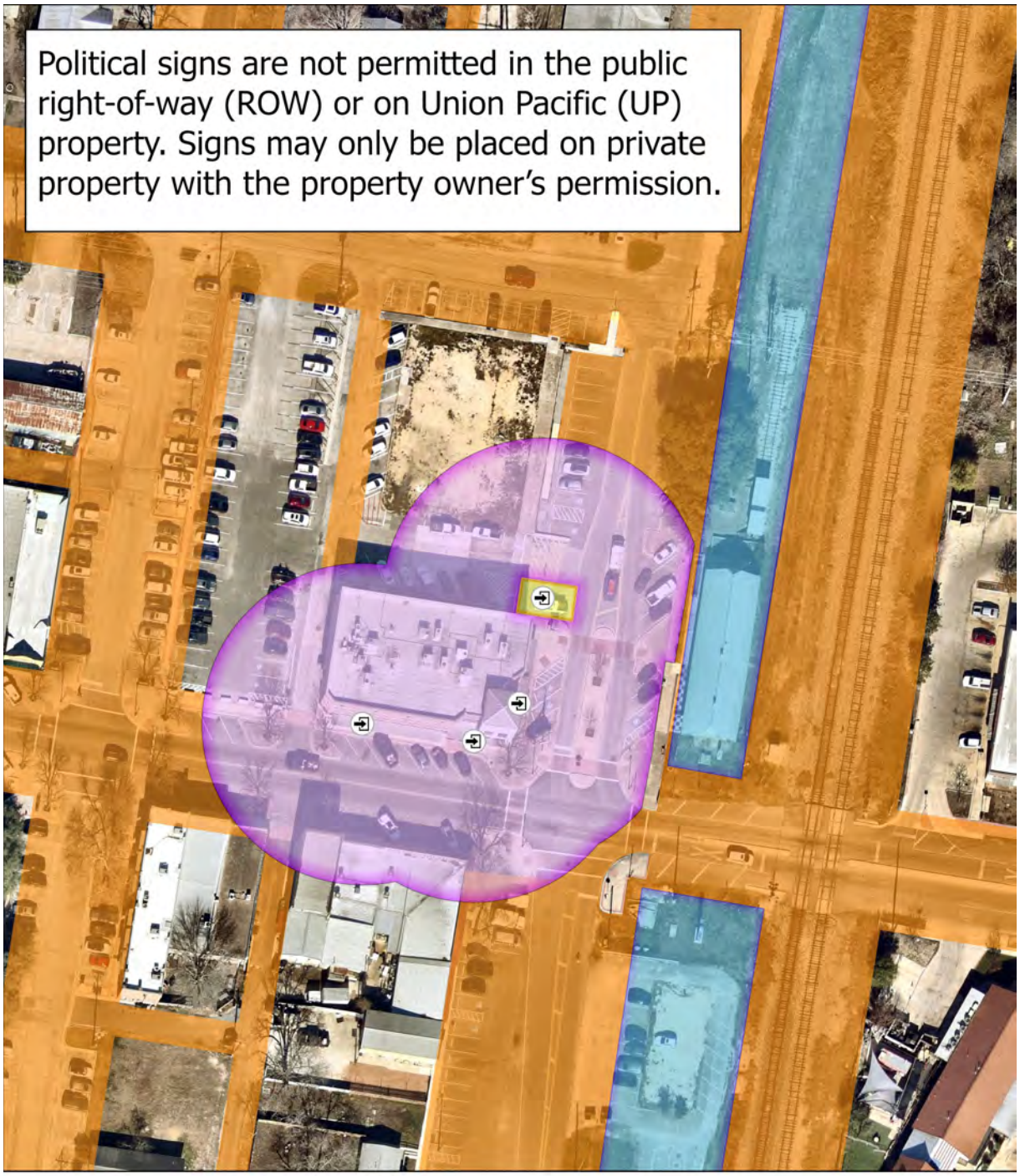
First Amendment expression and human signs only

Campaign signs may be affixed to railing

0 30 60 120 Feet

Polling Location Sign and Electioneering Restrictions

City Hall
100 W Center St



Voter Entry

Curbside Voting

No Loitering or electioneering for or against any candidate, measure or political party. Tex. Election Code 61.003(a)

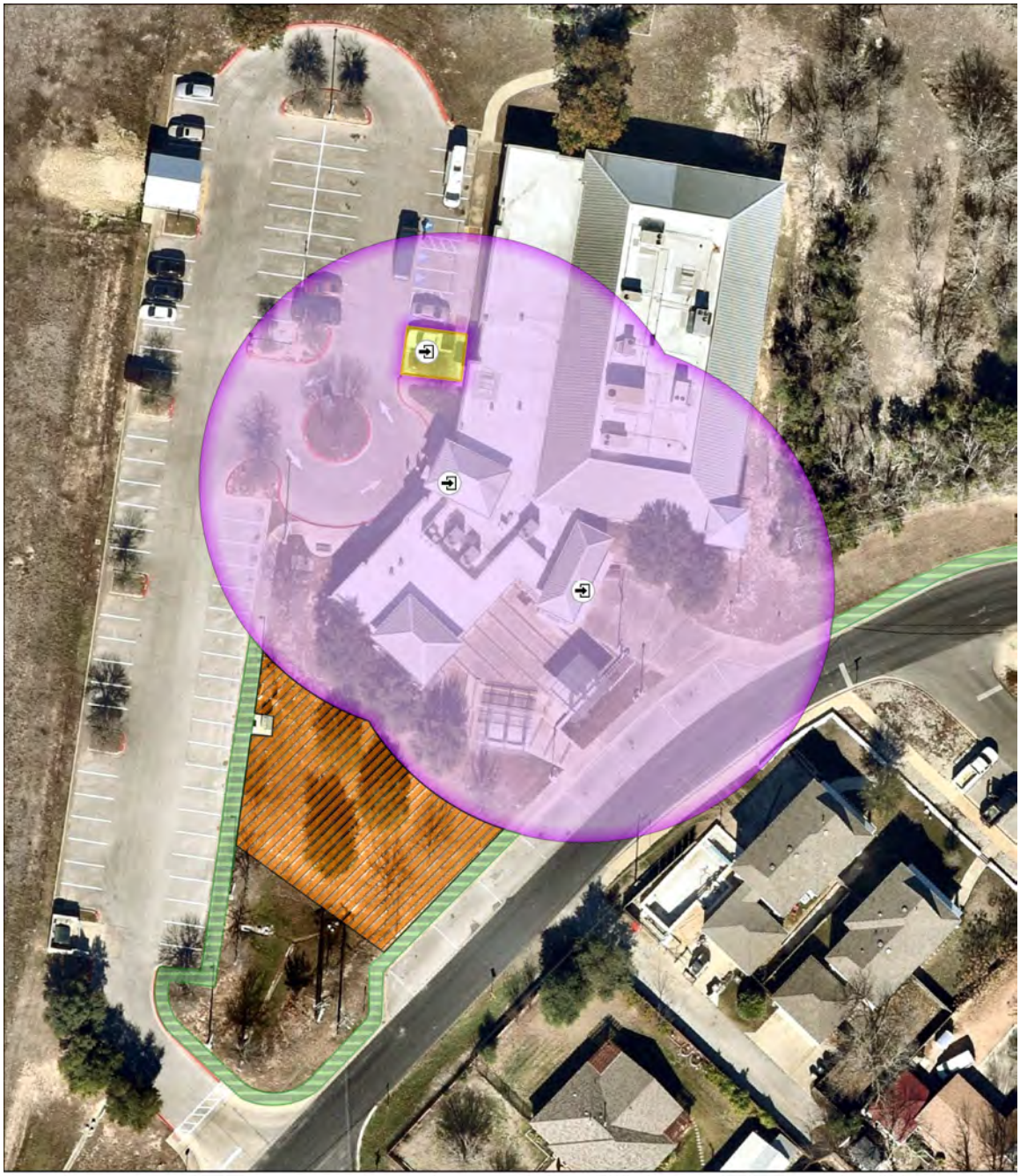
Union Pacific (UP) Property, no electioneering signs allowed

Right of Way, It is violation of State Law (Chapters 392 and 393, Transportation Code) to Place any signs within the Right of Way (ROW) and a violation of City of Kyle Code of Ordinances, Chapter 29, Sign Standards and Permits

0 30 60 120 Feet

Polling Location Sign and Electioneering Restrictions

City Hall
100 W Center St



Voter Entry

Curbside Voting

No Loitering or electioneering for or against any candidate, measure or political party, Tex. Election Code 61.003(a)

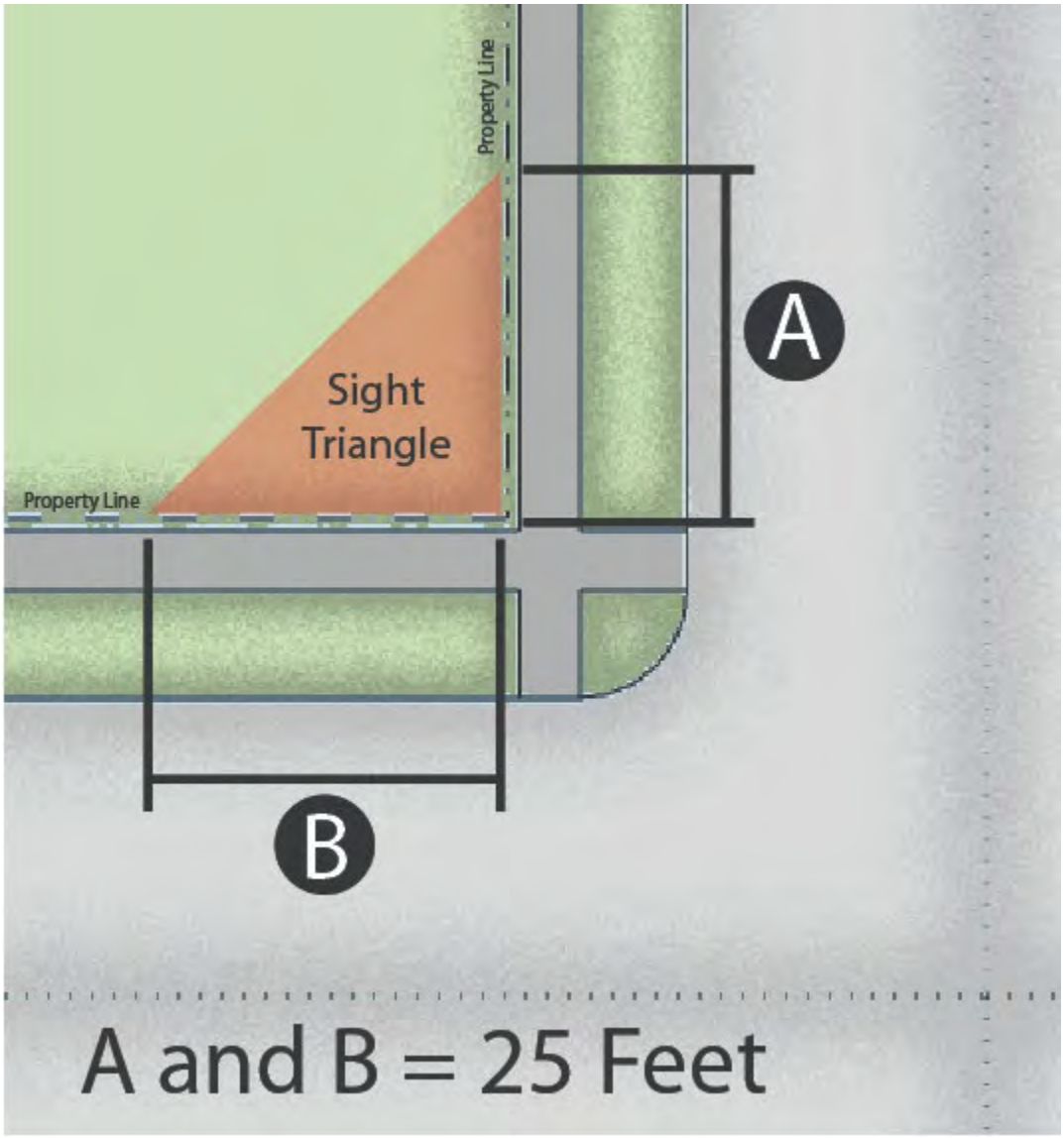
First Amendment expression, self-supporting signs and metal H-frame signs only

First Amendment expression and human signs only

0 20 40 80 Feet

Polling Location Sign and Electioneering Restrictions

Kyle Library
550 Scott St



Site Visibility Triangle

Signs Prohibited in Triangle

POSTING AND REMOVAL TIMELINES

To support orderly operations, maintain access to polling locations, and minimize conflicts, the following timelines are recommended for the placement and removal of political signage.

Early Voting Locations

Signs may not be installed until 48 hours prior to the opening of the poles.

Signs may remain in place through 8:00 p.m. on the first business day following election day (typically Wednesday for Tuesday elections and Monday for Saturday elections).

Election Day Locations

Signs may not be installed until 48 hours prior to the opening of the poles.

Signs may remain in place through 8:00 p.m. on the first business day following election day (typically Wednesday for Tuesday elections and Monday for Saturday elections).

Removal of Signs

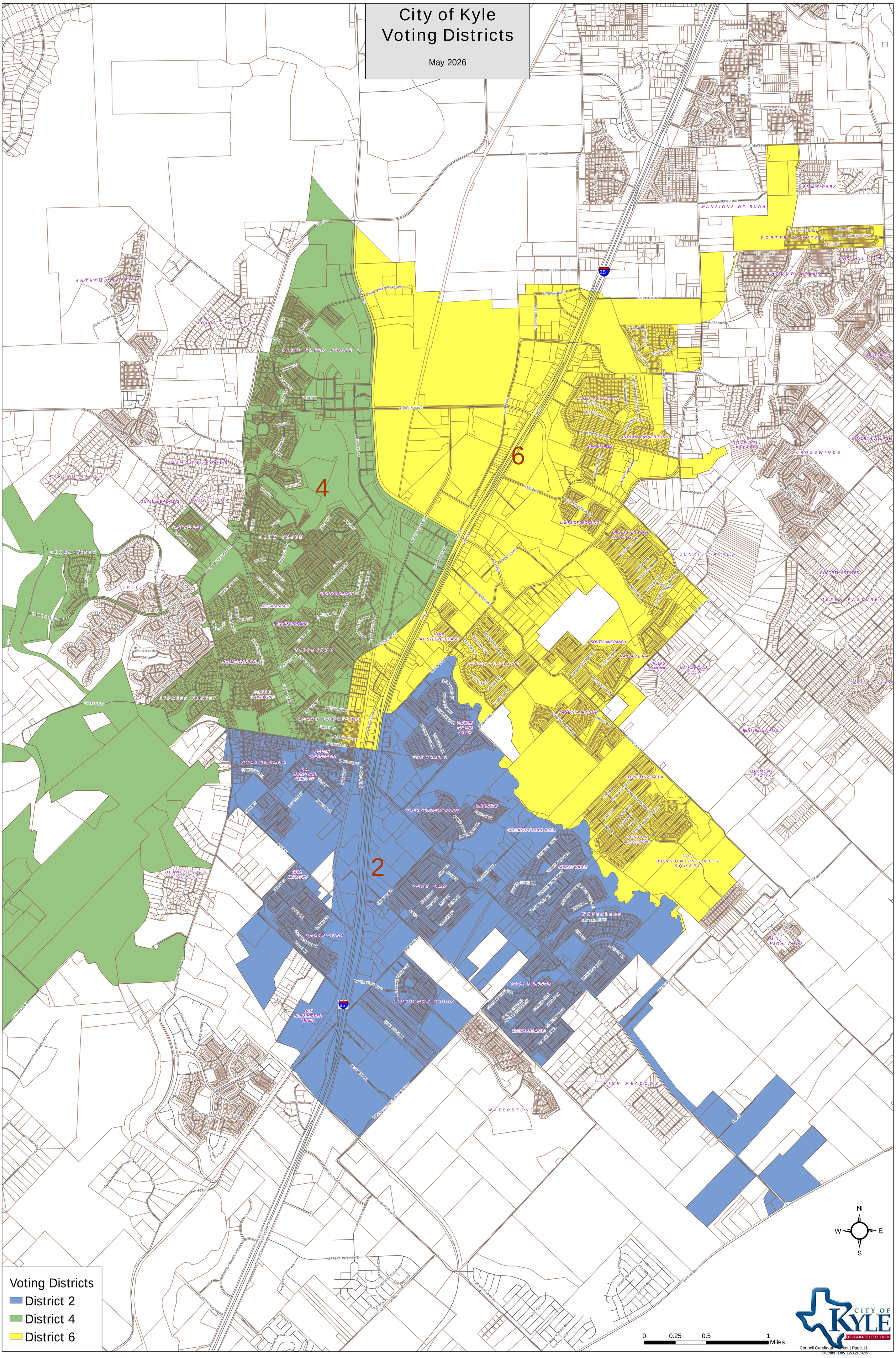
Candidates and supporters are responsible for removing all signage within the allowed timeframe. Placement of signage outside of these timeframes may be considered unauthorized and subject to removal.

The City will make reasonable efforts to allow candidates to retrieve signage following the election; however, any signs not removed within the allotted timeframe may be subject to removal and disposal by the City.

This guidance is intended to ensure fair access, maintain safety, and preserve the integrity of polling locations during elections.

City of Kyle
Voting Districts

May 2026



ARTICLE I
INCORPORATION, FORM OF GOVERNMENT AND POWERS OF THE CITY

Sec. 1.01. Incorporation.

The inhabitants of the City of Kyle, Texas, within the corporate limits as now and as hereafter established, extended and modified, shall continue to be and are hereby constituted a body politic and corporate in perpetuity under the name of the "City of Kyle," hereinafter referred to as the "city," with such powers, privileges, rights, duties, and immunities as herein provided.

Sec. 1.02. Form of Government.

The municipal government shall be, and shall be known as, the "council-manager" form of government. Pursuant to the provisions of, and subject only to the limitations imposed by, the state constitution, state laws, and this charter, all powers of the city shall be vested in and exercised by an elective governing body, hereinafter referred to as the "city council" or "council". The council shall enact legislation, adopt budgets, determine policies, make appointments to positions as provided herein, and appoint the city manager who shall execute the laws and administer the government of the city.

Sec. 1.03. Rights Reserved.

All suits, taxes, penalties, fines, forfeitures, and all other rights, claims and demands, of every kind and character, which have accrued under the laws in favor of the city shall belong to and vest in the city; shall not abate by reason of the adoption of this charter; shall be prosecuted and collected for the use and benefit of the city; and shall not be in any manner affected by the taking effect of this charter; but as to all of such rights, the laws under which they shall have accrued shall be deemed to be in full force and effect. The budget and all ordinances, rules and regulations of the city shall be and remain in effect, subject to the terms of this charter and the future discretion and vote of the council. All present commissions, boards and officers of the city shall continue in office subject to the provisions of this charter, including, but not limited to, the provisions governing election and removal, and the council's exercise of the authority conferred by this charter.

Sec. 1.04. General Powers.

The city shall possess and may exercise the full power of local self-government and shall have all powers possible and lawful for a home rule city to have under the constitution and laws of the State of Texas, as fully and completely as though each such power were specifically enumerated in this charter. The city shall not have any authority or power that conflicts with state law. It is specifically provided that:

(a) The powers and authority of the city shall include but shall not be limited to any power and authority necessary, useful or desirable to accomplish any public or lawful purpose, or to provide for the advancement of the interest, welfare, health, morals, comfort, safety, economic wellbeing, or convenience of the city and its inhabitants; provided that all such powers, whether expressed or implied, shall be exercised and enforced in a manner that is not inconsistent with this charter or state law, and when not prescribed herein, in such

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manner as is provided by ordinance or resolution adopted by the city council.

(b) The enumeration of particular powers in this charter shall not be held or deemed to be exclusive, and, in addition to the powers enumerated herein, the city shall have all other powers which, under the constitution and laws of the State of Texas, it would be proper for this charter to specifically enumerate, including all powers of local government not clearly denied the city by state law. The city shall have and may exercise all the powers conferred upon cities of every class by the Texas Constitution or state and federal law, including all powers of local government that can be conferred on home rule cities pursuant to Art. 11, Sec. 5, Tex. Const., or that are conferred by any existing or future law relating to the powers and authority of cities, together with all the implied powers necessary to carry into execution any such power.

(c) The city may exercise any of its powers and perform any of its functions by contract with, or in cooperation with, the state government or any agency or any political subdivision thereof, or with the federal government or any agency thereof, and, to the extent not inconsistent with state law or this charter, by contract with any person, firm or legal entity.

(d) Under the name of the city it shall be known in law and have succession and be capable of contracting and being contracted with; being sued and impleaded as authorized in this charter or by state law; suing and impleading at law or in equity and being answered to in all courts and tribunals; provided that the city shall have sovereign immunity and its officers and employees shall have qualified governmental immunity. The officers of the city are the members of the city council, the city manager, municipal judge, city attorney and members of all standing boards and commissions appointed by the city council, and the department heads and the sworn law enforcement.

(Res. No. 1126, 11/20/2018)

Sec. 1.05. Particular Powers.

In addition to the foregoing general powers and the other powers and authority set forth in this charter, the city may use a corporate seal; own, acquire, purchase, lease, hold, manage, control, convey and sell any character of property, whether real, personal or mixed, including any charitable or trust fund, situated within, or without, the limits of the city, as the purposes of the city may require for any public purpose in fee simple or in any lesser interest or estate by purchase, gift, devise, lease or condemnation; contract with, own, lease, operate and regulate public utilities and services; assess, levy and collect taxes for general and special purposes; borrow money on the revenues and/or the faith and credit of the city, by the issuance and sale of bonds, certificates of obligation, warrants, notes or any other evidence of indebtedness or obligation of the city; appropriate city funds and monies for any public purpose; regulate and control the use, for whatever purpose, of the streets and other public places; make and enforce regulations to protect the public safety, health, welfare, interests, comfort and wellbeing; pass such ordinances as may be expedient for the protection and maintenance of good government, for the peace, safety, welfare, comfort and quality of life of the city and its citizens, for the performance of the functions of the city and for the order and security of the city and its residents; zone and regulate the development and use of land and all other property; provide suitable penalties for the violations of any ordinance; and exercise all municipal powers,

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functions, rights, privileges and immunities of every name and nature whatsoever.

Sec. 1.06. Power of Eminent Domain.

The city shall have full power and right to exercise the power of eminent domain for any public purpose or as necessary or desirable to carry out any power conferred by this charter. The city shall have and possess the power of condemnation for any such purpose even though such power of eminent domain is not otherwise specifically enumerated in this charter or in state law. The city may exercise the power of eminent domain in any manner authorized or permitted by state law and, in those instances in which state law does not authorize, permit or establish the procedures, method of establishing value, or other requirements for condemnation and the exercise of the power of eminent domain, the city council shall by ordinance establish the process, rules and procedures for valuing the property and property interests to be condemned.

Sec. 1.07. Annexation and Disannexation.

The City Council shall have full power to change the boundaries of the City, through annexation or disannexation, in accordance with State law.
(Charter 2020-1202, 11/3/2020; Res. No. 1952 adopted 11/13/2025)

Sec. 1.08. Streets and Public Property.

The city shall have exclusive dominion, control, and jurisdiction, in, upon, over, and under the public streets, sidewalks, alleys, highways, public squares, public ways and public property within the corporate limits of the city. With respect to all such facilities and public property, the city shall have the power to establish, maintain, alter, abandon, or vacate the same; to regulate, establish, or change the grade thereof; to control and regulate the use thereof; and to abate and remove in a summary manner any encroachment. The city may develop and improve, or cause to be developed and improved, any and all public streets, sidewalks, alleys, highways, and other public ways within the city by laying out, opening, narrowing, widening, straightening, extending and establishing building lines along the same; by purchasing, condemning, and taking property therefor; by filling, grading, raising, lowering, paving, repaving, and repairing, in a permanent manner, the same; by constructing, reconstructing, altering, repairing, and realigning curbs, gutters, drains, sidewalks, culverts, and other appurtenances and incidentals in connection with such development and improvements; and may make or cause to be made any one or more of the kinds or classes of development and improvement authorized hereinabove, or any combination or parts thereof.

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ARTICLE II
BOUNDARIES OF THE CITY

Sec. 2.01. Boundaries.

The boundaries and limits of the city shall, until changed in the manner herein provided, be the same as have heretofore been established and as existed on the date of the adoption of this charter. The boundaries and territorial limits of the city may from time to time by ordinance be fixed, decreased, modified or extended, and property may be annexed into the city or disannexed from the city, as authorized by state law and the City Charter. See also Section 1.07.
(Charter 2020-1202, 11/3/2020)

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ARTICLE III
THE CITY COUNCIL

Sec. 3.01. Governing Body.

The governing body of the city shall be a city council composed of six (6) councilmembers and a mayor, each elected for a term of three years. The council places shall be designated 1, 2, 3, 4, 5 and 6, and the mayor and councilmembers for Places 1, 3 and 5 shall be elected from the city at-large. Councilmembers for Places 2, 4 and 6 shall be elected from single member districts established by ordinance for the 2002 and subsequent elections. The terms of the members of the council shall be staggered, with two councilmembers being elected each year and the mayor being elected each third year.

Sec. 3.02. Qualifications.

On the day prior to the date of the scheduled election to be held for such office, the mayor and councilmembers shall: (i) be at least eighteen years of age; (ii) be citizens of the United States; (iii) be qualified voters of the city; (iv) have been residents of the State of Texas for at least twelve consecutive months; (v) have been residents of the city and the district for which they seek election, or an area having been annexed into the city and/or the district, for twelve consecutive months; (vi) not be delinquent on any indebtedness to the city; and (vii) meet the other qualifications for eligibility set forth in the Texas Election Code. No city employee shall be eligible to file for election as a member of the council. Also, no candidate for or member of the council shall hold any other elective public office. If any member of the council ceases to possess any of the qualifications of office, including continuous residency within the City and, as applicable, the district from which elected during the term of office, his/her office shall, upon such fact being determined by the council, immediately become vacant; provided that if the residence of a member of the council is disannexed or located in another district as a result of redistricting, the member shall serve the remainder of his or her term of office.
(Ord. No. 646, § 1(Prop. 1), 3/1/2011[1])

Sec. 3.03. Term Limits.

No person elected to the council in 2011, or thereafter, shall be elected thereafter to serve more than three consecutive regular terms of office as a councilmember or as the mayor; provided that a person may serve up to three consecutive regular terms of office as a councilmember and thereafter be elected and serve up to three consecutive regular terms of office as the mayor. A person elected to fill an unexpired term of one year or less will remain eligible to serve three regular terms of office.
(Ord. No. 646, § 1(Prop. 2), 3/1/2011[2])

Sec. 3.04. Vacancies In Office.

The office of mayor or councilmember shall become vacant upon the death, resignation, or removal from office of the incumbent. Any vacancy or vacancies, whether in the office of

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1. **Editor's note—Amended by the voters at an election held on 5/14/2011.**
2. **Editor's note—Added by the voters at an election held on 5/14/2011.**

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mayor or councilmember, shall be filled by special election called for such purpose. The date for special elections to fill vacancies shall be the first uniform election date after the vacancy occurs and for which there is sufficient time to call and give notice of the election as required by law; provided that, if a vacancy occurs and no such election date falls within 120 days after the date of the vacancy, the council shall, without regard for the specified uniform election dates, order such election to be held on a Saturday within 120 days from the date of the vacancy. All vacancies shall be filled by election for the remainder of the unexpired term of the office so filled. If a vacancy occurs for an office with a remaining term that will expire within 12 months, then a special election to fill that office will be held no later than the first uniform election date after the vacancy occurs and for which there is sufficient time to call and give notice of the election as required by law even if such election date does not occur within 120 days after the vacancy.
(Res. No. 1952 adopted 11/13/2025)

Sec. 3.05. City Council Judge of its Members.

The council shall be the judge of the election and qualifications of its members, may determine the rules of its proceedings, and shall have power to compel the attendance of absent members and to punish members for disorderly conduct. After due notice and opportunity to be heard, upon not less than six affirmative votes, the council shall have the power to remove any elected officer for conviction of a felony, conviction of a misdemeanor during their term of office involving a crime of moral turpitude, or for failing to continuously reside within the city and/or the district from which elected. Misdemeanors involving moral turpitude are those that involve dishonesty, fraud, deceit, misrepresentation, deliberate violence, or that reflect adversely on a member's honesty or trustworthiness. Officers or employees of the city appointed directly by the council, except for the City Manager, may be removed by majority vote of the council at any time after notice in compliance with the open meetings laws. Appointment and removal of the City Manager is governed by Section 7.01 of the Charter.
(Res. No. 1020, 5/17/2016[3]; Res. No. 1952 adopted 11/13/2025)

Sec. 3.06. Quorum and Attendance.

Four members of the council shall constitute a quorum for transacting business and no action of the council shall be valid or binding unless taken in an open meeting with a quorum present. Less than a quorum may adjourn any meeting, or order and compel the attendance of absent members. It shall be the duty of each member of the council to attend each regular and special council meeting and the failure of any member to attend consecutive council meetings held on three separate days, whether regular, special or workshop meetings, without good and sufficient cause, shall constitute misconduct in office. For purposes of this provision, good and sufficient cause includes, but is not limited to, illness, emergencies, the birth or death of a close family member, vacation or work trip that was planned before a special meeting was scheduled, and other similar circumstances.
(Ord. No. 646, § 1(Prop. 3), 3/1/2011[4]; Res. No. 1952 adopted 11/13/2025)

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3. Editor's note—Amended by the voters at an election held on 5/7/2016.

4. Editor's note—Amended by the voters at an election held on 5/14/2011.

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Sec. 3.07. Meetings.

The council shall hold at least one regular meeting each month. Meetings shall be held on a schedule or dates established by the council, and as many regular or special meetings may be scheduled and held as the council deems necessary to transact the business of the city. The council shall fix the dates and times of the regular meetings and special meetings shall be held on the call of the mayor or the city manager. Meetings shall be open to the public and public notice shall be given in accordance with state law; provided that executive sessions closed to the public shall be permitted in accordance with the state law. The mayor or city manager shall approve meeting agendas and a councilmember may require any item related to city business to be placed on an agenda for which notice may be given.
(Res. No. 1126, 11/20/2018)

Sec. 3.08. Voting.

All members of the council present shall vote upon every issue, subject or matter properly before the council and requiring a council vote; provided that, if any member of the council has a conflict of interest that fact shall be stated in the minutes and such member shall abstain from discussion and voting on the issue. No ordinance, resolution, order, action, matter or issue, shall be passed, approved, adopted, taken or consented to except by a majority vote of the members of council present and voting, and not less than four affirmative votes shall be required to pass, approve, adopt, take action on, or consent to any ordinance, resolution, action, matter, issue, or motion.

Sec. 3.09. Compensation.

Each member of Council shall receive as compensation for their services the salary established by ordinance adopted after two public hearings and approved in the budget. Changes to Council salary shall only be considered once every three years and shall be considered only after a recommendation is made by a Council-appointed committee. Meetings of said committee shall be held in compliance with the Open Meetings Act. A salary adjustment approved in accordance with this section shall be included in the proposed budget for the subsequent fiscal year, and the effective date of the Council salary adjustment shall be the first day of the fiscal year for the budget in which the salary adjustment is included. Council is prohibited from amending a budget to adjust Council salary. A member of the council that is absent from one or more meetings in a calendar month, without good and sufficient cause, as described in Section 3.06 of this Charter, shall forfeit an amount for each absence that is proportionate to the number of council meetings held in that month. Members of the Council shall continue to receive the salary established in accordance with the prior version of this section until their compensation is changed in accordance with this section. Members of the City Council shall also be entitled to reimbursement for all necessary and approved expenses incurred in the performance of their official duties or for payment of such expenses through other means as approved by the City Council. There shall be provided in each annual city budget an amount for the expenses of the mayor and for each council member. The city council by ordinance shall provide a method for determining what expenses are eligible for reimbursement or other payment by the City and what requirements must be met to allow for payment or reimbursement. No staff or assistant shall be provided for any member of the city council.

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(Ord. No. 646, § 1(Prop. 4), 3/1/2011; Res. No. 1126, 11/20/2018; Res. No. 1952 adopted 11/13/2025)

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ARTICLE IV
THE AUTHORITY AND LIMITATIONS OF THE CITY COUNCIL

Sec. 4.01. Mayor.

The mayor shall serve as the ceremonial head of the city, preside at all meetings of the council and provide the leadership necessary to good government. He or she shall work with the council to obtain legislation in the public interest and with the city manager to ensure that the same is enforced, and participate in the discussion and vote on all legislative and other matters coming before the council. The mayor shall have signatory authority for all legal contracts and commitments of the city; sign all ordinances and resolutions; work and coordinate with the city manager and the council; and, to the extent provided by state law in time of declared emergency, may take command of the police and govern the city by proclamation, maintain order and enforce all laws.
(Res. No. 1020, 5/17/2016[5])

Sec. 4.02. Mayor Pro Tem.

At its first regular meeting after all the members of the council elected at a general election have taken office, or after a vacancy in the office of Mayor Pro Tem, the council shall elect one of its members to be mayor pro-tem for a one (1) year term, or to fill the unexpired term resulting from the vacancy. The mayor pro tem shall be the councilmember who receives a majority of the votes cast but not less than four votes. In the absence of the mayor, the mayor pro tem shall perform the duties of the mayor and in such capacity shall be vested with all powers conferred on such office. In the event of the failure, inability, or refusal of the mayor to act in respect to any matter or duty, the mayor pro tem shall act. In the event the office of mayor becomes vacant, the mayor pro-tem shall serve as mayor until an election is held to elect a mayor to serve the unexpired term.

Sec. 4.03. The City Council.

The city council shall be the legislative and governing body of the city and shall have control of all the city finances, property, functions, services, affairs and programs subject only to the terms and provisions of this charter. The council shall have the power to ordain, alter, amend or repeal and enforce ordinances, resolutions, rules, orders, and regulations, for any public purpose, that are not in conflict with this charter, or federal or state law. The council shall have the power and authority to provide for any public purpose, including but not limited to recreation, the regulation and control of public property, municipal finances, the preservation of the public peace and good order, the security and protection of the public health, safety and welfare, the promotion of trade, commerce and economic development, the beautification and quality of life within the city, and any other governmental or proprietary service or program. The city, by and through its city council, shall have full and complete power of local self government to the fullest extent not in conflict with this charter and state law, including all such authorities and privileges that are now or hereafter provided to cities by state law and such power and authority both express and implied as necessary to accomplish and enforce

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5. Editor's note—Amended by the voters at an election held on 5/7/2016.

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any such duty, program or public purpose.

The council shall have all the powers necessary and incident to the proper discharge of the duties imposed upon it and is hereby vested with all powers necessary to carry out the terms and provisions of this charter; except where such powers are, by this charter, specifically reserved or conferred on some other officer.

The following powers and duties of the council are not exclusive but are enumerated for greater clarity:

(a) Appoint, supervise and remove the city manager by affirmative vote of at least five members of the council, and confirm dismissal of the Director of Finance by majority vote of the entire council;

(b) Ensure enforcement of the provisions of this charter and the ordinances of the city, and compliance with policies and resolutions;

(c) Adopt and amend the budget of the city;

(d) Call bond elections, and authorize the issuance and sale of bonds, certificates of obligations, certificates of participation, warrants, notes and other evidences of indebtedness or obligation of the city pursuant to this charter and state law;

(e) Provide for and control of all city finances;

(f) Provide for boards and commissions as deemed necessary by the council, and as required by this charter, and appoint and remove all such boards and commissions provided that, if an appointment or removal has been considered at two regular meetings and no recommendation has been made the council may take action by motion and vote;

(g) Adopt, modify, reject and carry out the plans proposed by the planning commission and other boards and commissions;

(h) Adopt, modify and cause the enforcement of building codes, fire codes, and health codes, public safety codes, and all other codes and regulations deemed reasonably necessary;

(i) Provide for all public utilities and serve as the primary regulatory agency for the rates thereof whether city owned or furnished by private utility companies;

(j) Pass ordinances and resolutions as necessary in its judgment for any public purpose not inconsistent with this charter;

(k) Exercise police powers for the safety of all citizens, and to protect their health, life and property, prevent and summarily abate and remove all nuisances, preserve and to enforce good government, order and security of the city;

(l) Control and regulate the use and occupancy of the public streets, rights-of-way and all property of the city;

(m) Make investigations into municipal affairs and subpoena persons, documents and records, and compel the attendance of witnesses and the production of records for such purpose;

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(n) Require a fidelity bond to be provided at city expense for any officer or employee position;

(o) For good cause, subject to the provisions in this charter, order a recall election to be held for or with respect to any member of the city council;

(p) Appoint and remove the city attorney, the municipal judge, and the associate municipal judges subject to the provisions in this charter;

(q) Confirm or reject the appointment of the officers required by this charter to be confirmed by the council;

(r) To govern the affairs of the city in conformance with this charter and the state and federal constitutions and laws, and to determine by majority vote the best and most appropriate method and manner of efficiently performing the functions and providing the services of the city, consistent with the council-manager form of government; and, except as provided in this charter with respect to certain departments that must be maintained in effect, the council may after hearing the city manager create, change, merge, or abolish offices, departments or agencies of the city, and may contract for services by interlocal agreement or otherwise as it deems advisable to improve the services or the efficiency of government;

(s) Call and hold special elections useful to the accomplishment of the public purposes of the city, to the fullest extent not inconsistent with state law;

(t) Recommend appointees for boards and commissions.

(Ord. No. 646, § 1(Props. 5, 6), 3/1/2011; Res. No. 1020, 5/17/2016[6]; Res. No. 1952 adopted 11/13/2025)

Sec. 4.04. Duties of Officers and Employees.

The council shall from time to time, after hearing the recommendations of the city manager, establish personnel policies and regulations and the duties, responsibilities and authority of each appointed officer of the city, not inconsistent with this charter. The city shall be an equal opportunity employer and the service of each such officer and employee shall be at will. No person related within the second degree of consanguinity or affinity to a member of the council or the city manager, shall be or remain employed by the city; provided that such prohibition shall not apply to any person employed full-time for a period of twelve months or more prior to the member of the council or the city manager taking office. The council may require good and sufficient bond be given by appointed officers or employees handling funds of the city and may require bond of other officers or employees if considered proper or necessary. The expense of any such bond shall be paid by the city.

(Res. No. 1952 adopted 11/13/2025)

Sec. 4.05. Prohibitions.

Neither the council nor any of its members shall instruct or request the City Manager or any

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6. Editor's note—Amended by the voters at an election held on 5/14/2011. Amended further at an election held on 5/7/2016.

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of the City Manager's subordinates to appoint to or remove from office or employment any person except with respect to those offices which are to be filled by appointment by the council under the provisions of this Charter. Except as provided for in Section 4.03 of this Charter, the City Council shall deal with the administrative and management functions of the city solely through the City Manager and other Council appointees, as appropriate, and shall not give directives to the City Manager's subordinates either publicly or privately.
(Ord. No. 646, § 1(Props. 5, 6), 3/1/2011; Res. No. 1020, 5/17/2016[7]))

Sec. 4.06. Ordinances.

The council may adopt legislation by ordinance regarding any subject or matter relating to or dealing with any public purpose, including, but not limited to, the adoption of standardized codes and regulations. An ordinance must be enacted whenever the purpose is to regulate persons and property; whenever there is imposed a penalty, fine, forfeiture, or tax; whenever the purpose is to set a rate to be paid by consumers; whenever an ordinance is required by state law or this charter; or when an ordinance is amended. The authority of the council to legislate to accomplish any public purpose shall be subject only to the following:

(a) No ordinance or other action of the council may be inconsistent with this charter or in conflict with any applicable state or federal law;

(b) The enacting clause of every ordinance shall be "BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS;"

(c) Except for an emergency ordinance, an ordinance making an emergency appropriation, an ordinance authorizing bonds or any other indebtedness, an ordinance calling or canvassing an election, or an ordinance approved by seven (7) affirmative votes, no ordinance shall be finally adopted until it has been read and approved by a majority vote of the city council at two meetings, one of which is a regular meeting;

(d) An emergency ordinance adopted at an emergency meeting held with less than 72 hours' notice shall be and remain in effect only until the next regular meeting of the council, at which meeting it shall expire unless readopted by the council;

(e) The council may by ordinance amend the budget to transfer budgeted funds from one fund or department to another;

(f) An ordinance that does not receive a majority vote on first reading shall not advance for consideration on second reading;

(g) The general subject matter and caption of an ordinance shall be posted prior to the second reading;

(h) All ordinances and proposed ordinances shall be available for public examination and review, and for copying, from and after being included on an agenda that is posted for any meeting of the council or any city board.

(Res. No. 1952 adopted 11/13/2025)

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7. Editor's note—Amended by the voters at an election held on 5/14/2011. Amended further at an election held on 5/7/2016.

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Sec. 4.07. Emergency Ordinances.

The city council may adopt emergency ordinances to meet an emergency affecting life, health, property, the public peace, or to prevent a material financial loss to the City. Such ordinances shall not levy taxes, grant, renew or extend a franchise, or regulate the rates or fees charged by any public utility. An emergency ordinance shall be introduced in the form and manner generally prescribed for ordinances, except that it shall contain, after the enacting clause, a declaration stating that an emergency exists and describing it in clear and specific terms. An emergency ordinance may be passed on a single reading only if it receives at least five affirmative votes of City Council members.
(Res. No. 1952 adopted 11/13/2025)

Sec. 4.08. Resolutions and Minute Orders.

The council may act by resolution regarding any subject or matter relating to or dealing with any public purpose or business except as provided in Section 4.06. The enacting clause of every resolution shall be "BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS." The council may further give instructions to the city manager, approve bids and contracts, and take other actions regarding the day to day business of the city by motion approved by majority vote and entered in the minutes of the council meeting.

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ARTICLE V
ELECTIONS

Sec. 5.01. Notice and Order for Elections.

City elections shall be ordered and notice thereof given as provided in the Texas Election Code, and the council shall establish the procedures and order elections except as provided therein. If not otherwise provided for by state law, all elections shall be ordered at least thirty (30) days prior to the date of election and notice of the election shall be given as required by applicable law. Notice of election shall be published in a newspaper published within the city, and if there be no such publication notice shall be published in a newspaper of general circulation within the city.
(Res. No. 1126, 11/20/2018)

Sec. 5.02. General Elections.

The general city election shall be held annually on the uniform election date in November in accordance with the Texas Election Code, or if such not be authorized the date nearest thereto as may be established by law. The mayor and councilmembers shall be elected by majority vote. Places 1 and 3 shall be elected in the same year; the Mayor and Places 2 and 4 shall be elected in the same year, and Places 5 and 6 shall be elected in the same year.
(Res. No. 1020, 5/17/2016[8]; Res. No. 1952 adopted 11/13/2025)

Sec. 5.03. Special Elections.

The council may by ordinance call such special elections as are authorized by this charter or state law, fix the time of holding such elections, and provide all means for holding such special elections; provided that every special election shall be held on a Saturday, or a uniform election date, unless otherwise provided by law or this charter.

Sec. 5.04. Conduct of Elections.

All elections shall be held in accordance with state law and the ordinances adopted by the council for the conduct of elections.
(Res. No. 1952 adopted 11/13/2025)

Sec. 5.05. Filing for Office.

Candidates for office shall make application for a place on the ballot within the times prescribed by the Texas Election Code. In the absence of a filing deadline established by state law, applications for a place on the ballot shall be filed no later than 5 p.m. of the last business day that is 45 days before election day. All applications shall designate the position sought and applications for councilmember shall include the Place number. It shall be the duty of the city secretary to place the name of all qualified candidates, making timely application, on the official ballot. Each candidate for the council or any other elective office shall meet the following qualifications:

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8. Editor's note—Amended by the voters at an election held on 5/7/2016.

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(a) Have all the qualifications for a councilmember as described in Section 3.02 of this charter.

(b) No candidate may file for more than one (1) office or place per election.

(c) A candidate for Place 2, 4 or 6 must meet the residency requirements for the district to which such Place number is assigned.

(d) Each candidate shall file such application as required by ordinance.

Sec. 5.06. Polling Places.

The council shall establish one or more election precincts and provide polling places as necessary for city elections. Until established otherwise by ordinance, or required otherwise by state law, the entire city shall be one election precinct. At least one City-owned facility shall be a polling place for all city elections, with preference being given to City Hall if available.
(Charter 2020-1202, 11/3/2020; Res. No. 1952 adopted 11/13/2025)

Sec. 5.07. Official Ballots.

(a) The name of each qualified candidate for office, except those who withdraw, die or are declared ineligible as of the deadline for omitting a candidate's name from the ballot set forth in state law, shall be printed on the official ballots.

(b) Order of Listing. The order on the ballot of the names of the candidates shall be determined by lot in a drawing to be held under the supervision of the city secretary.

(c) Early Voting. Procedures for early voting shall be consistent with the TexasElection Code.

(d) Ballots On Measures. Ballots for ordinances, bond issues, and charter amendments shall be presented for voting by ballot title, which must comply with all requirements of state law.

(e) Write-In Votes. Procedures for write-in votes shall be consistent with the Texas Election Code.

(Res. No. 1126, 11/20/2018; Res. No. 1952 adopted 11/13/2025)

Sec. 5.08. Voters and Voting.

Every registered voter who has been a resident of the city for thirty days or more prior to the date of the election shall be entitled to vote in city elections, except that for Places 2, 4, and 6, only those voters who live within the boundary of the district that the office represents may vote. Early voting and the hours the polls are open shall be as established by state law, or, absent state law providing therefor, as established by ordinance. Write in votes shall be permitted only in compliance with the Texas Election Code.
(Res. No. 1952 adopted 11/13/2025)

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Sec. 5.09. Election by Majority.

The mayor and councilmembers shall be elected by majority vote. No measure shall be adopted except by a majority vote and a tie vote shall defeat the measure.

Sec. 5.10. Canvassing.

The returns of every municipal election shall be delivered by the election judges to the city secretary at city hall not later than twelve hours after the closing of the polls. The city council shall canvass the returns in accordance with state law. The returns of every municipal election shall be recorded in the minutes of the council by totals for each candidate, or for and against each issue submitted.

Sec. 5.11. Run-Off Election.

If no candidate for an elective office receives a majority of the votes cast for that position in the regular or special election, a runoff election shall be held between the two (2) candidates who received the greatest number of votes. Such runoff election shall be held in accordance with State election laws. The candidate receiving the highest number of votes cast for the office in the runoff election shall be declared elected and if the runoff results in a tie vote, the tie shall be broken in a manner that is not inconsistent with the Texas Election Code, or by lot or chance as agreed by and between the candidates.
(Res. No. 1020, 5/17/2016[9])

Sec. 5.12. Term of Office.

The mayor and each councilmember shall serve until his or her successor is elected or appointed and qualified to serve. The regular term of office of the mayor and the councilmembers shall commence on the first Tuesday following the canvass of the election at which they receive a majority vote. A member of the council elected in a run-off election shall take office on the first Tuesday following the day on which the votes for the run-off election are canvassed. The remaining term of a member of council elected at a special election shall commence on the first Tuesday after the canvass of votes for the election at which they receive a majority of the votes cast for the office.

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9. Editor's note—Amended by the voters at an election held on 5/7/2016.

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ARTICLE VI
INITIATIVE, REFERENDUM AND RECALL

Sec. 6.01. General.

The citizens reserve the powers of initiative, referendum and recall, which may be exercised in the manner and subject to the limitations provided in this Article.

Sec. 6.02. Initiative.

Subject only to the limitations provided in this Article, the people of the city shall have the power to propose legislation on any local government issue, except legislation appropriating money, levying taxes, affecting zoning, annexing land, or setting rates, fees or charges, and, if the council fails to adopt an ordinance so proposed, to adopt or reject the proposed legislation at an election.

Sec. 6.03. Referendum.

The people of the city shall have the power to require reconsideration by the council of any adopted ordinance regarding any issue that would be a proper subject for an initiative, and if the council fails to repeal an ordinance so reconsidered, to approve or reject the ordinance at an election. Such power shall not extend to the budget; capital expenditures; levy of taxes; any bonds, certificates of obligation or any similar obligations; zoning; annexation; or any rates, fees and charges; provided that tax increases shall be subject to petition as provided by state law.

Sec. 6.04. Conflict.

No initiative or referendum action shall conflict with this charter, the constitution or any state statute.

Sec. 6.05. Signatures.

Initiative and referendum petitions must be signed by registered voters residing within the city in number equal to twenty-five percent (25%) of the number of votes cast at the last general election of the city. The signatures to the initiative or referendum petition need not all be appended to one paper, but each signer shall sign his or her name in ink or indelible pencil and shall add or cause to be added his or her place of residence within the city by street and number, printed name and date of signature. The signatures on a petition section shall not be considered unless there is attached to the petition section a signed, notarized and dated affidavit, executed by a resident of the city who circulated the petition section, which affidavit shall include his or her printed name, the address by street and number within the city, and the date he or she signed the affidavit; stating that he or she circulated each page and section of the attached petition; that each signature thereon was affixed in his or her presence; that each signature thereon is the signature of the person whose name it purports to be; and that to the best of his or her knowledge and belief each person signing the petition section was, at the time of signing, a registered voter residing within the City of Kyle.

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Sec. 6.06. Commencement of Proceedings.

A qualified voter may commence an initiative or referendum proceeding by filing with the city secretary the complete form of a petition proposed to be circulated, including signature pages, together with a copy of the full text of the initiative ordinance, or the ordinance to be reconsidered. The ordinance set forth with the petition shall be complete and in proper form including the caption. The City Secretary shall place the time and date on the petition and documents when filed and examine the filing for sufficiency as to form.

Within 30 days after the form of the proposed petition is filed with the City Secretary and determined to be sufficient as to form, the City Attorney will issue a formal legal opinion as to whether the initiative ordinance is legal and in compliance with this Charter or whether the referred ordinance is subject to referendum under this Charter. The City Attorney's opinion will be public and will be provided to the petitioner and the City Council. If an initiative ordinance can be adjusted to a form that the City Attorney agrees is legal, the City Attorney will provide an ordinance, in legal form, that can be circulated with the petition. If the City Attorney issues an opinion stating that the initiative or referendum does not comply with this Charter, then the City Secretary will return the proposed petition to the petitioner, and no further action will be taken on such petition by the City.

After the City Attorney issues an opinion on the initiative or referendum, unless the opinion determines that the initiative or referendum is not in compliance with the City Charter, the City Secretary shall promptly certify the petition for circulation and place the time and date of the certification for circulation on such petition and documents. The city secretary shall provide a certified copy of such filing as certified for circulation to the person presenting same, the city manager and the city attorney, and file a copy of such certified documents and petition in the archives of the city.

The circulated petition must be returned and refiled with the city secretary within ninety (90) days after the date the petition is certified for circulation. Signatures obtained prior to the date of such certification shall be invalid and a petition returned after the expiration of ninety (90) days shall not be considered.
(Res. No. 1952 adopted 11/13/2025)

Sec. 6.07. Examination and Sufficiency.

The city secretary, and his or her designees, shall examine each signature separately and disqualify any signature not having all of the information required, or not found to be that of a qualified voter of the city, determine whether the petition contains the requisite number of valid signatures, and complete a certification as to the sufficiency of the petition signatures within fifteen (15) business days following the date the circulated petition is filed with the city secretary. The petitioner shall be notified by certified mail or other agreed method of communication of the sufficiency of, or any insufficiencies in, the petition.

If the petition is certified as sufficient, the city secretary shall present a certificate to the city manager who shall cause the same to be placed on the agenda for the first council meeting that is three or more days after the date of the certification.

If the petition is certified as insufficient due to the disqualification or invalidity of signatures

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the petitioner shall have fifteen (15) business days following the date the number of signatures is found insufficient to file a supplementary petition with additional signatures sufficient in number to equal the required number of signatures. Upon supplementary petitions being timely filed, the city secretary shall have seven (7) business days from the date such supplementary petition is filed to certify the petition as sufficient or insufficient.
(Res. No. 1952 adopted 11/13/2025)

Sec. 6.08. Referendum-Suspension of Ordinance.

When an authorized referendum petition is certified by the city secretary as sufficient, the ordinance sought to be reconsidered shall be suspended; and such suspension shall continue until the council repeals the ordinance or the ordinance is upheld by election.

Sec. 6.09. Action on Petition.

Within forty-five (45) days after an initiative or referendum petition has been certified to the council as sufficient, the council shall:

(a) Adopt the proposed initiative ordinance without any change in substance; or

(b) Repeal the referred ordinance; or

(c) Call an election on the proposed or referred ordinance.

The election on a proposed or referred ordinance shall be held on the next available uniform election date after the date of the council's action and for which notice may be timely given in compliance with state law and this charter. Such election may coincide with a regular city election should such election fall within the specified time. However, special elections on initiated or referred ordinances shall not be held more frequently than once each six (6) months and no ordinance substantially the same as a defeated initiative ordinance shall be adopted by the council or initiated within two (2) years after the date of the election. No referred ordinance repealed at an election may be readopted by the council within two (2) years from the date of the election at which such ordinance was repealed. Copies of the proposed or referred ordinances shall be made available at each polling place.
(Res. No. 1952 adopted 11/13/2025)

Sec. 6.10. Procedure and Results of Election.

Not more than thirty (30) and not less than fifteen (15) days prior to the special election, the city secretary shall cause the proposed or referred ordinance to be published in its entirety at least once in a newspaper of general circulation in the city.

The ballots used when voting upon such proposed and referred ordinances shall set forth the nature of the ordinance sufficiently to identify the ordinance and shall also set forth a proposition as provided in this charter. If a majority of the qualified voters voting on a proposed initiative ordinance vote in its favor, it shall be considered adopted upon certification of the election results and shall be treated in all respects in the same manner as ordinances adopted by the council. If conflicting ordinances are approved at the same election, the ordinance receiving the greatest number of affirmative votes shall prevail.

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An ordinance adopted by initiative may not be repealed or amended at any time prior to the expiration of two (2) years from the date of its adoption, except at an election held for such purpose or such amendment being approved by the council by not less than six (6) affirmative votes.

If a majority of the qualified voters on a referred ordinance vote against the ordinance, it shall be considered repealed upon certification of the election results. If a majority of the qualified voters voting on a referred ordinance vote for the ordinance, it shall be upheld and, in such event, may not again be the subject of a petition within twelve months following the date of such election.

Sec. 6.11. Power of Recall.

The people of the city reserve the power to recall any elected city officer and may exercise the power by filing with the city secretary a petition signed by qualified voters of the city equal in number to at least fifteen percent (15%) of the number of registered voters within the city eligible to vote for such elected city officer, demanding the removal of the elected officer. The petition shall be signed and verified as required for an initiative petition and a separate petition must be filed for each officer being recalled. If the council orders a recall election for any member, such election shall be held in the manner provided in this Article.
(Res. No. 1952 adopted 11/13/2025)

Sec. 6.12. Recall Election.

The provisions regulating examination, certification, and amendment of initiative petitions shall apply to recall petitions. If the city secretary certifies the petition as sufficient, the city council shall, at the first meeting for which timely notice may be given, order a special election to be held at the earliest time permitted by this charter and state law, to determine whether the officer shall be recalled. If a majority of votes cast at a recall election be for the recall of the officer, the office shall be vacant.

Sec. 6.13. Limitation on Recall.

No recall petition shall be filed against an officer within six (6) months after taking office; no officer shall be subjected to more than two (2) recall elections during the term of office; and no officer shall be recalled at an election held less than three (3) months prior to the expiration of the term of office being served by such officer.
(Res. No. 1952 adopted 11/13/2025)

Sec. 6.14. Failure of City Council to Call an Election.

If the city secretary shall certify the petition as sufficient and the city council shall fail or refuse to order such recall election, or to discharge any other duty imposed upon the council with reference to the recall, then any citizen of the city may file suit in the district courts to compel the council to order the election.

Sec. 6.15. Non-binding ballot propositions.

The council is authorized to call elections on ballot propositions that are non-binding in nature

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when the council wishes to obtain an informal indication of the position of the city's voters on an issue. The ordinance calling an election under this section must be approved by the affirmative vote of at least six members of council. The following shall apply to elections on non-binding ballot propositions:

(a) The ballots must clearly label each proposition as non-binding in the heading of the proposition.

(b) The ballot cannot contain an indication of the effect that approval or disapproval of a proposition will have on the position of the city council on any issue.

(c) The ballot language may not contain more than one subject.

(d) Each proposition must avoid including multiple components which are not compatibly interrelated.

(e) The ordinance calling the election and the ordinance declaring the result of the election must both contain a clear statement that the non-binding propositions are not binding on the city council.

(f) The city council shall not place a non-binding proposition on a ballot as a substitute or alternative for a binding proposition the council is obligated to place on the same ballot.

(Charter 2020-1202, 11/3/2020)

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ARTICLE VII
ADMINISTRATIVE SERVICES

Sec. 7.01. City Manager.

The council shall appoint and may remove the city manager upon the affirmative vote of five members of the council, and shall supervise the city manager by a majority vote. The city manager shall be chosen and compensated solely on the basis of his or her experience, education, training, ability and performance. The city manager may be bonded at city expense as determined by the council, and may require a bond be provided at city expense by any other employee. No member of the council shall, during the term of office for which he or she is elected or for one (1) year thereafter, be appointed city manager. The city manager need not reside in the city when appointed but shall thereafter, within a reasonable period of time established by council, reside within the City.

The city manager shall be the chief executive and administrative officer of the city and shall be responsible to the council for the proper administration of all the affairs and business of the city. The city manager shall be required to:

(a) Enforce all state laws and city ordinances, and require compliance with all policies and resolutions.

(b) Appoint, suspend or remove any officer or employee of the city, except those officers appointed by the council and as otherwise specifically provided in this charter.

(c) Attend all council meetings except when excused.

(d) Prepare and submit the proposed annual budget, and be responsible for the administration of the adopted budget.

(e) Keep the council advised of the financial condition and needs of the city and make such recommendations as seem desirable.

(f) Prepare and submit to the council at the end of each fiscal year a complete report on the finances and administrative activities of the city for such preceding fiscal year.

(g) Make such other reports as the council may require concerning the operations of the city.

(h) Meet, discuss and confer with and advise the mayor and or any member of the city council regarding the business of the city.

(i) Perform such other duties as may be prescribed in this charter or required by the council. (Ord. No. 646, § 1(Props. 8, 9), 3/1/2011[10])

Sec. 7.02. Acting Manager.

The city manager may designate an officer or employee to act as city manager during the manager's absence or illness. The council may designate a qualified person to perform the

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10. Editor's note—Amended by the voters at an election held on 5/14/2011.

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duties of the office of city manager during his or her absence or disability, or when the position is vacant, and may set the compensation paid to such person during such time.

Sec. 7.03. Administrative Departments.

There shall be such administrative departments as are required to be maintained by this charter, and as are established by ordinance, all of which shall be under the control and direction of the city manager except as herein provided. The council shall approve personnel policies and guidelines, and shall, by ordinance, have the power to establish administrative offices or departments not provided for in this charter, and to discontinue, redesignate, or combine any of the departments and administrative offices established by ordinance. No change shall be made by the council in any personnel policy, guideline, department organization, or the city organization until the city manager's recommendations have been heard by the council.

Sec. 7.04. Department Directors.

At the head of each department there shall be a director who shall be appointed by the city manager unless otherwise provided. Department heads may be appointed and removed by the city manager without council approval. Such directors shall supervise and control their respective departments, may serve as the head of any division within their department, and may, with the city manager's approval, appoint and remove all employees of their respective department. More than one department may be headed by the same person, the city manager may head one (1) or more such departments, and a provision in this charter for the appointment of a department head does not require the department to be created or maintained.

Sec. 7.05. Departmental Organization.

The council may establish additional departments, and the work, duties, responsibilities and organization thereof, by ordinance; provided that no such ordinance shall be adopted until the city manager shall have been heard and have made his or her recommendations with respect thereto. Pending passage of ordinances establishing departmental divisions, the city manager may establish temporary divisions or sections in any department.

Sec. 7.06. Police Department.

(a) There shall be a police department to preserve order and protect the residents and property. The chief of police shall be responsible for the administration of the police department and shall evaluate and supervise the department and all its employees. All such evaluations and actions shall be subject to review and modification by the city manager. Police department procedures and policies shall be subject to review and modification by the City Council.

(b) The City of Kyle Police Department shall collaborate with a committee established by the City Council to have oversight over the development of standard operating policies and strategies, providing timely data sharing, and deploying resources that aim to: (1) protect all citizens, businesses, and property within the City; (2) promote transparency within the police department to the community, to also include data sharing

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communication in the forms of: in person briefings, news publications, and social media on a quarterly basis; and (3) reduce crime by increasing positive community engagement and promoting cooperation with all citizens through training, education, and community policing models. Annually, the Police Chief or designee shall provide the full City Council with a comprehensive report about police department operations, crime statistics, training initiatives, and other information requested by the City Council. The City Council shall adopt an ordinance implementing the terms of this subsection.

(Charter 2020-1202, 11/3/2020)

Sec. 7.07. Fire Department.

The council may establish a city fire department consisting of a fire chief and/or other salaried personnel. The fire chief shall be responsible for the management and administration of the fire department, including all contracts, functions, equipment and property. The fire chief shall evaluate and supervise the department and all its employees. All such evaluations and actions shall be subject to review and modification by the city manager.

A volunteer fire department is authorized. The authority of and relationship between the volunteer fire department and the city shall, subject to the above paragraph, be established by contract or ordinance. The chief and/or president of the volunteer fire department will participate with the city's fire chief and/or the city manager in the annual evaluation of the relationship and any contract between the volunteer fire department and the city. The working relationship between the volunteer fire department and the city shall be coordinated by the city's fire chief and/or the city manager with approval of the council.

Sec. 7.08. City Secretary.

The office and department of the city secretary shall be established and maintained. The city secretary may appoint such assistant city secretaries as are authorized. The duties of the city secretary shall be as set forth in this charter and as established by ordinance. Such duties shall include, but not be limited to, the giving notice of all council meetings; keeping the minutes of the proceedings of council meetings and the archives of the city; authenticating by his or her signature, and recording in full in books kept and indexed for the purpose, all ordinances and resolutions; performing such other duties as shall be assigned to the position by state law; maintaining appropriate files of all contracts and other legal documents resulting from and/or having a bearing on actions of the council; and assisting the city manager in gathering of appropriate records, files and resources which pertain to city business or specific council meeting agenda items.

Sec. 7.09. Public Works Department.

There shall be a public works department to administer, supervise and coordinate the construction and maintenance of the streets and thoroughfares, the drainage system, and all public property and equipment not the responsibility of another department. The department shall have and be responsible for other duties, projects and works as provided by ordinance or assigned by the city manager. The director of public works shall administer and manage the department.

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Sec. 7.10. City Attorney.

There shall be a city attorney who shall be appointed and may be removed by the council and reports to the City Manager. The city attorney shall be a competent and duly licensed attorney and shall have not less than five (5) years' experience practicing municipal law in Texas. He or she shall receive for his or her services such compensation as may be fixed by the council and shall advise the city on all legal matters and represent the city in all litigation and other legal matters. The city attorney may appoint assistant city attorneys, and the council may retain different or additional attorneys for specific matters when it deems same to be necessary.
(Res. No. 1020, 5/17/2016[11])

Sec. 7.11. Municipal Court.

There shall be established and maintained a court, designated as the "Municipal Court" of the City of Kyle, for the trial of misdemeanor offenses, with all such powers and duties as are now, or may hereafter be, prescribed by laws of the State of Texas relative to municipal courts. The Municipal Court shall be organized and supervised as follows:

(a) The municipal judge shall be appointed and may be removed by the council, and shall be responsible for the supervision and management of the court docket, cases and procedures. The municipal judge shall be entitled to compensation as fixed by the city council.

(b) The council shall have the power to appoint and remove additional associate judges. The municipal judge and associate judges need not be residents of the city but shall possess the requirements for office as are prescribed from time to time by the city council.

(c) There shall be a court clerk who shall be appointed and may be removed by the city manager.

(d) The clerk of the municipal court and deputies shall have the power to administer oaths and affidavits for court business, make certificates, affix the seal of said court thereto, and perform any and all acts usual and necessary to be performed by the clerks of courts and conducting the business thereof.

(e) All costs, fees, special expenses and fines imposed by the municipal court shall be paid into the city treasury for the use and benefit of the city, except as required by state law.

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11. Editor's note—Amended by the voters at an election held on 5/7/2016.

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ARTICLE VIII
FINANCE

Sec. 8.01. Finance Department.

The department of finance shall be established and maintained and the head of such department shall be the director of finance. The director of finance shall have knowledge of municipal accounting and experience in budgeting and financial control. Such director shall provide a bond with such surety and in such amount as the city manager may require. The premium on such bond shall be paid by the city.

Sec. 8.02. Powers and Duties.

The director of finance shall administer all financial affairs of the city under the direction, control and supervision of the city manager. He or she shall have authority and be required to:

(a) Maintain a general accounting system for the city and exercise financial control over all offices, departments and agencies thereof;

(b) Certify the availability of funds for all proposed expenditures, and unless the director of finance shall certify that an unencumbered balance exists in the appropriations and funds available, no appropriation shall be encumbered and no expenditure shall be made;

(c) Submit to the council through the city manager, not less than quarterly, statements showing the financial condition of the city; the form and content of the statements and schedule for presentation shall be approved by the city council;

(d) Prepare, as of the end of the fiscal year, a complete financial statement and report.

Sec. 8.03. Fiscal Year.

The fiscal year of the city shall begin on the first day of each October and end on the last day of September of the succeeding year. All funds collected by the City during any fiscal year including both current and delinquent revenues, shall be accounted for in such fiscal year; and except for funds derived to pay interest and create a sinking fund on the bonded indebtedness of the city, may be applied to the payment of expenses incurred during such fiscal year.

Sec. 8.04. Annual Budget.

The budget shall provide a complete work and financial plan for the city, including all city funds and activities. A budget message explaining the budget both in fiscal terms and in terms of the work programs shall be submitted with the budget. It shall outline the proposed financial policies of the city for the ensuing fiscal year; describe the important features of the budget; indicate any major changes from the current year in financial policies, expenditures, and revenues, with reasons for such changes; summarize the city's debt position and include such other material as the city manager deems desirable or the council requires. The budget shall begin with a clear general summary of its contents; and shall show in detail all estimated revenues, indicating the proposed property tax levy, and all proposed expenditures, including debt service, for the ensuing fiscal year. The proposed budget expenditures shall not exceed

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the total of estimated funds available from all sources. The budget shall be so arranged as to show comparative figures for estimated revenues and expenditures of the current fiscal year and the actual revenues and expenditures of the preceding two (2) fiscal years, compared to the estimate for the budgeted year. It shall include in separate sections:

(a) An itemized estimate of the expense of conducting each department, division and office.

(b) An estimate of the revenues of the city from taxes by category for the fiscal year.

(c) Tax levies, rates, and collections for the preceding two years.

(d) An itemization of all anticipated revenue from utilities and all sources other than the taxes.

(e) The amount required for interest on the City's debts, for sinking fund and for maturing bonds and other obligations.

(f) The amounts of the city debts and other obligations, with a schedule of payments and maturities.

(g) The total amount established for addition to reserve funds.

(h) A capital program, which may be revised and extended each year to indicate capital expenditures pending or in process of construction or acquisition.

(i) A provision regarding health coverage for retired employees. This provision may give consideration to the years of service of each retired employee but shall not obligate the city to any specific or continuing level of funding for such benefits.

(j) Such other information as may be required by the council.

Sec. 8.05. Budget Process and Adoption.

The city manager shall be responsible for the timely preparation and presentation of the budget, and shall present his or her recommended budget to the city council no later than sixty (60) days prior to October 1st of each year. The proposed budget shall become a public document and record when presented to the council. From and after its receipt of the budget, the city council shall:

(a) At the first council meeting for which timely notice may be given, cause to be posted in city hall and published in a newspaper of general circulation in the city a general summary of the proposed budget and a notice stating the time and places where copies of the budget are available for public inspection; the time and place, not less than fifteen (15) days after such publication, of a public hearing on the budget; and such other public hearings as are necessary.

(b) After the first public hearing the council may adopt the budget with or without amendment. The council may amend the proposed budget to add, increase, decrease or delete any programs or amounts, except expenditures required by law or for debt service; provided that no amendment shall increase the authorized expenditures to an amount greater than the total of estimated funds available from all sources.

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(c) The budget shall be finally adopted by ordinance not later than the third Thursday of September; provided that if the council takes no final action on or prior to such day, the budget as submitted by the city manager shall be deemed to have been finally adopted by the council.

Sec. 8.06. Administration of Budget.

No payment shall be made or obligation incurred except in accordance with this charter and appropriation duly made, and unless the director of finance first certifies that a sufficient unencumbered balance and sufficient funds are or will be available to cover the claim or meet the obligation when it becomes due and payable. If funds are not currently available to make an appropriate payment, but will become available within the fiscal year, the finance officer may request the council give authority to borrow money to make such payment provided that such money will be repaid by the end of the fiscal year or as provided by state law. Any authorization of payment or incurring of an obligation in violation of the provisions of this charter shall be void and any payment so made illegal; provided this shall not be construed to prevent the council by ordinance from making or authorizing payments or the making of contracts, for capital expenditures to be financed wholly or partly by the issuance of bonds, time warrants, certificates of indebtedness, certificates of obligation, lease-purchase, or other similar evidence of indebtedness or obligation, or to prevent the making of any contract or lease providing for payments beyond the end of the fiscal year.

Sec. 8.07. Amendment and Supplemental Budgets.

To protect the public health, safety, welfare and resources of the city, budget amendments to fund and meet conditions not anticipated in the original budget may be authorized, upon the affirmative vote of four members of the council. Supplements and amendments shall be approved by ordinance and shall be filed with the original budget.

Sec. 8.08. Borrowing to Meet Funding Requirements.

In the absence of available funds to meet emergency conditions and requirements, the council may authorize the borrowing of funds. In any fiscal year in anticipation of the collection of the budgeted revenues or ad valorem property tax for such year, whether levied or to be levied in such year, the council may authorize the borrowing of money by the issuance of notes, warrants or tax anticipation notes. Notes and warrants issued under this section shall be limited to the funds required for the emergency or short-fall and mature and be payable not later than the end of the fiscal year in which issued, or as otherwise provided by statute.

Sec. 8.09. Depository.

The council shall from time to time select a depository or depositories for city funds on the basis of bids received from such institutions; provided that the council may by resolution invest reserve funds in any state or federally chartered bank or savings institution. All monies received by any person, department or agency of the city for or in connection with affairs of the city shall be promptly deposited in the city depository or depositories. All checks, vouchers, or warrants for the withdrawal of money from the city depositories shall require two authorized signatures. Of the two signatures, one must be either the City Manager or Director

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of Finance. The council may authorize the use of machine imprinted facsimile signatures of such persons on such checks, vouchers and warrants.
(Res. No. 1020, 5/17/2016[12])

Sec. 8.10. Purchase Procedure.

All purchases made and contracts executed by the city shall be pursuant to the City's Purchasing Policies and in compliance with all applicable laws.
(Res. No. 1952 adopted 11/13/2025)

Sec. 8.11. Bonds and Financial Obligations.

The council may by ordinance authorize the issuance of any tax or revenue bonds, refunding bonds, certificates of obligation, warrants, notes, certificates of participation, tax anticipation notes or other evidence of indebtedness or obligation, for any permanent public improvement or any emergency, or any other public purpose not prohibited by law, subject only to the following limitations:

(a) no general obligation bonds, other than refunding bonds, shall be issued except as approved by a majority vote at an election held for such purpose;

(b) no indebtedness or obligation shall be issued except in compliance with the requirements of state law;

(c) no form of indebtedness other than general obligation bonds approved by public vote may be issued without public notice and a public hearing being held in compliance with state law; the published notice shall clearly summarize the relevant statutory provisions providing for a petition and election, if any;

(d) the authorization for bonds authorized but not issued shall expire ten years after the date of authorization;

(e) the issuance of indebtedness of obligation should not have a repayment period greater than the life of the asset(s) as defined by General Accepted Accounting Principles purchased through the issuance of these indebtedness or obligations;

(f) no indebtedness or instrument of obligation exceeding 5% of the annual assessed valuation of the city shall be issued without a binding referendum being placed on the ballot approving such expenditure.

(Res. No. 1020, 5/17/2016[13])

Sec. 8.12. Reserve Fund.

A reserve fund shall be established. Except when expended only for an emergency, the reserve fund shall over time be funded in an amount equal to at least twenty-five percent of the annual operating budget. If expended the reserve fund shall be restored as soon thereafter as practicable.

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12. Editor's note—Amended by the voters at an election held on 5/7/2016.

13. Editor's note—Amended by the voters at an election held on 5/7/2016.

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Sec. 8.13. Independent Audit.

At the close of each fiscal year, an independent audit shall be made of all accounts of the city by a certified public accountant experienced in auditing cities. The audit shall be completed on or before March 30th of each year and shall include an audit of all non-profit organizations receiving fifty percent (50%) or more of their income from the city. The audit shall be subject to the following:

(a) The city shall pay a percentage of the audit costs for all non-profit organizations audited, equal to the percentage of their respective total funding provided by the City;

(b) The independent auditor shall not otherwise maintain or keep any of the accounts of the city; act as financial advisor to the city; or have any financial interest whatsoever, direct or indirect, in any other financial affairs of the city, any member of the council, the city manager or any department head; provided that the auditor may be a resident or routinely utilize the utilities and services offered by the city, or be the owner of less than one percent (1%) of the total outstanding stock in a company contracting with the city;

(c) The council shall not select the same auditor for more than five (5) consecutive years and the auditor selected shall not be, or have been within the immediate preceding three (3) years, a business associate of the certified public accountant or firm that performed the audit prior to such selection;

(d) Upon acceptance of the audit, a summary thereof shall be published immediately in a newspaper of general circulation in the city and copies of the audit shall be placed on file in the city secretary's office as a public record. The summary shall include a balance sheet; an itemization of all income and expenditures by department; and an itemization of all investments and amounts of such investments pledged or encumbered for specific purposes;

(e) The auditor shall be available to the council throughout the budget year for special projects, audits, reviews and reports.

Sec. 8.14. Debt Management Policy.

The city council shall adopt and implement a debt management policy prior to adoption of the 2011-2012 annual budget. The city council shall obtain and consider advice from such professional and financial advisory services as it deems appropriate in adopting, reviewing and implementing the policy. The policy shall be reviewed, modified and amended as appropriate not less often than every fifth year.
(Ord. No. 646, § 1(Prop. 10), 3/1/2011[14])

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14. Editor's note—Added by the voters at an election held on 5/14/2011.

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ARTICLE IX
REVENUE AND TAXATION

Sec. 9.01. Taxation.

The city council may levy, assess and collect taxes of any type or character not prohibited by state law. The maximum ad valorem tax rate shall be as provided in the Texas Constitution and such tax rate shall be levied and assessed annually to provide for both operations and debt service.

Sec. 9.02. Procedures.

The procedures, limitations and requirements for the levy, assessment and collection of any tax or lien therefor shall be as established by state law; provided that, if not established by state law, such procedures, limitations and requirements shall be established by ordinance.

Sec. 9.03. Tax Assessor-Collector.

The finance director shall have the responsibility and duty for assessing and collecting taxes and the city manager may appoint an officer in such department to perform such duties; provided that the city may contract for such services at the discretion of the council.

Sec. 9.04. Property Taxes.

All ad valorem property taxes shall be due and payable on or before the first day of February each year at the office of the director of finance, or on such other date and place as required by state law or authorized by the city council. Such taxes may be paid at any time after the tax rolls for the tax year have been approved and shall become delinquent and be subject to penalties and interest if not paid on or before the first day of February following the levy. The failure to levy or assess taxes does not relieve any owner or property from the tax liability on any taxable property.

Sec. 9.05. Tax Liens and Claims.

All property within the city on the first day of January each year shall stand charged with a special lien in favor of the city, and the owner of such property on that date shall be personally liable therefor, until the tax and all related penalties and interest on that property are paid. All such taxes, penalties and interest may, if not voluntarily paid, be collected by the city by:

(a) Suit to recover personal judgment therefor without foreclosure, or by suit to foreclose its lien or liens, or to recover both by personal judgment and foreclosure; and if the property description on the assessment rolls is insufficient, the city may plead a good description of the property to prove the same, and have judgment foreclosing the tax lien or personal judgment or both, against the owners and property; or

(b) Withholding the payment of any debt or obligation owed to such owner or person by the city; by reducing the amount of any debt owed to such owner or person by the city by an amount equal to the unpaid taxes, penalties and interest; or otherwise by counter-claim and offset in any proceeding;

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(c) No assignment or transfer of any such debt, claim, demand, account or property, after taxes are due, shall affect the right of the city to offset the said taxes, penalties and interest against the same; and

(d) Any other method, means or procedure authorized by state law.

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ARTICLE X
PLANNING AND DEVELOPMENT

Sec. 10.01. Purpose and Intent.

It is the purpose and intent of this article to provide for and require the development of the city be undertaken and accomplished pursuant to a comprehensive plan and that the council shall establish comprehensive planning as a continuous and ongoing governmental function to promote, guide, strengthen and assist the management of future development within the city and its extraterritorial jurisdiction, to assure the most appropriate and beneficial use of land, water, natural and community resources, consistent with the public interest. Through the process of comprehensive planning and the preparation, adoption and implementation of a comprehensive plan, the city shall preserve, promote, protect and improve the public health, safety, comfort, order, appearance, convenience, economic and general welfare; prevent the overcrowding of land and avoid undue concentration or diffusion of population or land uses; facilitate the adequate and efficient provision of transportation, water, wastewater, schools, parks, recreational, housing and other facilities and services; conserve, develop, utilize and protect natural resources; and provide for and encourage economic growth.

Sec. 10.02. Comprehensive Plan.

The council shall adopt a comprehensive plan within two years after the effective date of this charter and thereafter all public and private development shall conform with such adopted comprehensive plan, or the applicable elements or portions thereof. The comprehensive plan may be amended at anytime and shall be reviewed and considered for amendment or revision every five years.

The comprehensive plan adopted by ordinance shall constitute the master and general plan for the development of the city. The comprehensive plan shall contain the council's policies for growth, development and beautification of the land within the corporate limits and the extraterritorial jurisdiction of the city, or for geographic portions thereof including neighborhood, community or area wide plans. The comprehensive plan shall include the following elements: (1) a future land use element; (2) a traffic circulation and/or mass transit element; (3) a wastewater, solid waste, drainage and potable water element; (4) a conservation and environmental resources element with strong emphasis on water conservation; (5) a recreation and open space element; (6) a housing element; (7) a public services and facilities element, which shall include but not be limited to a capital improvement program; (8) a public buildings and related facilities element; (9) an economic element for commercial and industrial development and redevelopment; (10) a health and human service element; and such other elements as are necessary or desirable to establish and implement policies for growth, development and beautification within the city, its extraterritorial jurisdiction, or for geographic portions thereof, including neighborhood, community, or area wide plans. The council may provide for financing of all elements contained in the comprehensive plan.

The several elements of the comprehensive plan shall be coordinated and be internally consistent. Each element shall include policy recommendations for its implementation and shall be implemented, in part, by the adoption and enforcement of appropriate ordinances and regulations governing land development, and such ordinances and regulations governing the

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development and use of land may be as comprehensive and inclusive as the council may, in its discretion, from time to time determine necessary, desirable and not in conflict with state or federal law.

Sec. 10.03. Comprehensive Plan Adoption and Amendment.

The comprehensive plan, or elements or portions thereof, shall be initially prepared and drafted by personnel and/or consultants authorized by the council, under the supervision of the city manager who shall coordinate development of the plan with the planning commission and the council. A draft of the comprehensive plan shall be submitted to the planning commission which shall hold a minimum of two public hearings on such plan and make recommendations for the approval of the plan, with or without amendments. The planning commission shall then forward the proposed comprehensive plan or element or portion thereof to the city manager, who shall thereupon submit such plan, or element or portion thereof, to the council with the planning commission's and the city manager's recommendations thereon. If the proposed comprehensive plan has not been adopted within two years from the effective date of this charter, the proposed plan as it then exists will automatically become the City's comprehensive plan.

The council may adopt, or adopt with changes or amendments, the proposed comprehensive plan or any element or portion thereof, after one or more public hearings. The council shall act on such plan, element or portion thereof, within ninety (90) days following its submission. If such plan or element or portion thereof is not adopted by the council, the council shall, with policy direction, return such plan or element thereof to the planning commission, which may modify such plan or element or portion thereof, and again forward it to the city manager for submission in like manner to the council. Amendments to the comprehensive plan may be initiated by the council, the planning commission, or the city manager; provided that all amendments shall be reviewed, considered and recommended for adoption in the same manner as for the original adoption of the comprehensive plan.

Upon the adoption of a comprehensive plan or element or portion thereof by the council, all land development regulations including zoning and map, subdivision regulations, roadway plan, all public improvements, public facilities, public utilities projects and all city regulatory actions relating to land use, subdivision and development approval shall be consistent with the comprehensive plan, element or portion thereof as adopted, except to the extent, if any, as provided by law. For purposes of clarity, consistency and facilitation of comprehensive planning and land development process, the various types of local regulations or laws concerning the alteration, development and use of land may be combined in their totality in a single ordinance or code.

Sec. 10.04. Planning Commission.

There shall be established and maintained a planning commission which shall consist of citizens of the city who must be qualified voters and have resided within the city for six months next preceding their appointment. The number of members of the planning commission shall be established by ordinance but the number shall not be less than five (5) members, and a minimum of two-thirds of the members shall be citizens not directly or indirectly connected with real estate or land development. The members of said commission

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shall be appointed by the council for a term of two (2) years, with a simple majority of the members being appointed in every odd numbered year and the remaining members being appointed in every even numbered year. The planning commission shall elect a chairperson from among its membership and shall meet not less than once each month. Vacancies in an unexpired term shall be filled by the council for the remainder of the term. No member of the planning commission may serve more than three consecutive two-year terms, except that a person appointed to fill an expired term may then serve three consecutive two-year terms on the planning commission.
(Res. No. 1952 adopted 11/13/2025)

Sec. 10.05. Planning Commission Powers and Duties.

The planning commission shall serve as the planning and the zoning commission of the city, and:

(a) Review and make recommendations to the council regarding the adoption and implementation of a comprehensive plan or elements or portions thereof prepared under authorization of the city council and under the direction of the city manager and responsible staff;

(b) After a comprehensive plan or element or portion thereof has been adopted in conformity with this article:

(i) Review and make recommendation to the council on all amendments to such plan or elements or portions thereof;

(ii) Review and make recommendations to the council on all proposals to adopt or amend land development regulations for the purpose of establishing the relationship of such proposal to, and its consistency with, the adopted comprehensive plan or elements or portions thereof. For purposes of this article "land development regulations" includes zoning, subdivision, building and construction, environmental including water conservation, and other police power regulations controlling, regulating, or affecting the use or development of land;

(c) Pursuant to ordinances adopted by the council, exercise control over platting and subdividing land within the corporate limits and the extraterritorial jurisdiction of the city to insure the consistency of any such plats or subdivision with the ordinances and comprehensive plan or element or portion thereof;

(d) Pursuant to ordinances adopted by the council make recommendations to the council regarding the zoning of land and land uses within the corporate limits of the city to insure the consistency of any such land use with the adopted comprehensive plan or element or portion thereof;

(e) May submit annually to the city manager, not less than one hundred fifty days prior to the beginning of the budget year, a list of recommended capital improvements, which in the opinion of the commission are necessary or desirable to implement the adopted comprehensive plan or element or portion thereof during the forthcoming five-year period;

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(f) Monitor and oversee the effectiveness and status of the comprehensive plan and recommend annually to the council any changes in or amendments to the comprehensive plan as may be desired or required;

(g) Prepare periodic evaluation and appraisal reports on the comprehensive plan, which shall be sent to the council at least once every five (5) years after the adoption of the comprehensive plan or element or portion thereof;

(h) Obtain information relative to its duties, from the city manager;

(i) Act as an advisory body to the council and perform such additional duties and exercise such additional powers as may be prescribed by ordinance of the council not inconsistent with the provisions and intent of this charter.

Sec. 10.06. Duties.

The council shall prescribe the duties of the planning commission by ordinance. The duties so established shall not be inconsistent with this charter and such duties shall include, but not be limited to, those prescribed herein.

Sec. 10.07. Planning and Development Department.

The city council may create by ordinance such department(s) as necessary to provide technical and administrative support in the areas of planning, growth management and land development, or the city manager may assign such duties to any other department or officer of the city. The director of such department shall be appointed and removed by the city manager.

Sec. 10.08. Board of Adjustment.

The council shall by ordinance establish a board of adjustment which shall, to the extent provided by ordinance or state law, have the power to hear and determine appeals from the refusal of building permits, appeals resulting from administrative decisions and to permit an authorized exception to or variation from the zoning regulations. Members of such board shall hold no other city office and no former member of the council shall serve as a member of the board of adjustment until one (1) year after completion of his or her council term.

Sec. 10.09. Capital Improvements Program.

The council shall adopt a capital improvements plan and thereafter the construction and capital projects of the city shall conform with such adopted plan, as amended. The capital improvements plan may be amended at anytime and shall be reviewed and considered for amendment by the council not less often than every two years.

The capital improvements plan, or elements or portions thereof, shall be initially prepared and drafted by personnel and/or consultants under the supervision of the city manager. A draft of the capital improvements plan shall be submitted to the planning commission which shall hold one or more public hearings on such plan and make recommendations for the approval of the plan, with or without amendments. The planning commission shall then forward the proposed capital improvements plan or elements or portions thereof to the city

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manager, who shall thereupon submit such plan, or element or portion thereof, to the council with the recommendations of the city manager and planning commission. Not less frequently than every two years thereafter, the city manager shall cause the review and preparation of any proposed amendments to the capital improvements plan and submit such proposed amendments to the planning commission for its review, approval and recommendations as provided above for the initial plan.

Sec. 10.10. Subdivisions and Developments.

The council shall adopt and maintain in full force and effect a comprehensive ordinance or ordinances regulating the development, subdivision and improvement of land within the city and its extraterritorial jurisdiction. To the extent not in conflict with state law, the council shall have the authority to require for all such land that:

(a) The owner of every tract of land who may divide the same into two (2) or more parts for the purposes of laying out any subdivision, or any addition to the City, shall comply with the provisions of the comprehensive ordinances governing the subdivision and development of land;

(b) The subdivision and development of land shall comply with all applicable elements of the comprehensive plan of the city; and

(c) A comprehensive site plan be required and approved for the development of or construction on any lot or parcel of land for which the owner or developer proposes a use higher than single family or two family residential.

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ARTICLE XI
PUBLIC UTILITIES, FRANCHISES AND CONTRACTS

Sec. 11.01. Public Services and Utilities.

The city shall have the full power and authority to:

(a) Buy, own, construct, lease, maintain and operate within and without the limits of the city a system or systems of gas, electricity, telephone, sewage, sanitation, water, parks, airports, swimming pools, race tracks, transportation, communications, golf course, cemeteries, cable television, or any other public service or utility.

(b) Manufacture, produce or provide its own electricity, gas, water or any other product, good or commodity that may be required by the public for municipal purposes.

(c) Purchase gas, electricity, or any other commodity or article required by the public for municipal purposes and to contract with any person, entity or public utility for such purchase.

(d) Distribute and/or sell any utility, commodity or service.

(e) Mortgage and encumber such public utility or service systems.

(f) Regulate and control the distribution of utilities and services within the city and establish standards of service and quality of products.

(g) Establish and enforce the rates to be paid by consumers of any utility or users of any service provided within the city, and, if provided by the city, outside of the city.

These powers shall be vested in the council and the council may exercise the power of eminent domain to acquire all or part of the property of any public utility or public service provider within the city whenever found by the council to be in the public interest for carrying out the objectives of providing utilities or services within the city. Any such eminent domain or condemnation proceeding shall be according to the procedures and the methods of establishing the value of the property and facilities as provided by state law, and if such procedures or methods are not so provided by state law as reasonably provided by ordinance.

Sec. 11.02. Franchises.

The council shall have the power and authority to grant franchises for the use and occupancy of streets, avenues, alleys and any and all public property belonging to or under the control of the city. Except as specifically authorized and provided otherwise by state law, no individual, organization, entity, political subdivision, corporation, public utility, or any provider of public service shall provide any service within the city requiring the use or occupancy of any street, public right-of-way or property without first being granted a franchise or permit to use such city facilities. The franchise ordinance or permit shall fully describe the terms of the agreement and, regardless of the title given, shall be subject to the terms of this Article. The terms of such agreements shall be explicit so as to protect the interests of the citizens and shall include but not be limited to the terms prescribed in this charter. No franchise ordinance or permit shall be passed except on two readings held after a public hearing for which ten (10) days

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notice is given, unless applicable state or federal law requires the issuance of the franchise or permit within a specific time period, in which case the franchise ordinance or permit will be approved in accordance with the procedures established by ordinance; and provided further that a franchise or permit for transportation services may be issued in accordance with the procedure established by ordinance.
(Res. No. 1126, 11/20/2018)

Sec. 11.03. Franchise Limitations.

No exclusive franchise shall ever be granted and franchises shall be transferrable only upon authorization of the council expressed by ordinance. A franchise may not be transferred except to a person, firm or entity taking all or substantially all of the franchise's business in the city. The expiration date of all franchises shall be specified and the term thereof may be extended or renewed only by ordinance.

Sec. 11.04. Franchise for Public Utilities.

The council shall have the power to grant, amend, renew, or extend by ordinance, or to deny, the franchise of all public utilities of every character serving the city, including, but not limited to, persons or entities providing electricity, gas, water, sewage, or telephone service, or any similar commodity or utility to the public. The effective period of public utility franchises may be set by the council but shall not exceed twenty (20) years unless a longer term is specifically approved by a majority of the qualified voters at an election held for that purpose.

Sec. 11.05. Franchise for Public Services.

The council shall have the power to grant, amend, renew or extend by ordinance, or deny, the franchises of all providers of public services to the city. Public services include, but are not limited to, ambulance services, cable television services, transportation services, any communication services, sanitation services, and any other service or business using the public streets or property within the city to provide service. The effective period of public service franchises may be set by the council but shall not exceed ten (10) years.

Sec. 11.06. Regulation of Franchises.

All grants of franchises as authorized in this charter shall be subject to the right of the council to:

(a) Determine, fix and regulate the charges, rates or compensation to be charged by the person or entity granted a franchise.

(b) Repeal the franchise by ordinance at any time upon the failure or refusal of the franchisee to comply with the terms of the franchise, this charter, or any applicable city ordinance or state law, or any valid rule of any regulatory body.

(c) Establish standards and quality of products or service.

(d) Require such expansion, extension and improvement of plants and facilities as are necessary to provide adequate service to all the public and to require that maintenance of

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facilities be performed at the highest reasonable standard of efficiency.

(e) Prescribe the method of accounting and reporting to the city so that the franchisee will accurately reflect the expenses, receipts, profits and property values used in rendering its service to the public. It shall be deemed sufficient compliance with this requirement if the franchisee keeps its accounts in accordance with the uniform system established by an applicable federal or state agency for such service.

(f) Examine and audit at any time the accounts and other records of any franchisee and to require annual and other reports prescribed in the franchise ordinance.

(g) Require such compensation, regulatory, rental and franchise fees as may not be prohibited by law.

(h) Impose such regulations and restrictions as may be deemed desirable or conducive to the health, safety, welfare and accommodation of the public.

(i) Require the franchisee to restore at its expense all public or private property to a condition equal to or better than that before being damaged or destroyed by the franchisee.

Sec. 11.07. Penalty Authorized.

The council shall have the power and authority to review any franchise at anytime and to assess a penalty against the franchisee for its failure to comply with the franchise, this charter, the ordinances of the city or the laws of the State. If in the opinion of council the requirements of the franchise, charter, ordinances or state law are not being complied with, the council shall so notify the franchisee in writing stating the provisions the franchisee has failed to comply with and setting a time for a hearing and deadline for correction of the noncompliance. The council may assess and enforce a reasonable penalty based upon the facts, issues and circumstances determined at the hearing if noncompliance is found. If the franchisee does not correct the noncompliance within a reasonable time established by the council for correction, the council may repeal or cancel the franchise.

Sec. 11.08. Franchise Value Not to be Allowed.

In determining the just compensation to be paid by the city for any public utility or public service property or facilities which the city may acquire by condemnation or otherwise, no value shall be assigned to any franchise granted by the city.

Sec. 11.09. Extensions.

Unless provided otherwise in the franchise, or limited by a certificate of convenience and necessity held by the franchisee, franchisees shall be required to extend services to all parts and portions of the city. All extensions of any lines, conduit, pipe or systems shall become a part of the aggregate property of the public utility or service provider and shall be subject to all the obligations and rights prescribed in this charter and the franchise. The right to use and maintain any such extension shall terminate with the franchise.

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Sec. 11.10. Other Conditions.

All franchises heretofore granted are recognized as contracts between the city and the franchisee and the contractual rights as contained therein shall not be impaired by the provisions of this charter except:

(a) The power of the city to exercise the right of eminent domain to acquire the property and assets of the utility is reserved.

(b) The general power of the city to regulate the rates and services of a utility including the right to require adequate and reasonable extension of plant and service and to require that maintenance of facilities be performed at the highest reasonable standard of efficiency shall be enforced.

(c) The council shall review each franchise at its first renewal date subsequent to the adoption of this charter and shall cause the franchise, if renewed, to meet the provisions of this charter; and no rights shall be vested in the franchisee with regard to any renewal based upon the terms, conditions or limitations expressed in any such existing franchise.

Sec. 11.11. Election Required.

No city owned electric utility, gas, water, sewer, cable television, or telecommunications system, park, swimming pool or other utility shall ever be sold or leased without authorization by a majority vote of the qualified voters of the city voting at an election held for such purpose.

Sec. 11.12. Contracts Concerning City Property.

The council shall have the power to grant, amend, renew or extend contracts concerning the operation and management of any city owned facility, such as a civic center, parks, golf course, swimming pools, water and wastewater treatment plants and any other such property; provided that no such contract shall be let except upon opportunity for competitive bids and proposals, nor exceed a term of ten (10) years unless approved at an election held for such purpose.

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ARTICLE XII
ETHICS AND CONFLICTS

Sec. 12.01. Ethics Commission.

The city council shall adopt and from time to time modify and amend an ordinance providing an ethics policy and code of conduct applicable to the officers, employees, board and commission members of the city. An ethics commission composed of seven citizens of the city shall be established to advise the council on the content and requirements of the ethics policies and ordinance, and to hear and decide complaints filed pursuant to such policies and ordinance. Each member of the council shall appoint one member of the commission, subject to the approval by vote of the council. The members of such commission shall be appointed, supervised and removed by the city council and shall meet upon a complaint or grievance being filed and at the request of the council or the city manager. The commission shall have authority and power to investigate complaints, gather and hear evidence, issue and enforce subpoenas to compel the attendance of witnesses and any evidence or documents, to decide ethics complaints based on the information and facts submitted, to issue written opinions, verbal or written reprimands and to admonish, and, in appropriate circumstances, to recommend to the city council and/or the city manager as appropriate more severe disciplinary action, including recall, termination, civil litigation or criminal charges. The ethics commission shall be advised by independent legal counsel nominated by the city attorney and appointed by the council.

Sec. 12.02. Acceptance of Gifts.

No officer or employee of the city shall accept directly or indirectly, any gift, favor or privilege exceeding a nominal value, or employment, from any utility, corporation, person or entity having or seeking a franchise or contract with, or doing business with, the city. If any utility, corporation, person or entity contracting with the city shall make any gift, or give any favor, privilege or employment to an officer or employee in violation of this section such action shall render the contract voidable.

Sec. 12.03. Interest in City Contract.

No officer or employee of the city shall have a financial interest direct or indirect, or by reason of ownership of stock in any corporation, in any contract with the city, or be financially interested directly or indirectly in the sale to the city of any land, materials, supplies or services except on behalf of the city as an officer or employee; provided, however, that the provision of this section shall only be applicable when the stock owned by the officer or employee exceeds one percent of the total capital stock of the corporation. Any violation of this section with the knowledge, express or implied, of the person or corporation contracting with the city shall render the contract voidable.

Sec. 12.04. Conflict of Interest.

No officer or employee of the city shall participate in the deliberation or decision on any issue, subject or matter before the council or any board or commission, if the officer or employee has a personal financial or property interest, direct or indirect, in the issue, subject or matter, that

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is different from that of the public at large. An interest arising from job duties, compensation or benefits payable by the city shall not constitute a personal financial interest. In the event that a City officer or employee, including a City Council member, recuses from the vote on an item, the official or employee may not participate in any discussion or deliberation of the item, during a meeting or otherwise, beginning from the moment that the officer or employee knew or should have known [that] he or she planned to recuse from the vote. A contract in which an officer or employee of the City has or acquires an interest in violation of this provision may be declared void by the Council.
(Res. No. 1952 adopted 11/13/2025)

Sec. 12.05. Political Contributions.

No elected or appointed city official or employee shall by any means whatsoever solicit or assist in soliciting any assessment, subscription, or contribution for any political party, candidate or any political purpose whatsoever from any non-elected city official or employee holding any compensated city position or employment.

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ARTICLE XIII
GENERAL PROVISIONS

Sec. 13.01. Oath of Office.

All officers of the City shall, before entering upon the duties of their respective offices, take and subscribe to the official oath prescribed by the Constitution of the State of Texas. The oath shall be administered by the Mayor, the City Secretary, Notary Public, or other person authorized by law to administer oaths.

Sec. 13.02. Notice of Claim Against City.

Except as provided for by the state constitution or a statute in conflict herewith, the city shall not be liable for any damages, attorneys fees, costs of court, or other monies regarding any matter whatsoever, unless notice shall have first been given the city in compliance with this section, as follows:

(a) Before the city shall be liable for any damage, claim or suit, attorney fees or costs of court, arising out of or for any personal injury, damage to property, or violation of any statutory right or duty, the person who is injured or whose property has been damaged, or someone on his or her behalf, shall give the city manager or the city secretary notice in writing duly certified within ninety (90) days after the date of the alleged damage, injury or violation of statutory duty or right, stating specifically in such notice when, where and how the injury or damage was sustained, setting forth the extent of the injury or damage as accurately as possible, and giving the names and addresses of all witnesses known to the claimant upon whose testimony the claimant is relying to establish the injury or damage. In case of injuries resulting in death, the person or persons claiming damage shall within ninety (90) days after the death of the injured person give notice as required above.

(b) Before the city shall be liable for any damages, attorney fees, court costs or monies whatsoever, whether arising out of any action authorized by statute, for declaratory judgment, or for equitable remedy, or for any damage, claim or suit arising out of contract, the person who seeks such remedy, relief or damage, or someone on his or her behalf, shall:

    (i) Give the city manager or the city secretary notice in writing not less than thirty (30) days prior to the filing of such claim, suit or cause of action, stating specifically the allegations of and basis for such claim, suit or request for remedy, the facts, contract provisions or circumstances supporting the same, the specific remedy or damages sought, the names of all city officers and employees complained of, and giving the names and addresses of all witnesses known to the claimant upon whose testimony the claimant is relying to establish the injury or damage; and

    (ii) Upon request of the city manager or the city council meet, confer and negotiate with the city for the purpose of reaching an acceptable compromise and settlement.

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Sec. 13.03. Reservation of Defenses.

Nothing contained in this charter or in any ordinance or contract of the city shall be construed to mean the city waives any rights, privileges, defenses or immunities provided under common law, or the Constitution and laws of the State of Texas. No such right, privilege, defense or immunity may be waived except by the city council acting in a public meeting to settle or compromise a claim, dispute or lawsuit.

Sec. 13.04. Settlement of Claims.

The council shall have the authority to compromise and settle any and all claims and lawsuits of every kind and character in favor of or against the city, except suits by the city to recover delinquent taxes; provided that the city attorney shall have the authority to settle on behalf of the city any and all matters pending in municipal court, or in the county courts on appeal from the municipal court.

Sec. 13.05. Community Service Organizations.

A written contract for services shall be executed prior to any non-profit, community service organization receiving city funds. Such contracts shall establish the terms, conditions and services to be provided, and shall require an annual audit of the non-profit organization.

Sec. 13.06. Public Records.

All public records of every office, department, or agency of the City shall be open to the public in accordance with the Texas Public Information Act, except that any information exempted by the Texas Public Information Act or other applicable law may be withheld in accordance with that law. All records of the City shall be retained in accordance with applicable laws.
(Res. No. 1952 adopted 11/13/2025)

Sec. 13.07. Succession.

If four or more positions on the city council become vacant at any time due to disaster or an event that results in the death or inability to serve of four or more members, the mayor, mayor pro-tem, majority of the surviving members of council or, if there be but one, any surviving member, may call a special election to fill the vacant positions. In such event, pending the election, if there are three (3) surviving members of the city council they shall constitute a quorum. If there are not at least three surviving members the following officers of the city in the order listed shall serve with the surviving members of the council on an interim basis as necessary to result in a four member quorum: (1) the chair of the planning and zoning commission; (2) the vice chair of the planning and zoning commission; (3) the city manager; (4) the chief of police; (5) the city secretary; and (6) the director of public works. If such surviving officers not be sufficient in number to constitute a quorum, the remainder shall constitute a quorum until the officers elected at the special election take office.

Sec. 13.08. Charter Review.

The council shall review the charter every two years to determine if any amendment should be considered. The council shall appoint a charter review commission, consisting of seven

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(7) qualified voters of the city, not less often than every sixth year. The term of each charter review commission shall be six (6) months and such commission shall review, hold hearings upon, and make recommendations for the amendment, if any, of this charter. Any resulting charter elections shall be noticed and held in compliance with state law.

In the event that City Council wishes to propose significant changes to the Charter more often than every six years, the City Council may appoint an Interim Charter Review Commission to review only the changes proposed by City Council. This interim review will not qualify as a Charter Review Commission for purposes of the requirements in the above paragraph requiring a Charter Review Commission at least every sixth year.
(Res. No. 1952 adopted 11/13/2025)

Sec. 13.09. Severability.

It is hereby declared that the sections, paragraphs, sentences, clauses and phrases of this charter are severable and, if any word, phrase, sentence, paragraph or section of this charter should be declared invalid by a final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining words, phrases, clauses, sentences, paragraphs or sections of this charter, since the same would have been enacted without the incorporation of any such invalid word, phrase, clause, sentence, paragraph or section. If any provision of this charter shall be adjudged by a court of competent jurisdiction to be invalid or to conflict with state law, the invalidity or inconsistency shall not affect any other provision or application of this charter which can be given effect without the invalid or inconsistent provision, and to the fullest extent possible this charter shall be construed and read in a manner to give effect to the original intent and meaning of this charter as modified only by the deletion of such invalid word, phrase, clause, provision or section, and to this end the provisions of this charter are declared to be severable.

Sec. 13.10. Open Meeting Compliance.

All meetings, hearings and workshops of the Council, any Board, Commission, or Committee of the City, shall be held in compliance with the Texas Open Meetings Act and shall provide time for public comment.
(Res. No. 1020, 5/17/2016[15])

Sec. 13.11. Non-substantive revisions.

(a) The City Council may, without approval of the voters, adopt an ordinance that makes the following types of revisions to this Charter:

  (i) Correcting numbering errors, and renumbering sections to correct numbering errors; and

  (ii) Correcting errors in spelling, grammar, cross-references and punctuation.

(b) A revision adopted under this section is not intended to and is not to be interpreted as making any substantive change in any Charter provision. Any revision adopted under this

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15. Editor's note—Amended by the voters at an election held on 5/7/2016.

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section that changes the substantive meaning of the Charter shall be void.

(Charter 2020-1202, 11/3/2020; Resolution 1212)

ORIGINAL CHARTER COMMISSION CERTIFICATION

TO THE CITY COUNCIL and CITIZENS OF THE CITY OF KYLE, TEXAS

The Charter Commission finds and decides it is impracticable to aggregate each subject so as to permit a vote of "YES" or "NO" on the same, for the reason that this Charter is so written that, for it to be workable and usable, it is necessary that it be adopted in its entirety.

For this reason the Charter Commission directs that this Charter be voted upon as a whole and that it be submitted to the qualified voters of the City of Kyle at an election to be held for that purpose on the 7th day of November 2000. If a majority of the qualified voters voting in such election shall vote in favor of the adoption of this Charter, it shall become the Charter of the City of Kyle and, after the returns have been canvassed, the same shall be declared adopted and the City Secretary shall file an official copy of the Charter among the records of the City. The City Secretary shall furnish the Mayor a copy of said Charter so adopted, authenticated and certified by her signature and seal of the City, showing the approval of such Charter by a majority vote of the qualified voters voting at such election, which the Mayor shall forward to the Secretary of State of the State of Texas.

Not less than thirty (30) days prior to such election the City Council shall cause the City Secretary to mail a copy of this proposed Charter to each registered voter in the City as their names appear on the official records of the registered voters.

We, the undersigned members of the Charter Commission of the City of Kyle, having been heretofore duly appointed to prepare a Charter for the City of Kyle, Texas, DO HEREBY CERTIFY that the above and foregoing constitutes a true copy of the proposed Charter of the City of Kyle, Texas, which we have prepared. We the remaining members of the Charter Commission, completed the writing of this Charter, and, unanimously recommend this Charter to the citizens of the City of Kyle, Texas.

Respectfully submitted this 15th day of August 2000.

_____	_____
Janet Arsenault	Jean Bales
_____	_____
Bob Barton, Vice Chair	Ken Burks
_____	_____
Ray Herrera	Esther Hicks
_____	_____
Debbie Jimenez	J. Pete Krug, Chair

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_____	_____
Crescencio Martinez	Bill Neukam
_____	_____
Day Ryan	D. J. "Red" Simon
_____	_____
Lon Taylor	Glen Whitaker

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Subdivision I
Declaration of Policy

§ 2-142. Statement of purpose.

It is essential in a democratic system that the public have confidence in the integrity, independence, and impartiality of those who act on their behalf in government. Such confidence depends not only on the conduct of those who exercise official power, but on the availability of aid or redress to all persons on equal terms and on the accessibility and dissemination of information relating to the conduct of public affairs. For the purpose of promoting confidence in the government of the City of Kyle and thereby enhancing the city's ability to function effectively, this code of ethics is adopted. The code establishes standards of conduct, disclosure requirements, and enforcement mechanisms relating to city officers and employees and others whose actions inevitably affect public faith in city government, such as former city officers and employees, candidates for public office, and persons doing business with the city. By prohibiting conduct incompatible with the city's best interests and minimizing the risk of any appearance of impropriety, this code of ethics furthers the legitimate interests of democracy.

Appearance of impropriety: Public service is a public trust. All city officers and employees are stewards of the public trust. They have a responsibility to the citizens of Kyle to enforce and adhere to the City Charter and the associated ordinances and codes. To ensure and enhance public confidence in City Government, each city officer must not only adhere to the principles of ethical conduct set forth in this Code and technical compliance therewith, but they must scrupulously avoid the appearance of impropriety at all times.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-143. Definitions.

As used in this code of ethics, the following words and phrases have the meaning ascribed to them in this section, unless the context requires otherwise or more specific definitions set forth elsewhere in this Code apply:

Acceptance. A written or verbal indication that someone agrees [to]; "acceptance" of an offer of subsequent employment or business opportunities includes legally binding contracts and all informal understandings that the parties expect to be carried out. An agreement, either by express act or by implication from conduct, to the terms of an offer so that a binding contract is formed.

Affiliated. Business entities are "affiliated" if one is the parent or subsidiary of the other or if they are subsidiaries of the same parent business entity.

Affinity. Relationship by "affinity" (by marriage) is defined in Section573.024 and 573.025 of the Texas Government Code.

Allegation. The act of declaring something to be true, something declared or asserted as a matter of fact, formal statement of a factual matter as being true or provable, without its having yet been proved.

Before the city. Representation or appearance "before the city" means before the city council;

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before a board, commission, or other city entity; or before a city officer or employee.

Benefit. "Benefit" means anything reasonably regarded as pecuniary gain or pecuniary advantage, including a benefit to any other person in whose welfare the beneficiary has a direct and substantial interest.

Business entity. "Business entity" means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

Candidate. "Candidate" means a person who knowingly and willingly takes affirmative action for the purpose of gaining nomination or election to public office or for the purpose of satisfying financial obligations incurred by the person in connection with the campaign for nomination or election. Examples of affirmative action include:

(1) The filing of an application for a place on a ballot;

(2) The making of a public announcement of a definite intent to run for public office in a particular election, regardless of whether the specific office is mentioned in the announcement;

(3) Before a public announcement of intent, the making of a statement of definite intent to run for public office and the soliciting of support by letter or other mode of communication; and

(4) The soliciting or accepting of a campaign contribution or the making of a campaign expenditure.

City. "City" means the City of Kyle, Texas.

Code of ethics. "Code of ethics," "ethics code," "the code" or "this code" means subdivisions I—IX of this division, its amendment(s) and/or enhanced definitions.

Complainant. "Complainant" means an individual who has filed a sworn complaint with the city secretary.

Confidential government information. "Confidential government information" includes all information held by the city that is not available to the public under the Texas Open Records Act and any information from a meeting closed to the public pursuant to the Texas Open Meetings Act, regardless of whether disclosure violates the Act.

Consanguinity. Relationship by "consanguinity" (by blood) is defined in Sections 573.022 and 573.023 of the Texas Government Code.

Discretionary contract. "Discretionary contract" means any contract other than those which by law must be awarded on a low or high qualified bid basis. Discretionary contracts do not include those contracts subject to Section 252.022 of the Texas Local Government Code or those contracts not involving an exercise of judgment or choice.

Economic interest. "Economic interest" includes, but is not limited to, legal or equitable property interest in land, chattels, and intangibles, and contractual rights having more than nominal value. Service by a city officer or employee as an officer, director, advisor, or otherwise active participant in an educational, religious, charitable, fraternal, or civic organization does not create for that city officer or employee an economic interest in the

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property of the organization. Ownership of an interest in a mutual or common investment fund that holds securities or other assets is not an economic interest in such securities or other assets unless the person in question participates in the management of the fund.

Employee. The term "employee" or "city employee" is any person listed on the City of Kyle payroll as an employee, whether part-time or full-time.

Employment. The term "employment" means the performance of work or services for remuneration and includes work or services performed by independent contractors.

Former city officer or Employee. A "former city officer" or "former city employee" is a person whose city duties terminate on or after the effective date of this code.

Gift. "Gift" means a voluntary transfer of property (including the payment of money) or the conferral of a benefit having pecuniary value (such as the rendition of services or the forbearance of collection on a debt), unless consideration of equal or greater value is received by the donor.

Indirect ownership. A person "indirectly owns" an equity interest in a business entity where the interest is held through a series of business entities, some of which own interests in others.

Intentionally. A person acts intentionally, or with intent, with respect to the nature of his conduct or to a result of his conduct when it is his 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 or her conduct or to circumstances surrounding his or her conduct when he or she is aware of the nature of his or her conduct or that the circumstances exist. A person acts knowingly, or with knowledge, with respect to a result of his or her conduct when he or she is aware that his or her conduct is reasonably to cause the result.

Officer. The term "officer" or "city officer" includes, but is not limited to, the following persons:

Mayor and city council members; city manager;

Municipal judge;

Members of all standing boards and commissions appointed by the city council;

Department heads; and

Sworn law enforcement personnel

Official action. "Official action" includes:

(1) Any affirmative act (including the making of a recommendation) within the scope of, or in violation of, an officer or employee's duties; and

(2) Any failure to act, if the officer or employee is under a duty to act and know that inaction is likely to affect substantially an economic interest of the officer or employee.

Official information. "Official information" includes information gathered pursuant to the power or authority of city government.

Ownership. Ownership of an interest in a mutual or common investment fund that holds

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securities or other assets, does not constitute direct or indirect ownership of such securities, or other assets unless the person in question participates in the management of the fund.

Partner. Someone who engages in an activity or undertaking with another; "Partner" includes partners in general partnerships, limited partnerships, and joint ventures. One who shares or takes part with another especially in a venture with shared benefits and shared risks.

Person. Means any individual, human being or business entity, excluding the City of Kyle.

Personally and substantially participated. "Personally and substantially participated" means to have taken action as an officer or employee through decision, approval, disapproval, recommendation, giving advice, investigation or similar action. The fact that the person had responsibility for a matter does not by itself establish that the person "personally and substantially participated" in the matter.

Recklessly. A person acts recklessly, or is reckless, with respect to circumstances surrounding his conduct or the result of his conduct when he is aware of but consciously disregards a substantial and unjustifiable risk that the circumstances exist or the result will occur. The risk must be of such a nature and degree that its disregard constitutes a gross deviation from the standard of care that an ordinary person would exercise under all the circumstances as viewed from the actor's standpoint.

Representation. "Representation" is a presentation of fact ? either by words or by conduct ? made to induce someone to act. Representation does not include appearance as a witness in litigation or other official proceedings.

Respondent. "Respondent" means an individual identified in a sworn complaint to have allegedly violated the Ethic Code of the City of Kyle.

Solicitation. "Solicitation" of subsequent employment of business opportunities includes all forms of proposals and negotiations relating thereto.

Sponsor. "Sponsor" of an event is the person or persons primarily responsible for organizing the event. A person who simply contributes money or buys tickets to an event is not considered a sponsor.

Public servant(s). "Public servant(s)" means the elected and the appointed officers of the city, the members of boards, commissions and committees appointed or created by the city council, and all volunteer and paid employees of the city.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-144. through § 2-170. (Reserved)

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Subdivision II
Present City Officers and Employees

§ 2-171. Improper economic benefit.

(a) General rule.To avoid the appearance and risk of impropriety, a city officer or employee shall not take any official action that he or she knows is likely to affect the economic interests of:

(1) The officer or employee;

(2) His or her partner, child, spouse, or other family member within the second degree of consanguinity or affinity;

(3) His or her outside client;

(4) A member of his or her household;

(5) The outside employer of the officer or employee or of his or her parent, child, or spouse;

(6) A business entity in which the officer or employee knows that any of the persons listed in subsections (a)(1) or (a)(2) holds an economic interest;

(7) A business entity which the officer or employee knows is an affiliated business or partner of a business entity in which any of the persons listed in subsections (a)(1) or (a)(2) holds an economic interest;

(8) A business entity or nonprofit entity for which the city officer or employee serves as an officer or director or in any other policy making position; or

(9) A person or business entity from whom, within the past 12 months, the officer or employee, or his or her spouse, directly or indirectly has:

a. Solicited an offer of employment;

b. Received and not rejected an offer of employment;

c. Accepted an offer of employment; or

(10) A person or business entity with whom the officer or employee, or his or her spouse, directly or indirectly is engaged in negotiations pertaining to business opportunities.

(b) Recusal and disclosure.A city officer or employee whose conduct would otherwise violate subsection (a) must recuse himself or herself. From the time that the conflict is or should have been recognized, he or she shall:

(1) Immediately refrain from further participation in the matter, including discussions with any person likely to consider the matter; and

(2) Promptly file with the city secretary a disclosure stating the nature of the conflict. In addition:

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(3) A supervised employee shall promptly bring the conflict to the attention of his or her supervisor, who will then, if necessary, reassign responsibility for handling the matter to another person; and

(4) A member of a board or commissioner shall promptly disclose the conflict to other members of the board or commission and shall not vote on the matter.

(c) Definitions.For purposes of this section:

(1) An action is likely to affect an economic interest if it is likely to have an effect on that interest that is distinguishable from its effect on members of the public in general or a substantial segment thereof; and

(2) The term "client" includes business relationships of a highly personalized nature, but not ordinary business-customer relationships.

(d) Non-profit board membership. A member of the council who serves in an unpaid position with, or on the board of, a public or private non-profit organization shall have a voice but no vote on any funding request or contract with the city by that organization, unless the organization has a board of directors or trustees appointed in whole or in part by the city council; provided further that members of the council appointed to serve on the board of a non-profit corporation or other legal entity created by the city shall, unless another conflict exists, have the authority and duty to fully participate in any discussion and vote at the city council regarding the organization.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-172. Unfair advancement of private interests.

(a) General rule.Except when performing a duty or responsibility of the position held, to serve the health, welfare or public safety of the city, to accomplish a public purpose, or to benefit the public in general, a city officer or employee may not use his or her official position to unfairly advance or impede private interests, or to grant or secure, or attempt to grant or secure, for any person (including himself or herself) any form of special consideration, treatment, exemption, or advantage beyond that which is lawfully available to other persons. A city officer who represents to a person that he or she may provide an advantage to that person based on the officer's position violates this rule.

(b) Special rules.The following special rules apply in addition to the general rule:

(1) Acquisition of interest in impending matters.A city officer or employee shall not acquire an interest in or affected by, any contract, transaction, zoning decision, or other matter, if the officer or employee knows, or has reason to know, that the interest will be directly or indirectly affected by impending official action by the city.

(2) Reciprocal favors.A city officer or employee may not enter into an agreement or understanding with any other person that official action by the officer or employee will be rewarded or reciprocated by the other person, directly or indirectly.

(3) Appointment of relatives.A city officer or employee shall not appoint or employ or

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vote to appoint or employ any relative within the third degree of consanguinity or affinity to any office or position of employment within the city.

(4) Supervision of relatives.No officer or employee shall be permitted to be in the line of supervision of a relative within the third degree of consanguinity or second degree of affinity. Department heads are responsible for enforcing this policy. If an employee, by reason of marriage, promotion, reorganization, or otherwise, is placed into the line of supervision of a relative, one of the employees will be reassigned or other appropriate arrangements will be made for supervision.

(c) Recusal and disclosure.A city officer or employee whose conduct would otherwise violate Subsection (b)(3), "Appointment of Relatives" shall adhere to the recusal and disclosure provisions provided in section 2-171(b) (Improper Economic Benefit) of subdivision II.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-173. Gifts.

(a) General rule.

(1) A city officer or employee shall not solicit, accept, or agree to accept any gift or benefit for himself or herself or his or her business:

a. That reasonably tends to influence or reward official conduct; or

b. That the officer or employee knows or should know is being offered with the intent to influence or reward official conduct.

(2) A city officer or employee shall not accept, or agree to accept any gift or benefit, save and except for items or meals received that are of nominal value.

(3) A city officer or employee shall not solicit any gift or benefit in conjunction with city business.

(b) Special applications.Subsections (a)(1) and (a)(2) do not include:

(1) A gift to a city officer or employee relating to a special occasion, such as a wedding, anniversary, graduation, birth, illness, death, or holiday, provided that is commensurate with the occasion and the relationship between the donor and recipient;

(2) Reimbursement of reasonable travel-related expenses authorized in accordance with city policies;

(3) A public award or reward for meritorious service or professional achievement, provided that the award or reward is reasonable considering the occasion;

(4) A loan from a lending institution made in its regular course of business on the same terms generally available to the public;

(5) A scholarship or fellowship awarded on the same terms and based on the same

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criteria that are applied to other applicants;

(6) Admission to an event in which the city officer or employee is participating in connection with official duties;

(7) Any solicitation for civic or charitable causes;

(8) Admission to an event in which the city officer or employee is participating in connection with his or her spouse's position;

(9) Ceremonial and protocol gifts presented to city officers from other governmental entities and accepted for the City of Kyle;

(10) Admission to a widely attended event, such as a convention, conference, symposium, forum, panel discussion, dinner, viewing, reception or similar event, offered by the sponsor of the event, and unsolicited by the city officer or employee, if:

a. The officer or employee participates in the event as a speaker or panel participant by presenting information related to matters before the city; or

b. The officer or employee perform a ceremonial function appropriate to that individual's position with the city; or

c. Attendance at the event is appropriate to the performance of the official duties or representative function of the officer or employee;

(11) Admission to a charity event provided by the sponsor of the event, where the offer is unsolicited by the city officer or employee; or

(12) Admission to a training or education program, including meals and refreshments furnished to all attendees, if such training is related to the officer or employee's official duties.

(c) Campaign contribution exception.The general rule stated in subsection (a) does not apply to a campaign contribution made pursuant to the Texas Election Code.

(d) Gifts to closely related persons.A city officer or employee shall:

(1) Take reasonable steps to persuade a parent, spouse, child, or other relative within the second degree of consanguinity or affinity, or an outside business associate not to solicit, accept, or agree to accept any gift or benefit; that reasonably tends to influence or reward the city officer's or employee's official conduct, or not accept any gift that the officer or employee knows or should know is being offered with the intent to influence or reward the city officer's or employee's discharge of official duties.

If a city officer or employee required to file a financial disclosure report under this Ethics Code, knows that a gift or benefit meeting the requirements of this rule has been accepted and retained by a person identified in subsection (d)(1) of this rule, the officer or employee shall promptly file a report with the city secretary's office

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disclosing the donor, the value of the gift or benefit, the recipient, and the recipient's relationship to the officer or employee filing the report.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-174. Confidential information.

Public servants shall not disclose confidential or proprietary information, or any information they have acquired or obtained in the course of their official duties and that may adversely influence the property, government, or affairs of the city, nor directly or indirectly use his or her position to secure official information about any person or entity, for the financial benefit or gain of such public servant or any third party. Public servants shall not release confidential, proprietary or privileged information for any purpose other than the performance of official responsibilities. It shall be a defense to any complaint under this section that the release of information served a legitimate public purpose, as opposed to the private financial or political interest of the public servant or any third party or group.

(1) Improper access.A city officer or employee shall not use his or her position to obtain official information about any person or entity for any purpose other than the performance of official duties.

(2) Improper disclosure.A city officer or employee shall not intentionally, knowingly, or recklessly disclose any confidential information gained because of said officer's or employee's position. This rule does not prohibit:

a. Any disclosure that is no longer confidential by law; or

b. The confidential reporting of illegal or unethical conduct to authorities designated by law.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-175. Representation of private interests.

(a) Representation prohibited.A city officer or employee who is a member of a board, commissioner or other city body shall not represent any person, group, or entity:

(1) Before that board or body;

(2) Before city staff having responsibility for making recommendations to, or taking any action on behalf of, that board or body, unless the board or body is only advisory in nature; or

(3) Before the city council if the council has jurisdiction over the board or body of which the city officer or employee is a member, if any issue relates to the officer's or employee's official duties.

(b) Representation before the city.

(1) General rule.A member of the council or a city employee shall not represent for compensation any person, group, or entity, other than himself or herself or his or her spouse or minor children, before the city. For purposes of this subsection, the

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term compensation means money or any other thing of value that is received, or is to be received for such representation.

(c) Representation in litigation adverse to the city.

(1) Officers and employees.A member of the council or city employee, shall not represent any person, group, or entity, other than himself or herself, or his or her spouse or minor children, in any litigation to which the city is a party, if the interests of that person, group, or entity are adverse to the interests of the city.

(2) Board member.A person who is classified as a city officer only because he or she is an appointed member of a board or other city body shall not represent any person, group, or entity, other than himself or herself, or his or her spouse or minor children, in any litigation to which the city is a party, if the interests of that person, group, or entity are adverse to interests of the city and the matter is substantially related to the officer's duties to the city.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-176. Conflicting outside employment.

(a) General rule.A city officer or employee shall not solicit, accept, or engage in concurrent outside employment which could reasonably be expected to impair independence of judgment in, or faithful performance of, official duties.

(b) Special application.The following special rule applies in addition to the general rule: A city officer or employee shall not provide services to an outside employer related to their official duties as a city officer or employee. This special rule does not apply to law enforcement employees provided that the employees are the subject of a properly adopted personnel policy authorizing such employment.

(c) Other rules.The general rule stated above applies in addition to all other rules relating to outside employment of city officers and employees, including requirements for obtaining prior approval of outside employment as applicable.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-177. Public property and resources.

A city officer or employee shall not use, request, or permit the use of city facilities, personnel, equipment, or supplies for private purpose (including political purposes), except:

(a) Pursuant to duly adopted city policies; or

(b) To the extent and according to the terms that those resources are lawfully available to the public.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-178. Political activity.

Limitations on the political activities of city officers and employees are imposed by state law, the City Charter, and city personnel rules and are incorporated into this provision by reference.

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In addition, the following ethical restrictions apply:

(1) Influencing subordinates.A city officer or employee shall not, directly or indirectly, induce or attempt to induce any city subordinate of the officer or employee:

a. To participate in an election campaign, contribute to a candidate or political committee, or engage in any other political activity relating to a political party, candidate, or issue; or

b. To refrain from engaging in any lawful political activity.

c. A general statement merely encouraging another person to vote does not violate this subsection.

(2) Paid campaigning.A city officer or employee shall not accept payment or other consideration, directly or indirectly, for political activity relating to an item pending on the ballot, if he or she participated in, or provided advice relating to, the exercise of discretionary authority by a city body that contributed to the development of the ballot item. Payment or other consideration does not include a meal or other item of nominal value.

(3) Official vehicles.A city officer or employee shall not display or fail to remove campaign materials on any city vehicle under his or her control.

Limitations on the use of public property and resources for political purposes are imposed by section 2-177 (public property and resources) of subdivision II.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-179. Actions of others.

(a) Violations by other persons.A city officer or employee shall not intentionally or knowingly assist or induce, or attempt to assist or induce, any person to violate any provision in this code of ethics.

(b) Using others to engage in forbidden conduct.A city officer or employee shall not violate the provisions of this code of ethics through the acts of another.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-180. Prohibited interests in contracts.

(a) Charter provision.The Charter of the City of Kyle, in section 12.03, states "No officer or employee of the city shall have a financial interest direct or indirect, or by reason of ownership of stock in any corporation, in any contract with the city, or be financially interested directly or indirectly in the sale to the city of any land, materials, supplies or services except on behalf of the city as an officer or employee; provided, however, that the provision of this section [section 12.03 of the Charter] shall only be applicable when the stock owned by the officer or employee exceed one percent of the total capital stock of the corporation. Any violation of this section with the knowledge, express or implied, of the person or corporation contracting with the city shall render the contract voidable."

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(b) Financial interest.No officer or employee of the city shall have a financial interest direct or indirect, or by reason of ownership of stock in a corporation, in a contract with the city, or be financially interested directly or indirectly in the sale to the city of land, materials, supplies or services except on behalf of the city as an officer or employee; provided, however, that the provision of this section shall only be applicable when the stock or interests owned by the officer or employee exceeds one percent of the total capital stock of the corporation, or the city is taking an interest in property by eminent domain. Any violation of this shall render the contract voidable.

This subsection does not permit any officer or employee to fail to comply with the requirements for giving notice of conflict, recusal and filing the required conflict forms with the city secretary.

(c) If an officer or employee has or may potentially have a presumed prohibited financial interest in a contract with the city, or in the sale to the city of land, materials, supplies or service under subsection (b), the officer or employee may apply to the Ethics Commission established under section 12.01 of the City Charter for determination and decision on whether the officer or employee has an actual direct or indirect financial interest in that contract or transaction. The Ethics Commission will make this assessment using a standard of "clear and convincing" evidence at a hearing. A request for such a determination cannot be made confidentially. The hearing must be posted in accordance with the Texas Open Meetings Act clearly stating the officer or employee with the presumed prohibited financial interest, the contract or transaction at issue, and the individual or business entity that is the party to the contract or transaction at issue.

(d) Any contract or transaction already in place at the time the individual becomes an officer or employee subject to the prohibitions in section 12.03 of the City Charter or those ascribed in this section may remain in place until the contract expires or the transaction is completed without creating a prohibited financial interest for the officer or employee.

(e) Definitions.For purposes of enforcing section 12.03 of the City Charter and the provisions of this section:

(1) A city "employee" is any employee of the city who is required to file a financial disclosure statement pursuant to the Ethics Code.

(2) A city "officer" is:

a. The mayor or any council member;

b. A municipal court judge appointed by the council;

c. A member of any board, committee or commission.

(f) An officer or employee that has an interest prohibited by this section, shall give notice of the conflict, recuse himself or herself from participation in any discussions at any public meeting, or with the city staff concerning the interest or matter in which a conflict exists, and file the required disclosure with the city secretary; provided that, if the matter involves an eminent domain proceeding with respect to a property interest of the officer or employee, the officer or employee may announce the conflict, file the disclosure and

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thereafter in the same manner as any private citizen represent his/her property interests. (Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-181. Persons required to report; time to report; place to report.

(a) A city officer or employee who has knowledge of a violation, supported by evidence, of any of the provisions of this ethics code shall report this violation as provided below within 15 business days after the person has knowledge of a violation. A city officer or employee shall not delegate to, or rely on, another person to make the report. Any failures to report a violation pursuant to this subsection are governed by subdivision VIII, section 2-308, and the criteria set forth therein.

(b) Unless waived in writing by the person making the report, the identity of an individual making a report under this section is confidential and may be disclosed only to the proper authorities for the purposes of investigating the report; provided that such confidentiality shall terminate if the matter is placed on an agenda of the Ethics Commission.

(c) A report made under this section shall be made to:

(1) The ethics compliance officer or his or her designee; or

(2) The Ethics Commission.

(d) A report shall state:

(1) The name of the city officer or employee who believes that a violation of a provision of the ethics code has been or may have been committed;

(2) The identity of the person or persons who allegedly committed the violation;

(3) A statement of the facts on which the belief is made; and

(4) Any other pertinent information concerning the alleged violation.

(e) The city attorney and/or ethics compliance officer shall:

(1) Comply at all times with the Texas Rules of Professional Responsibility when representing the city, or any officer or employee of the city, including, but not limited to, the requirement to promptly disclose in writing any possible conflict when requested to participate in any matter in which he/she may have a conflict of interest;

(2) Avoid any and all conflicts of interest with the city;

(3) Place the interests of the city above all others when performing official duties;

(4) Preserve and protect attorney client privilege;

(5) Conduct such civil investigations as appropriate to comply with the duties of the city attorney and the ethics compliance officer; and

(6) Advise any officer or employee that makes a report to the city attorney or ethics

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compliance officer in confidence, of a possible violation of this code of ethics, to report the matter to the Ethics Commission.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-182. through § 2-200. (Reserved)

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Subdivision III
Former City Officers and Employees

§ 2-201. Continuing confidentiality.

A former city officer or employee shall not use or disclose confidential government information acquired during service as a city officer or employee. This rule does not prohibit:

(1) Any disclosure that is no longer confidential by law; or

(2) The confidential reporting of illegal or unethical conduct to authorities designated by law.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-202. Subsequent representation.

(a) Representation by a former city officer.A person who was a member of a city body shall not represent for compensation any person, group or entity for a period of two years after the termination of his or her official duties:

(1) Before that board or body;

(2) Before city staff having responsibility for making recommendations to, or taking any action on behalf of, that board or body, unless the board or body is only advisory in nature; or

(3) Before the city council which has appellate jurisdiction over the board or body of which the former city officer or employee was a member, if any issue relates to his or her former duties.

(b) Representation before the city.A former city officer or employee shall not represent for compensation any person, group, or entity, other than himself, or his or her spouse or minor children, before the city for a period of two years after termination of his or her official duties. This subsection does not apply to a person who was classified as a city officer only because he or she was an appointed member of a board or other city body. For purposes of this subsection, the term compensation means money or any other thing of value that is received, or is to be received, in return for or in connection with such representation.

(1) In connection with the representation of private interests before the city, a former city officer or employee shall not state or imply that he or she is able to influence city action on any basis other than the merits.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-203. Prior participation in negotiating or awarding of contracts.

A former city officer or employee may not, within two years of the termination of official duties, perform work for compensation relating to discretionary contract, if he or she personally and substantially participated in the negotiation or awarding of the contract. A former city officer or employee, within two years of termination of official duties, must disclose to the city secretary immediately upon knowing that he or she will perform work on

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a compensated basis relating to a discretionary contract for which he or she did not personally and substantially participate in its negotiation or award. This subsection does not apply to a person who was classified as city officer only because he or she was an appointed member of a board or other city body.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-204. Discretionary contracts.

(a) Impermissible interest in discretionary contract or sale.This subsection applies only to contracts or sales made on a discretionary basis, and does not apply to contracts or sales made on a competitive bid basis. Within one year of the termination of official duties, a former city officer or employee shall neither have a financial interest, direct or indirect, in any discretionary contract with the city, nor have a financial interest, direct or indirect, in the sale to the city of any land, materials, supplies, or service. Any violation of this section, with the knowledge, expressed or implied, of the individual or business entity contracting with the council shall render the contract involved voidable by the council. A former city officer or employee has a prohibited "financial interest" in a discretionary contract with the city, or in the sale to the city of land, materials, supplies, or service, if any of the following individuals or entities is a party to the contract or sale:

(1) The former officer or employee;

(2) His or her parent, child, or spouse;

(3) A business entity in which the former officer or employee, or his or her parent, child or spouse directly or indirectly owns:

a. One percent or more of the capital stock of a corporation; or

b. Ten percent or more of the voting stock or shares of another business entity; or

c. Ten percent or more of the fair market value of any business entity; or

(4) A business entity of which any individual or entity listed in subsections (1), (2) or (3) is:

a. A subcontractor on a city contract;

b. A partner; or

c. A parent or subsidiary business entity.

(b) Definitions.For purposes of this section:

(1) A "former city employee" is any person who, prior to termination of employee status, was required to file a financial disclosure statement pursuant to this ethics code.

(2) A "former city officer" is any person who, immediately prior to termination of official duties, was:

a. The mayor or a member of city council;

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b. A municipal court judge or magistrate; or

c. A member of any committee, board or commission was required to file a financial disclosure statement pursuant to this ethics code.

(3) The term "contract" means any discretionary contract other than a contract for the personal services of the former city officer or employee.

(4) The term "service" means any services other than the personal services of the former officer or employee.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-205. through § 2-220. (Reserved)

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Subdivision IV
Persons Doing Business with the City

§ 2-221. Vendors, suppliers and contractors.

All vendors, suppliers, contractors and persons contacting the city for the purpose of selling any product or service to the city, or bidding on any city works, whether by competitive bid process or a discretionary contract, shall comply with the requirements of Chap. 176, Tex. Loc. Gov't Code.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-222. Persons seeking discretionary contracts.

(a) Political contributions.Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract, all political contributions totaling $100.00 or more within the previous 24 months made directly or indirectly to any current or former member of city council, any candidate for city council, or to any political action committee that contributes to city council elections, by any individual or business entity whose identity must be disclosed under this subsection. Indirect contributions by an individual include, but are not limited to, contributions made by an individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or lobbyists of the entity.

(b) Briefing papers and open records.Briefing papers prepared for the city council concerning any proposed discretionary contract to be considered for action shall reveal the information disclosed in compliance with subsection (a) and that information shall constitute an open record available to the public. Such briefing papers shall become a public record when the proposed contract is included on a posted agenda for a city council meeting.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-223. through § 2-240. (Reserved)

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Subdivision V
Members of the Public and Others

§ 2-241. Forms of responsibility.

No person shall intentionally or knowingly induce, attempt to induce, conspire with, aid or assist, or attempt to aid or assist another person to engage in conduct violative of the obligations imposed by subdivisions II (Present City Officers and Employees), III (Former City Officers and Employees), and/or IV (Persons Doing Business with the City) of this ethics code.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-242. through § 2-250. (Reserved)

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Subdivision VI
Financial Disclosure

§ 2-251. Financial disclosure report.

(a) Persons required to file disclosure form.The mayor and members of the city council and designated city employees. After accepting appointment or assuming the duties of office, the city officers defined in this Code, are required to file with the city secretary a complete sworn financial disclosure report annually.

Designated city employees include:

(1) The city manager;

(2) Deputy or assistant city managers;

(3) Assistants to the city manager;

(4) City secretary; and

(5) All department heads.

(b) Record keeping.Financial disclosure reports, notwithstanding the city's population, shall be maintained in accordance with the Texas Local Government Code Sec. 145.007.

(c) Annual filing date.Annual financial disclosure reports must be received by the city secretary on the last business day of January. The city secretary shall grant an extension of time in which to file a report upon written request submitted in advance of the deadline. The extension shall not exceed 15 business days.

Unforeseen circumstances. In the event of an unforeseen circumstance, including, but not limited to military service abroad or acute illness, the deadline for receipt by the city secretary is extended until such time as the city officer or employee resumes his city duties.

(d) Reporting periods.Each annual financial disclosure filed by an individual, shall disclose information relating to the prior calendar year.

(e) City secretary.The city secretary shall:

(1) Prior to January 15 of each year, notify the mayor and members of the city council and employees specified in subsection (a) of their obligation to file financial disclosure reports and those forms to be completed;

(2) Provide guidance and assistance on the reporting requirements for persons required to file financial disclosure reports and develop common standards, rules, and procedures for compliance with subdivision VI:

(3) Review reports for completeness and timeliness;

(4) Upon determining that the mayor, a member of city council, a candidate for city council, or the city manager has failed to timely file a financial disclosure report, or

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has filed incomplete or unresponsive information, notify the individual that failure to file or correct the filing with 15 days after the original deadline. If the person in question fails to file a completed report within 15 days of the original deadline, a report of non-compliance shall be forwarded to each member of the city council.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-252. Financial disclosure reports.

The financial disclosure report form is hereby approved as attached herein as Exhibit A.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-253. Short form annual report.

A person who is required to file an annual financial disclosure report may fulfill his or her filing obligations by submitting a sworn statement on a form provided by the city, attached herein as Exhibit B, if there have been few or no changes in the information disclosed by that person in a complete financial disclosure report filed within the past five years. The sworn statement shall indicate the date of the person's most recently filed complete financial disclosure report and shall state that there have been no material changes in that information. If any material changes have taken place, the financial disclosure report form (Exhibit A) shall be submitted.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-254. Travel reporting requirements.

(a) Any persons listed in subsection (b) of this section who, in connection with his or her official duties, accepts a trip or excursion involving the gratuitous provision of transportation, accommodations, entertainment, meals, or refreshments paid for by a person or entity other than a public agency must file with the city secretary, before embarking on the travel, a disclosure statement identifying:

(1) The name of the sponsor;

(2) The places to be visited; and

(3) The purpose and dates of the travel.

(b) The following persons are required to report under this section: the mayor, members of the city council, municipal court judges and magistrates, city manager, city secretary, assistant city managers, and all department heads. Acceptance of a trip or excursion by an individual listed above other than the mayor or a member of the city council must receive prior written approval of the city manager.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-255. Items received on behalf of the city.

A city officer or employee who accepts any item by way of gift valued over $100.00 or loan on behalf of the city must promptly report that fact to the city manager, who shall have the item appropriately inventoried as city property.

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(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-256. through § 2-270. (Reserved)

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Subdivision VII
Ethics Commission

§ 2-271. Definitions.

As used in subdivision VII (Ethics Commission), the term "ethics laws" include this code of ethics, Article 12 of the City Charter, and Section 171 of the Texas Local Government Code. The term "ethical violation" includes violations of any of those enactments. Other terms used in subdivision VII (Ethics Commission) are defined in section 2-143 (Definitions) of subdivision I.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-272. Structure of the Ethics Commission.

(a) Establishment.There is hereby established an Ethics Commission, which shall have the powers and duties specified in subdivision VII (Ethics Commission).

(b) Composition.The Ethics Commission shall consist of seven members and each member of the council shall nominate for appointment one member of the commission, subject to the approval by a majority vote of the council. The members of the commission are supervised by and may be removed by the city council pursuant to section 12.01 of the Kyle City Charter.

(c) Terms of office.Commission members shall be appointed to three-year terms to serve concurrently with the nominating council member's term. Upon a council member vacating his/her seat, the corresponding appointment immediately expires.

(d) Qualifications.Members of the commission shall have good moral character and shall be residents of the city. No member of the commission shall be:

(1) A salaried city officer or employee;

(2) An elected public official*;

(3) A candidate for elected city office; or

(4) An officer of a political party; or

(5) A member of a governing body of a taxing entity.
*Any elected official who currently serves on the Ethics Commission will be allowed to complete his or her term but will not be eligible for reappointment.

(e) Removal.Members of the Ethics Commission may be removed from office for cause by a majority of the city council only after a public hearing at which the member was provided with the opportunity to be heard. Grounds for removal include: failure to satisfy, or to continue to satisfy, the qualifications set forth in subsection (d); substantial neglect of duty; gross misconduct in office; inability to discharge the powers or duties of office; or violation of any provision in the code of ethics.

(f) Vacancies.The council member who nominated for appointment a vacating member of the Ethics Commission shall nominate for appointment another to serve the remainder

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of the vacated term, subject to approval by a majority vote of the city council.

(g) Recusal.A member of the Ethics Commission shall recuse himself or herself from any case in which, because of familial relationship, employment, investments, or otherwise, his or her impartiality might reasonably be questioned. A matter that has been referred to the commission by a member of the city council does not create a presumption of impartiality for a council member's nominated appointee. A commission member is not required to recuse themselves from a matter that has been referred by the council member who nominated them for appointment unless the matter being referred is a request for declaratory ruling or other official action on a matter where the referring member of the city council or their actions are the subject of the referral. A commission member also may not participate in official action on any complaint:

(1) That the member initiated;

(2) During the pendency of an indictment or information charging the member with an offense, or after a finding of guilt of such an offense.

(h) Chair and vice-chair.Each year, the commission shall meet and elect a chair and a vice-chair from among its members, who will serve one-year terms and may be re-elected. The commission shall meet upon a complaint or grievance being filed and at the request of the council or the city manager. The chair of the commission may call a meeting of the commission. The chair shall preside at meetings of the Ethics Commission and perform other administrative duties. The vice-chair shall assume the duties of the chair in the event of a vacancy in that position.

(i) Reimbursement.The members of the Ethics Commission shall not be compensated but shall be reimbursed for reasonable expenses incurred in the performance of their official duties.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-273. Jurisdiction and powers.

(a) Jurisdiction.If a complaint is filed pursuant to section 2-274 (Complaints) of subdivision VII within two years of the date of an alleged violation of the ethics laws, the Ethics Commission shall have jurisdiction to investigate and make findings and recommendations concerning:

(1) Any alleged violation of this Code of Ethics or Article 12 of the City Charter by any person subject to those provisions, including, but not limited to current city officers and employees, former city officers and employees, and persons doing business with the city,; or

(2) Any alleged violation by any person subject to the provisions of Chapter171 of the Texas Local Government Code.

(3) The Commission shall not consider any alleged violation that occurred more than two years prior to the date of the filing of the complaint.

(b) Termination of city officer's or employee's duties.The termination of a city officer's or

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employee's duties does not affect the jurisdiction of the Ethics Commission with respect to alleged violations occurring prior to the termination of official duties.

(c) Powers.The Ethics Commission has power:

(1) To establish, amend, and rescind rules and procedures governing its own internal organization and operations;

(2) To meet as often as necessary to fulfill its responsibilities;

(3) To render decisions on complaints or issue advisory opinions;

(4) To request from the city manager through the city council the appointment or allocation of such staff as are necessary to carry out its duties;

(5) To review, index, maintain on file, and dispose of sworn complaints;

(6) To make notifications, extend deadlines, and conduct investigations both on complaint and as a result of an issue raised out of said complaint;

(7) To render, index, and maintain on file advisory opinions;

(8) To provide assistance to the ethics compliance officer of the city in the training and education of city officers and employees with respect to their ethical responsibilities;

(9) To prepare report, as needed, to recommend to the mayor and city council needed changes in ethical standards or procedures; and

(10) To take such other action as is necessary to perform its duties under subdivision VII (Ethics Commission) of this ethics code.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025

§ 2-274. Complaints.

(a) Filing.Any person (including a member of the Ethics Commission), acting personally or on behalf of the commission who believes that there has been a violation of the ethics laws may file a sworn complaint with the city secretary.

A complaint filed in good faith is qualifiedly privileged. A person who knowingly makes a false statement in a complaint, or in proceedings before the Ethics Commission, is subject to criminal prosecution for perjury or civil liability for the tort of abuse of process.

(b) Form.A complaint filed under this section must be in writing and under oath and must set forth in simple, concise, and direct statements:

(1) The name of the complainant(s);

(2) The street or mailing address and the telephone number of the complainant(s);

(3) The name of each person complained about;

(4) The position or title of each person complained about;

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(5) The nature of the alleged violation, including, if possible, the specific rule or provision of law alleged to have been violated;

(6) A statement of the facts constituting the alleged violation and the dates on which or period of time in which the alleged violation occurred; and

(7) All documents or other material relevant to the allegation and available to the complainant but that are in the possession of the complainant, including the location of the documents, if known; and a list of all documents or other material relevant to the allegation but unavailable to the complainant, including the location of the documents, if known.

The complaint must be accompanied by an affidavit stating that the information contained in the complaint is either true and correct or that the complainant has good reason to believe and does believe that the facts alleged constitute a violation of the Ethics Code. If the complaint is based on information and belief, the complainant shall state the source and basis of the information and belief. The complainant shall swear to the facts by oath before a notary public or other person authorized by law to administer oaths under penalty of perjury.

(8) An ethics violation complaint form is hereby approved and attached to the ordinance from which this section derives as exhibit C.[1] The form is optional; as long as the requirements of this section are included in a complaint it will be deemed sufficient. The form may be modified at the discretion of the Ethics Commission as long as the contents substantially comply with this section.

The complaint must state on its face an allegation that, if true, constitutes a violation of a rule adopted by or a law administered and enforce by the commission.

(c) Frivolous complaint.

(1) For purposes of this section, a "frivolous complaint' is a sworn complaint that is groundless and brought in bad faith or for the purpose of harassment.

(2) By a vote of at least two-thirds of those present, the commission may order a complainant to show cause why the commission should not determine that the complaint filed by the complainant is a frivolous complaint.

(3) In deciding whether a complaint is frivolous, the commission may consider:

a. The timing of the sworn complaint with respect to when the facts supporting the alleged violation became known or should have become known to the complainant, and with respect to the date of any pending election in which the respondent is a candidate or is involved with a candidacy, if any;

b. The nature and type of any publicity surrounding the filing of the sworn complaint, and the degree of participation by the complainant in publicizing the fact that a sworn complaint was filed with the commission;

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1. **Editor's note–Said form is included as an attachment to this chapter.**

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c. The existence and nature of any relationship between the respondent and the complainant before the complaint was filed;

d. If respondent is a candidate for election to office, the existence and nature of any relationship between the complainant and any candidate or group opposing the respondent;

e. Any evidence that the complainant knew or reasonably should have known that the allegations in the complaint were groundless; and

f. Any evidence of the complainant's motives in filing the complaint.

(4) Notice of an order to show cause shall be given to the complainant, with a copy to the respondent, and shall include:

a. An explanation of why the complaint appears to be frivolous; and

b. The date, time, and place of the hearing to be held under this section.

(5) Before making a determination that a sworn complaint is a frivolous complaint, the commission shall hold a hearing at which the complainant may be heard; the complainant may be accompanied by counsel retained by the complainant.

(6) By a record vote of at least two-thirds of those present after the hearing under subsection (5) of this section, the commission may determine that a complainant filed a frivolous complaint and may recommend sanctions against that complainant.

(d) Sanctions.

(1) Before recommending a sanction for filing a frivolous complaint, the commission shall consider the following factors:

a. The seriousness of the violation, including the nature, circumstance, consequences, extent, and gravity of the harm caused to persons or entities named in the frivolous complaint;

b. The sanction necessary to deter future violations; and

c. Any other matters that justice may require.

(2) The commission may recommend the following sanctions:

a. A civil penalty of not more than $500.00.

b. Prosecution for perjury.

c. Any other sanction permitted by law.

(3) The commission may notify the appropriate regulatory or supervisory agency for their appropriate action.

(e) Confidentiality.No city officer or employee shall reveal information relating to the filing or processing of a complaint except as required for the performance of official duties.

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(1) All papers and evidence related to a pending complaint are confidential during the time any investigation is being conducted by the ethics compliance officer or the commission. If the investigation is completed and a complaint is included as an agenda item to be considered in an open meeting of the Ethics Commission, the papers and evidence become public documents when the related agenda item is opened for discussion by the Ethics Commission.

(2) If an investigation is closed and no complaint is filed, all related papers and evidence become public information when the investigation is closed; provided the Commission may reopen any investigation previously closed by the ethics compliance officer.

(3) If the Ethics Commission decides to investigate any allegation or complaint, the papers, evidence and documents compiled thereafter with respect to the investigation shall be and remain confidential until such time as the Ethics Commission concludes the investigation.

(4) With the exception of an executive session held by the Ethics Commission with respect to an item being investigated by the Ethics Commission, all meetings of the Ethics Commission shall be posted and held as open meetings in compliance with the Open Meetings Act.

(5) When any complaint is included as an agenda item to be considered in an open meeting of the Ethics Commission, the complaint and all related papers and evidence become public documents when the related agenda item is opened for discussion by the Ethics Commission.

(6) If the city officer or employee is also an accused individual within the complaint, nothing in this subsection prohibits the accused city officer or employee from exercising their rights afforded to them by the United States Constitution.

(f) Notification.A copy of a complaint shall be promptly forwarded by the city secretary to the ethics compliance officer and to the respondent(s), even if the complaint fails to meet the filing requirements of subdivision VII, section 2-274(b) (form) above. A complaint that is not sworn as required by subdivision VII, section 2-274(b), shall not be forwarded by the city secretary to the ethics compliance officer, but shall be returned to the complainant. The respondent(s) shall also be provided with a copy of the ethics rules and shall be informed:

(1) That, within 14 days of receipt of the complaint, he or she may file a sworn response with the city secretary;

(2) That failure to file a response does not preclude the Ethics Commission from adjudicating the complaint;

(3) That a copy of any response filed by the respondent(s) will be provided by the city secretary to the complainant, who may, within seven days of receipt, respond by writing filed with the city secretary, a copy of which shall be provided by the city secretary to the respondent(s);

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(4) That the respondent(s) may request a hearing; and

(5) That city officers and employees have a duty to cooperate with the Ethics Commission, pursuant to section 2-276(e) (Duty to Cooperate) of subdivision VII.

(g) Assistance.The city secretary shall provide information to persons who inquire about the process for filing a complaint.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025

§ 2-275. Ethics compliance officer.

(a) City attorney.The City Attorney shall nominate subject to council confirmation by a majority vote independent legal counsel, who does not otherwise represent the City, to serve as the ethics compliance officer.

(b) Ethics compliance officer.The ethics compliance officer shall:

(1) Receive and promptly transmit to the Ethics Commission all complaints and responses filed with the city secretary regardless of legal sufficiency;

(2) Investigate, marshal, and present to the Ethics Commission the evidence bearing upon a legally sufficient complaint;

(3) Act as legal counsel to the Ethics Commission;

(4) Issue advisory opinions to city officers and employees about the requirements imposed by the ethics laws; and

(5) Work with the city secretary in the training and education of city officers and employees with respect to their ethical responsibilities;

(6) Review complaints for legal sufficiency and dispose of complaints that are not legally sufficient;

(7) Recommend acceptance or rejection of complaint within 60 days of date made to the Ethics Commission; and

(8) Request additional information from complainant as needed.

(c) Exculpatory evidence.The ethics compliance officer shall disclose to the Ethics Commission and provide to the person charged with violating the ethics law evidence known to the ethics compliance officer tending to negate guilt or mitigate the seriousness of the offense.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025; Ordinance 1362 adopted 5/27/2025)

§ 2-276. Ethics Commission process.

(a) Commission review.The Ethics Commission shall have full power to investigate and dispose of a complaint received. The identity of the members of the Ethics Commission shall be made public to the person charged in the complaint who, for good cause, may

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request the recusal of any member of the commission, subject to subdivision VII, section 2-272(g) of this Code.

(b) Notice of charges.The Ethics Commission shall consider whether the facts of the case establish a violation of any provision in the ethics laws, regardless of which provisions, if any, were identified in the complaint as having been allegedly violated. However, before the Ethics Commission may find that a violation of a particular rule has occurred, the respondent must be on notice of which rule(s) is at issue and must have an opportunity to respond. Notice is conclusively established: if the complainant alleged that the rule was violated; if compliance with the rule is raised by the member of the commission or the ethics compliance officer as a disputed issue at a hearing before the Ethics Commission; or if the commission or the ethics compliance officer provides the respondent with written notice of the alleged violation and a 14-day period within which to respond in writing to the charge.

(c) Scheduling of a hearing.Regardless of whether the complainant or the respondent requests a hearing, the Ethics Commission has discretion to decide whether to hold a hearing.

(d) Ex parte communications.It is a violation of this code:

(1) For the complainant, the respondent, or any person acting on their behalf to engage or attempt to engage, directly or indirectly, in ex parte communication about the subject matter of a complaint with a member of the Ethics Commission, or any known witness to the complaint; or

(2) For a member of the Ethics Commission to:

a. Knowingly entertain an ex parte communication prohibited by subsection (1) of this rule; or

b. Communicate directly or indirectly with any person, other than a member of the Ethics Commission, its staff, or the ethics compliance officer, about any issue of fact or law relating to the complaint.

(e) Duty to cooperate.All city officers and employees shall cooperate with the Ethics Commission and shall supply requested testimony or evidence to assist it in carrying out its charge. Failure to abide by the obligations imposed by this subsection is a violation of this code of ethics.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-277. Hearings.

At any hearing held by an Ethics Commission during the investigation or disposition of a complaint, the following rules apply:

(1) General rules.A quorum of the commission must be present for the hearing. Any member of the Ethics Commission who is not present may not participate in the disposition of the case. All witnesses must be sworn and all questioning of witnesses shall be conducted by the members of the Ethics Commission or the ethics compliance

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officer. The Ethics Commission may establish time limits and other rules relating to the participation of any person in the hearing. No person may be held to have violated the ethics laws unless a majority of the Ethics Commission so finds by a preponderance of the evidence.

(2) Evidence.The Ethics Commission shall rely on evidence of which a reasonably prudent person commonly relies in the conduct of the person's affairs and may consider evidence not provided through the complaint, request for declaratory ruling, or request for advisory opinion. The Ethics Commission shall further abide by the following:

a. The commission shall hear evidence relevant to the allegations; and

b. The commission shall not consider hearsay unless it finds the nature of the information is reliable and useful.

(3) Respondent.The respondent in the complaint has the right to attend the hearing, the right to make a statement, the right to present witnesses, and the right to be accompanied by legal counsel or another advisor. Only legal counsel to the respondent in the complaint may advise that person during the course of the hearing, but may not speak on his or her behalf, except with the permission of the Ethics Commission. The time permitted for presentation will be at the discretion of the commission.

(4) The complainant.The complainant has the right to attend the hearing, the right to make a statement, and the right to be accompanied by legal counsel or another advisor. Only legal counsel to the complainant may advise the complainant during the course of the hearing, but may not speak on behalf of the complainant, except with the permission of the Ethics Commission. Witnesses may not be presented by the complainant, except with the permission of the Ethics Commission.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-278. Disposition.

(a) Written opinion.The Ethics Commission shall issue a decision within 90 days after the filing of a complaint. The Ethics Commission shall state in a written opinion its finding of fact and conclusions of law within 30 days after final disposition. The written opinion shall either:

(1) Dismiss the complaint; or

(2) Upon finding that there has been a violation of the ethics laws:

a. A letter of notification shall be the appropriate sanction when the violation is clearly unintentional, or when the violation was made in reliance on a written opinion of the city attorney and/or ethics compliance officer. A letter of notification shall advise the person to whom it is directed of any steps to be taken to avoid future violations.

b. A letter of admonition shall be the appropriate sanction in those cases in which the commission finds that the violation is minor and/or may have been unintentional, but calls for a more substantial response than a letter of

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notification.

c. A reprimand shall be the appropriate sanction when the commission finds that a violation has been committed intentionally or through disregard of this division. A copy of a reprimand directed to an employee, city officer, council member, or commission member shall be sent to the city manager and city council. A reprimand directed to an employee shall be included in the employee's personnel file. A letter of reprimand directed to an elected city officer shall be transmitted to the city secretary and published in the official city newspaper.

d. A recommendation of removal from employment, or a recommendation of suspension from employment, as well as a recommendation for length of suspension, shall be the appropriate sanction when the commission finds that a serious or repeated violation(s) of this ordinance has been committed intentionally or through culpable disregard of this ordinance by city employees. Any such recommendation shall be made to the city manager, unless the employee is in a position filled by council appointment.

e. A letter of censure shall be the appropriate sanction when the commission finds that a serious or repeated violation(s) of this division has been committed intentionally or through culpable disregard of this ordinance by an elected city officer. A letter of censure directed to an elected city officer shall be transmitted to the city secretary and thereafter published in the official newspaper of the city.

f. A recommendation of criminal prosecution and/or civil remedies, in accordance with this rule may be found;

g. A finding of a violation but no remedial action may be found. The Commission must state why no remedial action is recommended; or

h. In appropriate cases the commission may recommend to the city council or city manager that action be taken under subsections (c) and (f) below.

(3) The signatory for all written opinions shall be the chair of the Ethics Commission.

If the Ethics Commission determines that a violation has occurred, the opinion shall identify in writing the particular rule or rules violated. If the complaint is dismissed, the grounds for the dismissal shall be set forth in the opinion. The failure of the Ethics Commission to comply within the above time limits may result in the charge being dismissed for want of prosecution. The commission may notify the parties that additional time is needed to finalize an opinion and may extend the issuance of a decision by an additional 30 days. Prior to such dismissal, the complainant will be given notice and an opportunity to request continuance of the action.

(b) Notification.Within 15 days after the issuance of an opinion, copies of the opinion shall be forwarded by the city secretary, or their designee, to the complainant, the respondent, the ethics compliance officer, and any member of the Ethics Commission who did not

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participate in the disposition of the case.

(c) Recommendations.A recommendation for criminal prosecution shall be forwarded to the district attorney's office or an appropriate law enforcement agency. A recommendation of civil remedies shall be forwarded through the ethics compliance officer to the city council for action.

(d) Similar charges barred.If the complaint is dismissed because the evidence failed to establish a violation of the ethics laws, the Ethics Commission shall not entertain any other similar complaint based on substantially the same evidence.

(e) Factors relevant to sanctions.In deciding whether to recommend, in the case of a violation of the ethics law, criminal prosecution and/or civil remedies, the Ethics Commission shall take into account relevant considerations including, but not limited to, the following:

(1) The culpability of the person charged in the complaint;

(2) The harm to public or private interests resulting from the violation;

(3) The necessity of preserving public confidence in the conduct of local government;

(4) Whether there is evidence of a pattern of disregard for ethical obligations; and

(5) Whether remedial action has been taken that will mitigate the adverse effect of the ethical violation.

(f) Reliance.If a person reasonably and in good faith acts in reliance on a legal opinion of the city attorney, or an advisory opinion issued by the ethics compliance officer or the Ethics Commission, that fact may be considered by the Ethics Commission in adjudicating a complaint filed against that person, but does not by itself bar the finding of a violation.

(g) Civil remedies.The following civil remedies may be recommended by the Ethics Commission after a finding that the ethics laws have been violated:

(1) Review of the case by the city manager, or his or her designate, for disciplinary action;

(2) A suit by the city for damages or injunctive relief in accordance with section 2-303 (Damages and Injunctive Relief) of subdivision VIII;

(3) Recommendation of disqualification from contracting in accordance with section 2-307 (Disqualification from Contracting) of subdivision VIII;

(4) Voiding of a contract in accordance with section 2-306 (Voiding or Ratification of Contract) of subdivision VIII; and/or

(5) A fine in accordance with section 2-304 (Removal) of subdivision VIII.

(h) Criminal prosecution.The Ethics Commission may recommend criminal prosecution to the District Attorney's Office or appropriate law enforcement agency. Prosecution of

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any person for a violation of this ethics code shall not be undertaken until a complaint is disposed of by the Ethics Commission in accordance with subdivision VII, section 2-278. However, the absence of a recommendation to prosecute from the Ethics Commission shall not preclude prosecutorial discretion to prosecute a violation of this ethics code.

(i) Council action.If the city council receives a recommendation pursuant to subsection (a)(2)(D), or subsection (f) (Civil Remedies) above, the city council shall dispose of a recommendation from the Ethics Commission within 90 days of receiving such recommendation. The recommendation(s) of the Ethics Commission may be accepted, rejected, modified, or recommitted to said commission for further action or clarification. Failure to take action within specified time limits may result in the charge being dismissed for want of prosecution. Prior to such dismissal, the complainant will be given notice and an opportunity to request continuance of the action.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-279. Petition for declaratory ruling.

Any city officer or employee who believes that reports in the media or elsewhere have created the appearance of impropriety on the part of the city officer or employee shall have the right to file a sworn statement with the city secretary affirming his or her innocence, and to request the Ethics Commission to investigate and make known its findings, and make any relevant recommendations concerning the issue. Upon receipt of a request for a declaratory ruling, the Ethics Commission shall adhere to the process defined in subdivision VII, section 2-276 and provide a substantive review of the subject matter and circumstances identified in the sworn statement regardless of whether the perception of impropriety is the result of public allegations, statements or questions and report its findings in a written opinion in accordance with subdivision VII, section 2-280, above. The ethics compliance officer shall promptly forward the written opinion to the city secretary for posting on the internet via the city website for a period of no less than four years.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-280. Advisory opinions.

(a) Requests for advisory opinions.

(1) By writing filed with the city secretary, any person may request an advisory opinion with respect to the interpretation of the ethics laws, but only with respect to whether proposed action by that person would violate the ethics laws. The city secretary shall promptly transmit all requests for advisory opinions to the ethics compliance officer and the chair of the Ethics Commission.

(2) The ethics compliance officer and the commission shall issue a written advisory opinion within 45 days of referral of a request by the city secretary. During the preparation of the opinion, the commission may consult with the ethics compliance officer of the city and other appropriate persons. If the person requesting an advisory opinion requested anonymity, the advisory opinion shall not reveal the name of the person who made the request and shall be written in the form of a response to a

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hypothetical situation. A copy of the opinion shall be indexed and kept by the Ethics Commission or the ethics compliance officer, and shall be sent to the person who requested the opinion, the members of the Ethics Commission, and the city secretary. The city secretary shall make the opinion available as a public record in accordance with the Texas Public Information Act. The ethics compliance officer shall promptly forward the opinion to the city secretary for posting on the internet via the city website for a period of no less than four years.

(b) Opinions initiated by the commission.On its own initiative, the Ethics Commission may issue a written advisory opinion with respect to the interpretation of the ethics laws as they apply to persons other than city officers and employees of such person or persons subject to the provisions of the ethics laws. Such an opinion may not include the name of any individual who may be affected by the opinion. A copy of any such opinion shall be indexed and kept by the Ethics Commission as part of its records for a period of not less than four years. In addition, copies of the opinion shall be forwarded by the chair of the Ethics Commission, or his or her designate, to the ethics compliance officer and to the city secretary. The city secretary shall make the opinion available as a public record in accordance with the Texas Public Information Act. The ethics compliance officer shall promptly forward the opinion to the city secretary for posting on the internet via the city website for a period of no less than four years.

(c) Opinions issued by the ethics compliance officer.

(1) Requests by city officers and employees.

a. By writing filed with the ethics compliance officer, any city officer or employee may request an advisory opinion with respect to whether proposed action by that person would violate the ethics laws.

b. Within 30 days of receipt of the request by the ethics compliance officer, the ethics compliance officer shall issue a written advisory opinion. The advisory opinion shall not reveal the name of the person who made the request, if that person requested anonymity, in which case the opinion shall be written in the form of a response to an anonymous, hypothetical situation. Copies of the opinion shall be forwarded by the ethics compliance officer to the members of the Ethics Commission, to the person who requested the opinion, and to the city secretary. The city secretary shall promptly post the opinion for a period of no less than four years on the internet via the city website. The city secretary shall make the opinion available as a public record in accordance with the Texas Public Information Act.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-281. Report.

The Ethics Commission shall, upon the request of the city council, prepare and submit an annual report to the mayor and city council detailing the activities of the commission during the prior year. The format for the report shall be designed to maximize public and private understanding to the commission's operations, and shall include a summary of the content of ethics opinions issued by the commission based on information gathered by the commission

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from records on file with the city secretary. The report may recommend changes to the text or administration of this code of ethics. The ethics compliance officer of the city shall take reasonable steps to ensure wide dissemination and availability of the report of the Ethics Commission.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-282. Public records and open meetings.

Papers, records and evidence relating to an alleged violation or complaint pursuant to this Code of Ethics shall be and become public records as provided in subdivision VII, above. Meetings of the commission shall be open to the public, except as provided in subdivision VII, section 2-274, above and the Texas Open Meetings Act. However, information that is included in any such record that is made confidential and privileged by federal or state law shall be redacted from any such records before being made available to the public. The commission may also convene into executive session for the purpose of hearing that part of any testimony or evidence that will include information made private, confidential or privileged information by federal or state law.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-283. through § 2-300. (Reserved)

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Subdivision VIII
Enforcement Mechanisms

§ 2-301. Purpose and intent.

This Code of Ethics has been enacted to further the purposes stated in subdivision I, section 2-142, and to protect the city and the public from losses or increased costs incurred by the city that could result from violation of the standards provided in this Code of Ethics. It is the intent of the city council that this legislative enactment can and should be recognized by the courts as a proper basis for a civil cause of action by the city for damages or injunctive relief based upon a violation of its provisions, and that such form of redress should be available in addition to any penalty or remedy contained in this Code of Ethics or any other law. This Code of Ethics does not, however, create any claim or cause of action for or on behalf of any person, private party or legal entity other than the city. This Code of Ethics shall not be interpreted or construed as granting any cause of action to any third party, or the city waiving the defenses of sovereign immunity, qualified governmental immunity, or any other defense available to the city in law or in equity. In addition to other remedies provided by law, the following remedies are available with respect to violation of this code of ethics:
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-302. Disciplinary action.

City officers and employees who engage in conduct that violates this Code may be notified, warned, reprimanded, suspended, or removed from office or employment by the appointing authority, or by a person or body authorized by law to impose such remedies. Disciplinary action under this section may be imposed in addition to any other penalty or remedy contained in this code of ethics or any other law. If a violation is made by an elected officer and the applicable facts warrant consideration of removal the city council may order recall election for such an officer.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-303. Damages and injunctive relief.

This code of ethics has been enacted not only to further the purposes stated in section 2-142 (Statement of Purpose) of subdivision I, but to protect the city and any other person from any losses or increased costs incurred by the city or other person as a result of the violation of these provisions. It is the intent of the city that this legislative enactment can and should be recognized by a court as a proper basis for a civil cause of action for damages or injunctive relief based upon a violation of its provisions, and that such forms of redress should be available in addition to any other penalty or remedy contained in this Code of Ethics or any other law.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-304. Removal.

Any person, whether or not an officer or employee of the city, who violates any provision of this code of ethics for which any required statement has not been filed, or for which a statement on file is incorrect, misleading, or incomplete, constitutes a separate offense and

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may be removed from their employment by the city manager, or from their appointed position of the board or commission they serve by the city council.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-305. Prosecution for perjury.

Any person who files a false sworn statement under subdivision VI (Financial Disclosure) or subdivision VII (Ethics Commission) is subject to criminal prosecution for perjury under the laws of the State of Texas.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-306. Voiding or ratification of contract.

If an Ethics Commission finds that there has been a violation of any provision in section 2-171 through 2-179 of subdivision II(Present City officers and Employees), or section 2-201 or 2-202 of subdivision III (Former City officers and Employees), the city council must vote on whether to ratify or void the contract. Such action shall not affect the imposition of any penalty or remedy contained in this code of ethics or any other law.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-307. Disqualification from contracting.

(a) Any person (including business entities and non-profit entities) who intentionally or knowingly violates any provision of subdivision IV (Persons Doing Business with the City) may be prohibited by the city council from entering into any contract with the city for a period not to exceed three years.

(b) It is a violation of this code of ethics:

(1) For a person debarred from entering into a contract with the city to enter, or attempt to enter, into a contract with the city during the period of disqualification from contracting; or

(2) For a city officer or employee to knowingly assist a violation of subsection (b)(1) of this rule.

(c) Nothing in this section shall be construed to prohibit any person from receiving a service or benefit, or from using a facility which is generally available to the public, according to the same terms.

(d) A business entity or nonprofit entity may be disqualified from contract based on the conduct of an employee or agent, if the conduct occurred within the scope of the employment agency.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-308. Failure to report and penalty.

Any city officer or employee who has knowledge of a violation supported by evidence that an unreported violation of the Ethics Code has been committed and who intentionally fails to report such violation as provided in subdivision II, section 2-181 (Persons Required to Report;

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Time to Report) of this Code is subject to the penalties herein.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-309. through § 2-320. (Reserved)

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Subdivision IX
Administrative Provisions

§ 2-321. Other obligations.

This code of ethics is cumulative of and supplemental to applicable state and federal laws and regulations. Compliance with the provisions of this Code shall not excuse or relieve any persons from any obligation imposed by state or federal law regarding ethics, financial reporting, or any other issue addressed herein.

Even if a city officer or employee is not prohibited from taking official action by this code of ethics, action may be prohibited by duly promulgated personnel rules, which may be more stringent.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-322. Distribution and training.

(a) The ethics compliance officer shall provide information about the code to every officer and employee of the city, and copies of the code shall be made readily available to city officers, employees, and the public. Within 30 days after entering upon the duties of his or her position, every new officer or employee shall be furnished with a copy of this code of ethics. The failure of any person to receive a copy of this code shall have no effect on the person's duty to comply with this code or on the enforcement of its provisions. Upon appointment to a board or commission, such officer shall be provided with a copy of the Ethics Code.

(b) The ethics compliance officer, in consultation with the Ethics Commission, may develop educational materials and conduct educational programs for the officers and employees of the city on the provisions of this code of ethics, Sections 12.01 through 12.05 of the City Charter, and Chapter 171 of the Texas Local Government Code. Such materials and programs shall be designed to maximize understanding of the obligations imposed by these ethics laws.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023; Ordinance 1360 adopted 5/6/2025)

§ 2-323. Severability.

If any provision of this Code is found by a court of competent jurisdiction to be invalid or unconstitutional, or if the application of this Code to any person or circumstance is found to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions or applications of this Code which can be given effect without the invalid or unconstitutional provision or application.
(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

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§ 2-324. Financial disclosure report - form.

EXHIBIT A
CITY OF KYLE FINANCIAL DISCLOSURE REPORT

For Use Of This Form, See subdivision VI, section 2-251 Of The City Of Kyle Code of Ethics Ordinance

DO NOT LEAVE ANY BLOCK BLANK. ENTER "N/A" OR "NONE" ATTACH ADDITIONAL SHEETS IF NECESSARY

TYPE OF REPORT: ☐ INITIAL ☐ ANNUAL

PERIOD OF REPORT:	FROM: 1/1/2016	TO:

STATUS OF REPORTING PARTY: CHECK APPROPRIATE BOX AND FILL IN REQUIRED BLANK

☐ CITY OFFICIAL	BOARD/COMMISSION TITLE	
☐ CITY EMPLOYEE	JOB CLASS/DEPARTMENT	
☐ CANDIDATE (DO NOT COMPLETE)	OFFICE SOUGHT	
☐ ELECTED OFFICIAL	OFFICE HELD	

EACH INITIAL OR ANNUAL FINANCIAL DISCLOSURE REPORT SHALL DISCLOSE THE FOLLOWING INFORMATION:

(A) THE REPORTING PARTY'S NAME:

LAST NAME	FIRST NAME	MIDDLE NAME

(B) THE NAME OF ANY PERSON RELATED AS PARENT, ADULT CHILD, OR SPOUSE TO THE REPORTING PARTY:
(Pursuant to Section 552.024 of the Texas Public Information Act, home address, home telephone number, social security number, and information regarding family may be withheld by written request. See Attachment, Page 5).

PARENT	ADULT CHILD	SPOUSE

(C) THE NAME OF ANY MEMBER OF THE REPORTING PARTY'S HOUSEHOLD NOT DISCLOSED IN (B) ABOVE:
(See Attachment, Page 5)

NAME OF MEMBER	RELATIONSHIP

(D) THE NAME OF ANY EMPLOYER OF ANY PERSON DISCLOSED UNDER (A) OR (B) ABOVE:

REPORTING PARTY'S EMPLOYER	PARENT'S EMPLOYER (See Attachment, Page 5)	ADULT CHILD'S EMPLOYER (See Attachment, Page 5)	SPOUSE'S EMPLOYER (See Attachment, Page 5)

(E) THE NAME OF ANY BUSINESS ENTITY[1] (INCLUDING SELF EMPLOYMENT IN THE FORM OF A SOLE PROPRIETORSHIP UNDER A PERSONAL OR ASSUMED NAME) IN WHICH THE REPORTING PARTY OR HIS OR HER SPOUSE HOLDS AN ECONOMIC INTEREST[2]:

NAME OF BUSINESS ENTITY	TYPE OF ECONOMIC INTEREST

(F) THE NAME OF ANY BUSINESS WHICH THE REPORTING PARTY KNOWS IS A PARTNER, OR A PARENT OR SUBSIDIARY BUSINESS ENTITY, OF A BUSINESS ENTITY OWNED, OPERATED, OR MANAGED BY THE REPORTING PARTY OR HIS OR HER SPOUSE:

NAME OF BUSINESS	PARTNER OR A PARENT OR SUBSIDIARY	REPORTING PARTY OR HIS OR HER SPOUSE

(G) THE NAME OF ANY PERSON OR BUSINESS ENTITY FROM WHOM THE REPORTING PARTY OR HIS OR HER SPOUSE, DIRECTLY OR INDIRECTLY:
(1) HAS RECEIVED AND NOT REJECTED AN UNSOLICITED OFFER OF SUBSEQUENT EMPLOYMENT:

FROM WHOM OFFERED

OR
(2) HAS ACCEPTED AN OFFER OF SUBSEQUENT EMPLOYMENT WHICH IS BINDING OR EXPECTED BY THE PARTIES TO BE CARRIED OUT:

FROM WHOM OFFERED

(H) THE NAME OF EACH NONPROFIT ENTITY OR BUSINESS ENTITY IN WHICH THE REPORTING PARTY SERVES AS AN OFFICER OR DIRECTOR, OR IN ANY OTHER POLICY MAKING POSITION:

NAME OF NONPROFIT ENTITY OR BUSINESS ENTITY	TITLE OF POLICY MAKING POSITION

(I) THE NAME OF EACH BUSINESS ENTITY WHICH HAS SOUGHT CITY BUSINESS, HAS A CURRENT CITY CONTRACT OR ANTICIPATES SEEKING CITY BUSINESS IN WHICH ANY INDIVIDUAL LISTED IN (A) OR (B) IS KNOWN TO DIRECTLY OR INDIRECTLY OWN:

(1) ONE (1%) PERCENT OR MORE OF THE CAPITAL STOCK OF A CORPORATION:

NAME OF BUSINESS ENTITY	SOUGHT/HAS CONTRACT

OR
(2) TEN (10%) PERCENT OR MORE OF THE VOTING STOCK OR SHARES OF THE BUSINESS ENTITY:

NAME OF BUSINESS ENTITY	SOUGHT/HAS CONTRACT

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OR:

(3) TEN (10%) PERCENT OR MORE OF THE FAIR MARKET VALUE OF THE BUSINESS ENTITY:

NAME OF BUSINESS ENTITY	SOUGHT/HAS CONTRACT

(J) THE NAME OF ANY BUSINESS ENTITY OF WHICH ANY INDIVIDUAL OR ENTITY DISCLOSED UNDER (A) OR (I) IS KNOWN TO BE (1) A SUBCONTRACTOR ON A CITY CONTRACT; (2) A PARTNER; OR (3) A PARENT OR SUBSIDIARY BUSINESS ENTITY:

NAME OF BUSINESS ENTITY	SUBCONTRACTOR/PARTNER/PARENT

(K) THE NAME OF EACH SOURCE OF INCOME, OTHER THAN DIVIDENDS OR INTEREST, AMOUNTING TO MORE THAN FIVE THOUSAND DOLLARS ($5000) RECEIVED DURING THE REPORTING PERIOD BY THE REPORTING PARTY OR HIS OR HER SPOUSE, UNLESS THAT SOURCE HAS BEEN DISCLOSED UNDER (A) THROUGH (J):

NAME OF SOURCE OF INCOME RECEIVED BY REPORTING PARTY OR SPOUSE

(L) THE IDENTIFICATION BY STREET ADDRESS, OR LEGAL OR LOT-AND-BLOCK DESCRIPTION, OF ALL REAL PROPERTY* LOCATED IN HAYS COUNTY, TEXAS IN WHICH THE REPORTING PARTY OR HIS OR HER SPOUSE HAS A LEASEHOLD INTEREST, A CONTRACTUAL RIGHT TO PURCHASE, OR AN INTEREST AS: FEE SIMPLE OWNER; BENEFICIAL OWNER; PARTNERSHIP OWNER; JOINT OWNER WITH AN INDIVIDUAL OR CORPORATION; OR OWNER OF MORE THAN TWENTY-FIVE (25) PERCENT OF A CORPORATION THAT HAS TITLE TO REAL PROPERTY.

*THERE IS NO REQUIREMENT TO LIST ANY PROPERTY:

(1) USED AS A PERSONAL RESIDENCE OF A PEACE OFFICER;

(2) OVER WHICH THE REPORTING PARTY HAS NO DECISION POWER CONCERNING ACQUISITIONS OR SALE; OR

(3) HELD THROUGH A REAL ESTATE INVESTMENT TRUST, MUTUAL FUND, OR SIMILAR ENTITY, UNLESS THE REPORTING PARTY OR HIS OR HER SPOUSE PARTICIPATES IN THE MANAGEMENT THEREOF;

TEXAS PUBLIC INFORMATION ACT ALSO APPLIES TO HOME ADDRESSES (See Attachment, Page 3). LIST ALL OTHER INFORMATION FOR BLOCK L HERE.

IDENTIFICATION BY STREET ADDRESS, OR LEGAL OR LOT-AND-BLOCK DESCRIPTION	TYPE INTEREST/RIGHT/OWNERSHIP

*ATTACH ADDITIONAL SHEETS IF NECESSARY.

(M) THE NAME OF PERSONS OR ENTITIES TO WHOM THE REPORTING PARTY OR SPOUSE OWES AN UNSECURED DEBT OF MORE THAN FIVE THOUSAND DOLLARS ($5,000.00). DO NOT INCLUDE DEBTS FOR:

(1) MONEY BORROWED FROM A FAMILY MEMBER FROM HIS OR HER OWN RESOURCES; AND

(2) REVOLVING CHARGE ACCOUNTS.

NAME OF PERSON OR ENTITY TO WHOM OWED	AMOUNT

(N) THE NAME OF EACH PERSON, BUSINESS ENTITY, OR OTHER ORGANIZATION FROM WHOM THE REPORTING PARTY, OR HIS OR HER SPOUSE, RECEIVED A GIFT WITH AN ESTIMATED FAIR MARKET VALUE IN EXCESS OF ONE HUNDRED DOLLARS ($100) DURING THE REPORTING PERIOD AND THE ESTIMATED FAIR MARKET VALUE OF EACH GIFT*.

GIFT, "GIFT" MEANS A VOLUNTARY TRANSFER OF PROPERTY (INCLUDING THE PAYMENT OF MONEY) OR THE CONFERRAL OF A BENEFIT HAVING PECUNIARY VALUE (SUCH AS THE RENDITION OF SERVICES OR THE FORBEARANCE OF COLLECTION ON A DEBT), UNLESS CONSIDERATION OF EQUAL OR GREATER VALUE IS RECEIVED BY THE DONOR.

EXCLUDED FROM THIS REQUIREMENT ARE:

(1) LAWFUL CAMPAIGN CONTRIBUTIONS WHICH ARE REPORTED AS REQUIRED BY STATE STATUTE;

(2) GIFTS RECEIVED FROM FAMILY MEMBERS WITHIN THE SECOND DEGREE OF AFFINITY OR CONSANGUINITY;

(3) GIFTS RECEIVED AMONG AND BETWEEN FELLOW CITY EMPLOYEES AND CITY OFFICIALS; AND

(4) ADMISSION TO EVENTS IN WHICH THE REPORTING PARTY PARTICIPATED IN CONNECTION WITH OFFICIAL DUTIES.

NAME OF EACH PERSON, BUSINESS ENTITY, OR OTHER ORGANIZATION	ESTIMATED FAIR MARKET VALUE

*ATTACH ADDITIONAL SHEETS, IF NECESSARY.

ADDITIONAL SHEETS ☐ HAVE, ☐ HAVE NOT BEEN ATTACHED TO THIS REPORT.

OATH

I swear or affirm that the statements contained in this Financial Disclosure Report (including any accompanying supplements) to the best of my knowledge and belief are true, correct, and complete.

_____
SIGNATURE OF INDIVIDUAL COMPLETING REPORT

SWORN TO AND SUBSCRIBED BEFORE ME BY _____
PRINTED NAME OF INDIVIDUAL COMPLETING REPORT

ON THIS _____ DAY OF _____, 2017, TO CERTIFY WHICH, WITNESS MY HAND AND SEAL.

SEAL OF THE NOTARY PUBLIC SIGNATURE OF THE NOTARY PUBLIC

ATTACHMENT

The Texas Government Code, Section 552.117 excepts from disclosure the home addresses, telephone numbers, social security numbers, and family information of current or former officials or employees of a government body who request that this information be kept confidential.

This information will not be released if you have previously indicated this in writing. If an open records request is filed requesting to view or obtain a copy of this form, the request will be referred to the Texas Attorney General's office for a ruling. However, as required in the City of Kyle Ethics Ordinance, this information must be provided for our files.

(B) THE NAME OF ANY PERSON RELATED AS PARENT, CHILD (NO MINORS), OR SPOUSE TO THE REPORTING PARTY:

PARENT	CHILD	SPOUSE

(C) THE NAME OF ANY MEMBER OF THE REPORTING PARTY'S HOUSEHOLD NOT DISCLOSED IN (B) ABOVE:

NAME OF MEMBER	RELATIONSHIP

(D) THE NAME OF ANY EMPLOYER OF ANY PERSON DISCLOSED UNDER (A) OR (B) ABOVE:

REPORTING PARTY'S EMPLOYER	PARENT'S EMPLOYER	CHILD'S EMPLOYER	SPOUSE'S EMPLOYER

Use the "L" block below if you have to report your home address in this section but have elected that it be protected from disclosure under the Texas Public Information Act.

(L) BY STREET ADDRESS, OR LEGAL OR LOT-AND-BLOCK DESCRIPTION, OF ALL REAL PROPERTY* LOCATED IN THE STATE OF TEXAS IN WHICH THE REPORTING PARTY OR HIS OR HER SPOUSE HAS A LEASEHOLD INTEREST, A CONTRACTUAL RIGHT TO PURCHASE, OR AN INTEREST AS: FEE SIMPLE OWNER; BENEFICIAL OWNER; PARTNERSHIP OWNER; JOINT OWNER WITH AN INDIVIDUAL OR CORPORATION; OR OWNER OF MORE THAN TWENTY-FIVE (25) PERCENT OF A CORPORATION THAT HAS TITLE TO REAL PROPERTY.

IDENTIFICATION BY STREET ADDRESS, OR LEGAL OR LOT-AND-BLOCK DESCRIPTION	TYPE INTEREST/RIGHT/OWNERSHIP

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1 Business Entity. "Business entity" means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

2 Economic Interest. "Economic interest" includes, but is not limited to, legal or equitable property interests in land, chattels, and intangibles, and contractual rights having more than de minimis value. Service by a city official or employee as an officer, director, advisor, or otherwise active participant in an educational, religious, charitable, fraternal, or civic organization does not create for that city official or employee an economic interest in the property of the organization. Ownership of an interest in a mutual or common investment fund that holds securities or other assets is not an economic interest in such securities or other assets unless the person in question participates in the management of the fund.

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

§ 2-325. Short Form Annual Report - Form.

EXHIBIT B
SHORT FORM ANNUAL REPORT

TYPE OF REPORT: ANNUAL SHORT FORM
PERIOD OF REPORT: FROM: TO:
STATUS OF REPORTING PARTY: CHECK APPROPRIATE BOX AND FILL IN REQUIRED BLANK

☐ CITY OFFICIAL	BOARD/COMMISSION TITLE	
☐ CITY EMPLOYEE	JOB CLASS/DEPARTMENT	
☐ CANDIDATE (BLANK IF COMPLETED)	OFFICE SOUGHT	
☐ ELECTED OFFICIAL	OFFICE HELD	

OATH

I swear or affirm that there have been no material changes in the information provided in my previously submitted report filed on _____ [date] and the statements contained in that Financial Disclosure Report (including any accompanying supplements) to the best of my knowledge and belief are true, correct, and complete.

SIGNATURE OF INDIVIDUAL COMPLETING REPORT

SWORN TO AND SUBSCRIBED BEFORE ME BY _____
PRINTED NAME OF INDIVIDUAL COMPLETING REPORT

ON THIS_____ DAY OF _____, 20___. TO CERTIFY WHICH, WITNESS MY HAND AND SEAL

SEAL OF THE NOTARY PUBLIC SIGNATURE OF THE NOTARY PUBLIC

(Ordinance 1279, § 4(Exh. 3), adopted 9/5/2023)

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§ 2-326. Ethics violation complaint form.

City of Kyle Ethics Commission
Ethics Violation Complaint Form

Exhibit C

*All fields **MUST** be completed and **NOTARIZED** for complaint to be considered.*

Complainant Information:

Name: (please print)
Address:
Phone number:
Fax number/email address:

Who is the complaint against:

Name:
Position with City:

Specify what law you allege was violated:

☐ City Ethics Ordinance, Section(s)
☐ State Conflict of Interest Statute (Local Government Code Chapter 171)
☐ City Charter, Section(s)

Briefly state in your own words the facts that lead you to believe a violation has occurred. You must include dates or the period of time in which the alleged violation occurred. If your complaint is based on information and belief, then you must state the source and basis of the information and belief. You may add additional lines as necessary to complete this section:

MUST COMPLETE PAGE 2

Please attach a copy of all documents upon which you are relying as a basis for this complaint.

By submitting this complaint, you acknowledge the following:

1. I have reviewed a copy of the City Ethics Ordinance.
2. I may be asked to appear at a hearing to present evidence to establish the alleged violation.
3. I understand that knowingly providing false statements in the complaint, or in proceedings before the ethics commission, are subject to criminal prosecution for perjury or civil liability for the tort of abuse of process.
4. I swear or affirm that the information contained in the complaint is either true and correct or that you have good reason to believe and do believe that the facts alleged constitute a violation of the ethics code.
5. When completed submit your form by mail to the City Secretary, 100 W. Center Street, Kyle, TX 78640 or by e-mail to the current City Secretary.

Signature Date

State of Texas :
County of Hays :

SWORN TO UNDER OATH before me, the undersigned authority, on the _____day of _____, 20____.

Notary Public in and for the State of Texas

City Secretary Use Only

Date complaint received: _____ Person receiving complaint:_____

revised November 2022

§ 2-327. through § 2-376. (Reserved)

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2-50
Prescribed by Secretary of State
Section 141.031, Chapters 143 and 144, Texas Election Code; Section 11.055, Texas Education Code
07/2025

APPLICATION FOR A PLACE ON THE BALLOT FOR A SPECIAL ELECTION FOR A CITY, SCHOOL DISTRICT OR OTHER POLITICAL SUBDIVISION

ALL INFORMATION IS REQUIRED TO BE PROVIDED UNLESS INDICATED AS OPTIONAL[1] Failure to provide required information may result in rejection of application.

APPLICATION FOR A PLACE ON THE City of Kyle December 12, 2026 **SPECIAL ELECTION BALLOT**
(name of election)

TO: City Secretary/Secretary of Board

I request that my name be placed on the above-named official ballot as a candidate for the office indicated below.

OFFICE SOUGHT (Include any place number or other distinguishing number, if any.)	**INDICATE TERM**
City Council District 3	☐ FULL ☒ UNEXPIRED

FULL NAME (First, Middle, Last)	**PRINT NAME AS YOU WANT IT TO APPEAR ON THE BALLOT***

PERMANENT RESIDENCE ADDRESS (Do not include a P.O. Box or Rural Route. If you do not have a residence address, describe location of residence.)	**PUBLIC MAILING ADDRESS** (Address for which you receive campaign related correspondence, if available.)

CITY	**STATE**	**ZIP**	**CITY**	**STATE**	**ZIP**

PUBLIC EMAIL ADDRESS (Address for which you receive campaign related emails, if available.)	**OCCUPATION (Do not leave blank)**	**DATE OF BIRTH**	**VOTER REGISTRATION VUID NUMBER[2] (Optional)**
		/ /	

TELEPHONE CONTACT INFORMATION (Optional)

Home: Office: Cell:

FELONY CONVICTION STATUS (You MUST check one)	**LENGTH OF CONTINUOUS RESIDENCE AS OF DATE THIS APPLICATION WAS SWORN**	
☐ I have not been finally convicted of a felony.	**IN THE STATE OF TEXAS**	**IN TERRITORY/DISTRICT/PRECINCT FROM WHICH THE OFFICE SOUGHT IS ELECTED**
☐ I have been finally convicted of a felony, but I have been pardoned or otherwise released from the resulting disabilities of that felony conviction and I have provided proof of this fact with the submission of this application.[3]	_____ year(s) _____ month(s)	_____ year(s) _____ month(s)

This Box Must ONLY be Completed by Candidates for School District Board of Trustees
Check the Box Below:

☐ I am aware that I am not eligible to serve as a trustee of an independent school district if I am required to register as a sex offender under Chapter 62, Code of Criminal Procedure.

*If using a nickname as part of your name to appear on the ballot, you are also signing and swearing to the following statements: I further swear that my nickname does not constitute a slogan or contain a title, nor does it indicate a political, economic, social, or religious view or affiliation. I have been commonly known by this nickname for at least three years prior to this election. Please review sections 52.031, 52.032 and 52.033 of the Texas Election Code regarding the rules for how names may be listed on the official ballot.

Before me, the undersigned authority, on this day personally appeared (name of candidate)_____, who being by me here and now duly sworn, upon oath says:
"I, (name of candidate) _____, of the City of Kyle in Hays County, Texas, being a candidate for the office of City Council District 3, swear that I will support and defend the Constitution and laws of the United States and of the State of Texas. I am a citizen of the United States eligible to hold such office under the constitution and laws of this state. I have not been determined by a final judgment of a court exercising probate jurisdiction to be totally mentally incapacitated or partially mentally incapacitated without the right to vote. I am aware of the nepotism law, Chapter 573, Government Code. I am aware that I must disclose any prior felony conviction, and if so convicted, must provide proof that I have been pardoned or otherwise released from the resulting disabilities of any such final felony conviction. I am aware that knowingly providing false information on the application regarding my possible felony conviction status constitutes a Class B misdemeanor. I further swear that the foregoing statements included in my application are in all things true and correct."

X _____
SIGNATURE OF CANDIDATE

Sworn to and subscribed before me this the _____ day of _____, _____, by _____.
(day) (month) (year) (name of candidate)

_____
Signature of Officer Authorized to Administer Oath[4]

_____
Printed Name of Officer Authorized to Administer Oath

_____
Title of Officer Authorized to Administer Oath

Notarial or Official Seal

TO BE COMPLETED BY FILING OFFICER: THIS APPLICATION IS ACCOMPANIED BY THE REQUIRED FILING FEE (If Applicable) PAID BY:
☐ CASH ☐ CHECK ☐ MONEY ORDER ☐ CASHIERS CHECK OR ☐ PETITION IN LIEU OF A FILING FEE.

This document and $_____ filing fee or a nominating petition of _____ pages received. ☐ **Voter Registration Status Verified**

_____/_____/_____ _____/_____/_____ **(See Section 1.007)** _____
Date Received Date Accepted Signature of Filing Officer or Designee

Print Reset

INSTRUCTIONS

A special election can be used to fill a vacancy only if authorized by law.

An application for a special election may not be filed until after the election is ordered. The filing deadline is governed by Section 201.054 of the Texas Election Code, and by the date the special election was ordered. The filing deadline should be stated in the election order. Please review the Secretary of State's current election law calendars for Section 201.054 deadlines.

If you have questions about the application, please contact the Secretary of State's Elections Division at 800-252-8683.

NEPOTISM LAW

The candidate must sign this statement indicating his awareness of the nepotism law. When a candidate signs the application, it is an acknowledgment that the candidate is aware of the nepotism law. The nepotism prohibitions of chapter 573, Government Code, are summarized below:

No officer may appoint, or vote for or confirm the appointment or employment of any person related within the second degree by affinity (marriage) or the third degree by consanguinity (blood) to himself, or to any other member of the governing body or court on which he serves when the compensation of that person is to be paid out of public funds or fees of office. However, nothing in the law prevents the appointment, voting for, or confirmation of anyone who has been continuously employed in the office or employment for the following period prior to the election or appointment of the officer or member related to the employee in the prohibited degree: six months, if the officer or member is elected at an election other than the general election for state and county officers.

No candidate may take action to influence an employee of the office to which the candidate is seeking election or an employee or officer of the governmental body to which the candidate is seeking election regarding the appointment or employment of a person related to the candidate in a prohibited degree as noted above. This prohibition does not apply to a candidate's actions with respect to a bona fide class or category of employees or prospective employees.

FOOTNOTES

[1]An application for a place on the ballot, including any accompanying petition, is public information immediately on its filing. (Section 141.035, Texas Election Code)

[2]Inclusion of a candidate's VUID is optional. However, many candidates are required to be registered voters in the territory from which the office is elected at the time of the filing deadline. Please visit the Elections Division of the Secretary of State's website for additional information.

[3]Proof of release from the resulting disabilities of a felony conviction would include proof of judicial clemency under Texas Code of Criminal Procedure 42A.701, proof of executive pardon under Texas Code of Criminal Procedure 48.01, or proof of a restoration of rights under Texas Code of Criminal Procedure 48.05. (Texas Attorney General Opinion KP-0251)

<u>One of the following documents must be submitted with this application:</u>

Judicial Clemency under Texas Code of Criminal Procedure 42A.701
Executive Pardon under Texas Code of Criminal Procedure 48.01
Restoration of Rights under Texas Code of Criminal Procedure 48.05

[4]All oaths, affidavits, or affirmations made within this State may be administered and a certificate of the fact given by a judge, clerk, or commissioner of any court of record, a notary public, a justice of the peace, city secretary (for a city office), and the Secretary of State of Texas. See Chapter 602 of the Texas Government Code for the complete list of persons authorized to administer oaths.

2-50
Prescribed by Secretary of State
Section 141.031, Chapters 143 and 144, Texas Election Code; Section 11.055, Texas Education Code
07/2025

SOLICITUD DE INSCRIPCIÓN EN LA BOLETA DE UNA ELECCIÓN ESPECIAL PARA UNA CIUDAD, DISTRITO ESCOLAR U OTRA SUBDIVISIÓN POLÍTICA

TODA LA INFORMACIÓN ES REQUERIDA A MENOS QUE SE INDIQUE COMO OPCIONAL[1]

El hecho de no proporcionar la información requerida puede resultar en el rechazo de la solicitud.

SOLICITUD DE INSCRIPCIÓN EN LA BOLETA DE UNA ELECCIÓN ESPECIAL PARA Ciudad de Kyle, 12 de deciembre de 2026
(nombre de la elección)

Para: Secretario(a) de la Ciudad/ Secretario(a) del Consejo

Solicito que mi nombre se incluya en la boleta oficial mencionada anteriormente como candidato(a) para el cargo indicado a continuación.

CARGO SOLICITADO (Incluya cualquier número de cargo u otro número distintivo, si lo hay.) Miembro del Consejo Distrito 3	**INDIQUE TÉRMINO** ☐ TÉRMINO COMPLETO ☒ TÉRMINO INCOMPLETO
NOMBRE COMPLETO (Primer Nombre, Segundo Nombre, Apellido)	**ESCRIBA SU NOMBRE COMO DESEA QUE APAREZCA EN LA BOLETA***
DIRECCIÓN DE RESIDENCIA PERMANENTE (No incluya un apartado postal o una ruta rural. Si usted no tiene una dirección de residencia, describa la ubicación de la residencia.)	**DIRECCIÓN DE CORREO PÚBLICO** (Dirección en la que recibe la correspondencia relacionada con la campaña, si está disponible.)

CIUDAD	ESTADO	CÓDIGO POSTAL	CIUDAD	ESTADO	CÓDIGO POSTAL

DIRECCIÓN DE CORREO ELECTRÓNICO PÚBLICO (Dirección donde recibe correo electrónico relacionado con la campaña, si está disponible.)	OCUPACIÓN (No deje este espacio en blanco)	FECHA DE NACIMIENTO / /	VUID – NÚMERO ÚNICO DE IDENTIFICACIÓN DE VOTANTE[2] (Opcional)

INFORMACIÓN DE CONTACTO TELEFÓNICO (Opcional)
Hogar: Trabajo: Celular:

ESTADO DE CONDENA POR DELITO GRAVE (DEBE marcar uno)	DURACIÓN DE RESIDENCIA CONTINUA A PARTIR DE LA FECHA EN QUE ESTA SOLICITUD FUE JURADA	
☐ No he sido finalmente condenado por un delito grave. ☐ He sido finalmente condenado por un delito grave, pero he sido indultado o liberado de otro modo de las discapacidades resultantes de esa condena por delito grave y he proporcionado prueba de este hecho con la presentación de esta solicitud.[3]	**EN EL ESTADO DE TEXAS** _____ año(s) _____ mes(es)	**EN EL PRECINTO DEL QUE SE ELIGE EL CARGO BUSCADO** _____ año(s) _____ mes(es)

Esta casilla SÓLO debe ser rellenada por los candidatos para la Junta Directiva del Distrito Escolar

Marque la casilla a continuación:

☐ Reconozco que no soy elegible para servir como fideicomisario de un distrito escolar independiente si estoy obligado a registrarme como delincuente sexual conforme al Capítulo 62 del Código de Procedimiento Penal.

*Si usa un apodo como parte de su nombre para aparecer en la boleta, también está firmando y jurando las siguientes declaraciones: Juro además que mi apodo no constituye un lema ni contiene un título, ni indica un punto de vista o afiliación política, económica, social o religiosa. He sido comúnmente conocido por este apodo durante al menos tres años antes de esta elección. Por favor, revise las secciones 52.031, 52.032 y 52.033 del Código Electoral de Texas con respecto a las reglas sobre cómo se pueden incluir los nombres en la boleta oficial.

Ante mí, la autoridad abajo firmante, en este día apareció personalmente (nombre del candidato)_____, quien estando a mi lado aquí y ahora debidamente juramentado, bajo juramento dice:
"Yo, (nombre del candidato) _____, del condado de Hays, en la Ciudad de Kyle, Texas, siendo candidato para el cargo de Miembro del Consejo Distrito 3, juro que apoyaré y defenderé la Constitución y las leyes de los Estados Unidos y del Estado de Texas. Soy un ciudadano de los Estados Unidos elegible para ocupar dicho cargo según la Constitución y las leyes de este estado. No se me ha determinado por un fallo final de una corte que ejerce la jurisdicción testamentaria que esté totalmente incapacitado mentalmente o parcialmente incapacitado sin derecho a voto. Soy consciente de la ley de nepotismo según el Capítulo 573 del Código de Gobierno. Soy consciente de que debo divulgar cualquier condena previa de un delito grave y, si he sido condenado, debo proporcionar prueba de que he sido indultado o liberado de otro modo de las discapacidades resultantes de dicha condena final por delito grave. Soy consciente de que proporcionar a sabiendas información falsa en la solicitud con respecto a mi posible estado de condena por delito grave constituye un delito menor de Clase B. Juro además que las declaraciones anteriores incluidas en mi solicitud son, en todos los aspectos, verdaderas y correctas."

X _____
FIRMA DEL CANDIDATO

Jurado y suscrito ante mí este día _____ de_____ del _____por _____.
(día) (mes) (año) (nombre de candidato)

_____
Firma del oficial autorizado para administrar el juramento[4]

_____
Nombre de oficial autorizado para administrar juramentos en letra de molde

_____
Título del oficial autorizado para administrar el juramento

Notarial o sello oficial

TO BE COMPLETED BY FILING OFFICER: THIS APPLICATION IS ACCOMPANIED BY THE REQUIRED FILING FEE (If Applicable) PAID BY:
☐ CASH ☐ CHECK ☐ MONEY ORDER ☐ CASHIERS CHECK OR ☐ PETITION IN LIEU OF A FILING FEE.

This document and $_____ filing fee or a nominating petition of _____ pages received. ☐ **Voter Registration Status Verified**

_____/_____/_____ _____/_____/_____ **(See Section 1.007)** _____
Date Received Date Accepted Signature of Filing Officer or Designee

Imprimir Limpiar

INSTRUCCIONES

Una elección especial se puede utilizar para cubrir una vacante solo si lo autoriza por la ley.

Una solicitud para una elección especial no puede ser presentada hasta después de que se ordene la elección. La fecha límite de presentación se rige por la Sección 201.054 del Código Electoral de Texas y por la fecha en que se ordenó la elección especial. La fecha límite de presentación debe indicarse en la orden de elección. Por favor, revise los calendarios actuales de la ley electoral del Secretario de Estado para la fechas límite de la Sección 201.054.

Si tiene preguntas sobre la solicitud, por favor póngase en contacto con la División de Elecciones del Secretario de Estado llamando al 800-252-8683.

LEY DE NEPOTISMO

El candidato debe firmar esta declaración indicando su conocimiento de la ley del nepotismo. Cuando un candidato firma la solicitud, es un reconocimiento de que el candidato conoce la ley del nepotismo. Las prohibiciones de nepotismo del capítulo 573, Código de Gobierno, se resumen a continuación:

Ningún funcionario puede nombrar, votar o confirmar el nombramiento o empleo de cualquier persona emparentada dentro del segundo grado por afinidad (matrimonio) o del tercer grado por consanguinidad (sangre) con sí mismo, o con cualquier otro miembro del órgano de gobierno o tribunal en el que se desempeña cuando la compensación de esa persona debe pagarse con fondos públicos o honorarios del cargo. Sin embargo, nada en la ley impide el nombramiento, la votación o la confirmación de cualquier persona que haya estado empleada continuamente en la oficina o el empleo durante el período siguiente antes de la elección o el nombramiento del funcionario o miembro emparentado con el empleado en el grado prohibido: (a) seis meses, si el funcionario o miembro es elegido en una elección que no sea la elección general para funcionarios estatales y del condado.

Ningún candidato puede tomar medidas para influir en un empleado del cargo al que aspira a ser elegido o en un empleado o funcionario del organismo gubernamental al que aspira a ser elegido en relación con el nombramiento o el empleo de una persona emparentada con el candidato en un grado prohibido, tal como se ha indicado anteriormente. Esta prohibición no se aplica a las acciones de un candidato con respecto a una clase o categoría de buena fe de empleados o empleados prospectos.

NOTAS

[1]Una solicitud para un lugar en la boleta electoral, incluida cualquier petición que la acompañe, es información pública inmediatamente después de su presentación. (Sección 141.035, Código Electoral de Texas)

[2]La inclusión del número único de identificación de votante (VUID, por sus siglas en Ingles) es opcional. Sin embargo, a muchos candidatos se les exige que estén registrados como votantes en el territorio desde el cual se elige el cargo en el momento de la fecha límite de presentación. Por favor, visite el sitio web de la Division de Elecciones de la Secretaría de Estado para obtener información adicional.

[3]La prueba de liberación de las discapacidades resultantes de una condena por un delito grave incluiría prueba de clemencia judicial según el Código de Procedimiento Penal de Texas 42A.701, prueba de indulto ejecutivo según el Código de Procedimiento Penal de Texas 48.01, o prueba de una restauración de derechos según el Código de Procedimiento Penal de Texas 48.05. (Opinión de Fiscal General de Texas KP-0251)

Se debe enviar uno de los siguientes documentos con esta solicitud:

Clemencia judicial según el Código de Procedimiento Penal de Texas 42A.701
Prueba de indulto ejecutivo según el Código de Procedimiento Penal de Texas 48.01
Prueba de una restauración de derechos según el Código de Procedimiento Penal de Texas 48.05

[4]Todos lo los juramentos, declaraciones juradas o afirmaciones hechas dentro de este estado pueden ser administrados y un certificado del hecho dado por un juez, secretario(a) o comisionado de cualquier tribunal de registro, un notario público, un juez de paz, secretario municipal (para una oficina de la ciudad) y el Secretario de Estado de Texas. Consulte el Capítulo 602 del Código Gobierno de Texas para obtener la lista completa de personas autorizadas a administrar juramentos.

APPOINTMENT OF A CAMPAIGN TREASURER BY A CANDIDATE

FORM CTA
PG 1

See CTA Instruction Guide for detailed instructions.

1 Total pages filed:

OFFICE USE ONLY

Filer ID #

Date Received

Date Hand-delivered or Postmarked

Receipt # | Amount $

Date Processed

Date Imaged

2 CANDIDATE NAME	MS / MRS / MR	FIRST			MI	
	NICKNAME	LAST			SUFFIX	
3 CANDIDATE MAILING ADDRESS	ADDRESS / PO BOX;	APT / SUITE #;	CITY;	STATE;	ZIP CODE	
4 CANDIDATE PHONE	AREA CODE ( )	PHONE NUMBER		EXTENSION		
5 OFFICE HELD (if any)						
6 OFFICE SOUGHT (if known)						
7 CAMPAIGN TREASURER NAME	MS/MRS/MR	FIRST	MI	NICKNAME	LAST	SUFFIX
8 CAMPAIGN TREASURER STREET ADDRESS (residence or business)	STREET ADDRESS;	APT / SUITE #;	CITY;	STATE;	ZIP CODE	
9 CAMPAIGN TREASURER PHONE	AREA CODE ( )	PHONE NUMBER		EXTENSION		

10 CANDIDATE SIGNATURE

I am aware of the Nepotism Law, Chapter 573 of the Texas Government Code.

I am aware of my responsibility to file timely reports as required by title 15 of the Election Code.

I am aware of the restrictions in title 15 of the Election Code on contributions from corporations and labor organizations.

Signature of Candidate

Date Signed

GO TO PAGE 2

CANDIDATE MODIFIED REPORTING DECLARATION

11 CANDIDATE NAME	
12 MODIFIED REPORTING DECLARATION	

COMPLETE THIS SECTION ONLY IF YOU ARE CHOOSING MODIFIED REPORTING

•• This declaration must be filed no later than the 30th day before the first election to which the declaration applies. ••

•• The modified reporting option is valid for one election cycle only. ••
(An election cycle includes a primary election, a general election, and any related runoffs.)

• Candidates for the office of state chair of a political party may NOT choose modified reporting. ••

I do not intend to accept more than $1,140 in political contributions or make more than $1,140 in political expenditures (excluding filing fees) in connection with any future election within the election cycle. I understand that if either one of those limits is exceeded, I will be required to file pre-election reports and, if necessary, a runoff report.

_____
Year of election(s) or election cycle to which declaration applies

_____
Signature of Candidate

This appointment is effective on the date it is filed with the appropriate filing authority.

TEC Filers may send this form to the TEC electronically at treasappoint@ethics.state.tx.us
or mail to
Texas Ethics Commission
P.O. Box 12070
Austin, TX 78711-2070

Non-TEC Filers must file this form with the local filing authority
DO NOT SEND TO TEC

For more information about where to file go to:
https://www.ethics.state.tx.us/filinginfo/QuickFileAReport.php

TEXAS ETHICS COMMISSION

APPOINTMENT OF A CAMPAIGN TREASURER BY A CANDIDATE

FORM CTA--INSTRUCTION GUIDE

Revised January 1, 2026

Texas Ethics Commission, P.O. Box 12070, Austin, Texas 78711
www.ethics.state.tx.us
(512) 463-5800 • TDD (800) 735-2989
Promoting Public Confidence in Government

FORM CTA—INSTRUCTION GUIDE

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APPOINTMENT OF A CAMPAIGN TREASURER BY A CANDIDATE

GENERAL INSTRUCTIONS

These instructions are for the APPOINTMENT OF A CAMPAIGN TREASURER BY A CANDIDATE (Form CTA). Use Form CTA only for appointing your campaign treasurer. Use the AMENDMENT (Form ACTA) for changing information previously reported on Form CTA and for renewing your choice to report under the modified schedule. Note: Candidates for most judicial offices use Form JCTA to file a campaign treasurer appointment.

DUTIES OF A CANDIDATE OR OFFICEHOLDER

As a candidate or officeholder, you alone, not the campaign treasurer, are responsible for filing this form and all candidate/officeholder reports of contributions, expenditures, and loans. Failing to file a report on time or filing an incomplete report may subject you to criminal or civil penalties.

QUALIFICATIONS OF CAMPAIGN TREASURER

A person is ineligible for appointment as a campaign treasurer if the person is the campaign treasurer of a political committee that has outstanding filing obligations (including outstanding penalties). This prohibition does not apply if the committee in connection with which the ineligibility arose has not accepted more than $5,000 in political contributions or made more than $5,000 in political expenditures in any semiannual reporting period. A person who violates this prohibition is liable for a civil penalty not to exceed three times the amount of political contributions accepted or political expenditures made in violation of this provision. Note: A candidate may appoint himself or herself as his or her own campaign treasurer.

DUTIES OF A CAMPAIGN TREASURER

State law does not impose any obligations on a candidate's campaign treasurer.

REQUIREMENT TO FILE BEFORE BEGINNING A CAMPAIGN

If you plan to run for a public office in Texas (except for a federal office), you must file this form when you become a candidate even if you do not intend to accept campaign contributions or make campaign expenditures. A "candidate" is a person who knowingly and willingly takes affirmative action for the purpose of gaining nomination or election to public office or for the purpose of satisfying financial obligations incurred by the person in connection with the campaign for nomination or election. Examples of affirmative action include:

(A) the filing of a campaign treasurer appointment, except that the filing does not constitute candidacy or an announcement of candidacy for purposes of the automatic resignation provisions of Article XVI, Section 65, or Article XI, Section 11, of the Texas Constitution;

(B) the filing of an application for a place on the ballot;

(C) the filing of an application for nomination by convention;

(D) the filing of a declaration of intent to become an independent candidate or a declaration of write-in candidacy;

(E) the making of a public announcement of a definite intent to run for public office in a particular election, regardless of whether the specific office is mentioned in the announcement;

(F) before a public announcement of intent, the making of a statement of definite intent to run for public office and the soliciting of support by letter or other mode of communication;

(G) the soliciting or accepting of a campaign contribution or the making of a campaign expenditure; and

(H) the seeking of the nomination of an executive committee of a political party to fill a vacancy.

Additionally, the law provides that you must file this form before you may accept a campaign contribution or make or authorize a campaign expenditure, including an expenditure from your personal funds. A filing fee paid to a filing authority to qualify for a place on a ballot is a campaign expenditure that may not be made before filing a campaign treasurer appointment form with the proper filing authority.

If you are an officeholder, you may make officeholder expenditures and accept officeholder contributions without having a campaign treasurer appointment on file. If you do not have a campaign treasurer appointment on file and you wish to accept *campaign* contributions or make *campaign* expenditures in connection with your office or for a different office, you must file this form before doing so. In such a case, a sworn report of contributions, expenditures, and loans will be due no later than the 15th day after filing this form.

WHERE TO FILE A CAMPAIGN TREASURER APPOINTMENT

The appropriate filing authority depends on the office sought or held.

a. Texas Ethics Commission. The Texas Ethics Commission (Commission) is the appropriate filing authority for the Secretary of State and for candidates for or holders of the following offices:

- Governor, Lieutenant Governor, Attorney General, Comptroller, Treasurer, Land Commissioner, Agriculture Commissioner, Railroad Commissioner.
- State Senator or State Representative.
- Supreme Court Justice, Court of Criminal Appeals Judge, and Court of Appeals Judge.*

- State Board of Education.
- A multi-county district judge* or multi-county district attorney.
- A single-county district judge.*
- An office of a political subdivision other than a county if the political subdivision includes areas in more than one county and if the governing body of the political subdivision has not been formed.
- A chair of the state executive committee of a political party with a nominee on the ballot in the most recent gubernatorial election.
- A county chair of a political party with a nominee on the ballot in the most recent gubernatorial election if the county has a population of 350,000 or more.

* Judicial candidates use FORM JCTA to appoint a campaign treasurer.

b. County Clerk. The county clerk (or the county elections administrator or tax assessor, as applicable) is the appropriate local filing authority for a candidate for:

- A county office.
- A precinct office.
- A district office (except for multi-county district offices).
- An office of a political subdivision other than a county if the political subdivision is within the boundaries of a single county and if the governing body of the political subdivision has not been formed.
- An elected position on the board of directors of an appraisal district.

c. Local Filing Authority. If a candidate is seeking an office of a political subdivision other than a county, the appropriate filing authority is the *clerk or secretary of the governing body* of the political subdivision. If the political subdivision has no clerk or secretary, the appropriate filing authority is the governing body's presiding officer. Basically, any political subdivision that is authorized by the laws of this state to hold an election is considered a local filing authority. Examples are cities, school districts, and municipal utility districts.

FILING WITH A DIFFERENT AUTHORITY

If you have a campaign treasurer appointment on file with one authority, and you wish to accept campaign contributions or make or authorize campaign expenditures in connection with another office that would require filing with a different authority, you must file a new campaign treasurer appointment *and* a copy of your old campaign treasurer appointment (certified by the old authority) with the new filing authority before beginning your campaign. You should also

provide written notice to the original filing authority that your future reports will be filed with another authority; use Form CTA-T for this purpose.

FORMING A POLITICAL COMMITTEE

As a candidate, you must file an APPOINTMENT OF A CAMPAIGN TREASURER BY A CANDIDATE (FORM CTA). You may also form a specific-purpose committee to support your candidacy. Remember that filing a campaign treasurer appointment for a political committee does not eliminate the requirement that a candidate file his or her own campaign treasurer appointment (FORM CTA) and the related reports.

NOTE: *See the Campaign Finance Guide for Political Committees for further information about specific-purpose committees.*

CHANGING A CAMPAIGN TREASURER

If you wish to change your campaign treasurer, simply file an amended campaign treasurer appointment (FORM ACTA). This will automatically terminate the outgoing campaign treasurer appointment.

AMENDING A CAMPAIGN TREASURER APPOINTMENT

If *any* of the information reported on the campaign treasurer appointment (FORM CTA) changes, file an AMENDMENT: APPOINTMENT OF A CAMPAIGN TREASURER BY A CANDIDATE (FORM ACTA) to report the change.

REPORTING REQUIREMENT FOR CERTAIN OFFICEHOLDERS

If you are an officeholder who appoints a campaign treasurer after a period of not having one, you must file a report of contributions, expenditures, and loans no later than the 15th day after your appointment is effective. This requirement is not applicable if you are a candidate or an officeholder who is merely changing campaign treasurers.

TERMINATING A CAMPAIGN TREASURER APPOINTMENT

You may terminate your campaign treasurer appointment at any time by:

1) filing a campaign treasurer appointment for a successor campaign treasurer, or

2) filing a final report.

Remember that you may not accept any campaign contributions or make or authorize any campaign expenditures without a campaign treasurer appointment on file. You may, however, accept officeholder contributions and make or authorize officeholder expenditures.

If your campaign treasurer quits, he or she must give written notice to both you and your filing authority. The termination will be effective on the date you receive the notice or on the date your filing authority receives the notice, whichever is later.

FILING A FINAL REPORT

For filing purposes, you are a "candidate" as long as you have an appointment of campaign treasurer on file. If you do not expect to accept any further campaign contributions or to make any further campaign expenditures, you may file a final report of contributions and expenditures. A final report terminates your appointment of campaign treasurer and relieves you of the obligation of filing further reports as a candidate. If you have surplus funds, or if you retain assets purchased with political funds, you will be required to file annual reports. (*See instructions for FORM C/OH - UC.*) If you are an officeholder at the time of filing a final report, you may be required to file semiannual reports of contributions, expenditures, and loans as an officeholder.

If you do not have an appointment of campaign treasurer on file, you may not accept *campaign* contributions or make *campaign* expenditures. A payment on a campaign debt is a campaign expenditure. An officeholder who does not have an appointment of campaign treasurer on file may accept *officeholder* contributions and make *officeholder* expenditures.

To file a final report, you must complete the CANDIDATE/OFFICEHOLDER CAMPAIGN FINANCE REPORT (FORM C/OH), check the "final" box on Page 1, Section 9, and complete and attach the DESIGNATION OF FINAL REPORT (FORM C/OH-FR).

ELECTRONIC FILING

All persons filing campaign finance reports with the Commission are required to file those reports electronically unless the person is entitled to claim an exemption. Please check the Commission's website at *http://www.ethics.state.tx.us* for information about exemptions from the electronic filing requirements.

GUIDES

All candidates should review the applicable Commission's campaign finance guide. Guides are available on the Commission's website at *http://www.ethics.state.tx.us.*

SPECIFIC INSTRUCTIONS

Each numbered item in these instructions corresponds to the same numbered item on the form.

PAGE 1

1. **TOTAL PAGES FILED**: After you have completed the form, enter the total number of pages of this form and any additional pages. A "page" is one side of a two-sided form. If you are not using a two-sided form, a "page" is a single sheet.

2. **CANDIDATE NAME**: Enter your full name, including nicknames and suffixes (e.g., Sr., Jr., III), if applicable. Enter your name in the same way on Page 2, Section 11, of this form.

3. **CANDIDATE MAILING ADDRESS**: Enter your complete mailing address, including zip code. This information will allow your filing authority to correspond with you. We recommend using a PO Box or other address where you receive mail, rather than your home

address. This will be public information. If this information changes, please notify your filing authority immediately.

4. **CANDIDATE PHONE**: Enter your phone number, including the area code and extension, if applicable.

5. **OFFICE HELD**: If you are an officeholder, please enter the office you currently hold. Include the district, precinct, or other designation for the office, if applicable.

6. **OFFICE SOUGHT**: If you are a candidate, please enter the office you seek, if known. Include the district, precinct, or other designation for the office, if applicable.

7. **CAMPAIGN TREASURER NAME**: Enter the full name of your campaign treasurer, including nicknames and suffixes (e.g., Sr., Jr., III), if applicable.

8. **CAMPAIGN TREASURER STREET ADDRESS**: Enter the complete street address of your campaign treasurer, including the zip code. You may enter either the treasurer's business or residential street address. If you are your own treasurer, you may enter either your business or residential street address.

9. **CAMPAIGN TREASURER PHONE**: Enter the phone number of your campaign treasurer, including the area code and extension, if applicable.

10. **CANDIDATE SIGNATURE**: Enter your signature after reading the summary. Your signature here indicates that you have read the following summary of the nepotism law; that you are aware of your responsibility to file timely reports; and that you are aware of the restrictions on contributions from corporations and labor organizations.

    - The Texas nepotism law (Government Code, chapter 573) imposes certain restrictions on both officeholders and candidates. You should consult the statute in regard to the restrictions applicable to officeholders.

    - A candidate may not take an affirmative action to influence an employee of the office to which the candidate seeks election in regard to the appointment, confirmation, employment or employment conditions of an individual who is related to the candidate within a prohibited degree.

    - A candidate for a multi-member governmental body may not take an affirmative action to influence an officer or employee of the governmental body to which the candidate seeks election in regard to the appointment, confirmation, or employment of an individual related to the candidate in a prohibited degree.

    - Two people are related within a prohibited degree if they are related within the third degree by consanguinity (blood) or the second degree by affinity (marriage). The degree of consanguinity is determined by the number of generations that separate them. If neither is descended from the other, the degree of consanguinity is determined by adding the number of generations that each is separated from a common ancestor. Examples: (1) first degree - parent to child; (2) second degree - grandparent to grandchild; or brother to sister; (3) third degree - great-grandparent

to great-grandchild; or aunt to niece who is child of individual's brother or sister. A husband and wife are related in the first degree by affinity. A wife has the same degree of relationship by affinity to her husband's relatives as her husband has by consanguinity. For example, a wife is related to her husband's grandmother in the second degree by affinity.

PAGE 2

11. CANDIDATE NAME: Enter your name as you did on Page 1.

12. MODIFIED REPORTING DECLARATION: Sign this option if you wish to report under the modified reporting schedule.

The modified reporting option is not available for candidates for the office of state chair of a political party and candidates for county chair of a political party.

To the left of your signature, enter the year of the election or election cycle to which your selection of modified reporting applies.

Your selection of modified reporting is valid for an entire election cycle. For example, if you choose modified reporting before a primary election, your selection remains in effect for any runoff and for the general election and any related runoff. You must make this selection at least 30 days before the first election to which your selection applies.

An opposed candidate in an election is eligible to report under the modified reporting schedule if he or she does not intend to accept more than $1,140 in political contributions or make more than $1,140 in political expenditures in connection with an election. The amount of a filing fee paid to qualify for a place on the ballot does not count against the $1,140 expenditure limit. An opposed candidate who reports under the modified schedule is not required to file pre-election reports (due 30 days and 8 days before an election) or runoff reports (due 8 days before a runoff). (Note: An *unopposed* candidate is not required to file pre-election reports in the first place.) The obligations to file semiannual reports, special pre-election reports (formerly known as telegram reports), or special session reports, if applicable, are not affected by selecting the modified schedule.

The $1,140 maximums apply to each election within the cycle. In other words, you are limited to $1,140 in contributions and expenditures in connection with the primary, an additional $1,140 in contributions and expenditures in connection with the general election, and an additional $1,140 in contributions and expenditures in connection with a runoff.

EXCEEDING $1,140 IN CONTRIBUTIONS OR EXPENDITURES. If you exceed $1,140 in contributions or expenditures in connection with an election, you must file according to the regular filing schedule. In other words, you must file pre-election reports and a runoff report, if you are in a runoff.

If you exceed either of the $1,140 limits *after the 30th day before the election*, you must file a sworn report of contributions and expenditures within 48 hours after exceeding the limit. After that, you must file any pre-election reports or runoff reports that are due under the regular filing schedule.

Your selection is not valid for other elections or election cycles. Use the AMENDMENT (FORM ACTA) to renew your option to file under the modified schedule for a different election year or election cycle.

For more information, see the Commission's campaign finance guide that applies to you.

AMENDMENT: APPOINTMENT OF A CAMPAIGN TREASURER BY A CANDIDATE

FORM ACTA
PG 1

1 CANDIDATE NAME	2 FILER ID #	3 Total pages filed:

See ACTA Instruction Guide for detailed instructions.
Use this form for changes to existing information *only*. Do not provide information previously disclosed.

4 CANDIDATE NAME	NEW	MS / MRS / MR FIRST MI NICKNAME LAST SUFFIX
5 CANDIDATE MAILING ADDRESS	NEW	ADDRESS / PO BOX; APT / SUITE #; CITY; STATE; ZIP CODE
6 CANDIDATE PHONE	NEW	AREA CODE PHONE NUMBER EXTENSION ( )
7 OFFICE HELD (if any)	NEW	
8 OFFICE SOUGHT (if known)	NEW	
9 CAMPAIGN TREASURER NAME	NEW	MS / MRS / MR FIRST MI NICKNAME LAST SUFFIX
10 CAMPAIGN TREASURER STREET ADDRESS (residence or business)	NEW	STREET ADDRESS (NO PO BOX PLEASE); APT / SUITE #; CITY; STATE; ZIP CODE
11 CAMPAIGN TREASURER PHONE	NEW	AREA CODE PHONE NUMBER EXTENSION ( )

OFFICE USE ONLY

Date Received	
Date Hand-delivered or Postmarked	
Receipt #	Amount $
Date Processed	
Date Imaged	

12 CANDIDATE SIGNATURE

I am aware of the Nepotism Law, Chapter 573 of the Texas Government Code.

I am aware of my responsibility to file timely reports as required by title 15 of the Election Code.

I am aware of the restrictions in title 15 of the Election Code on contributions from corporations and labor organizations.

Signature of Candidate _____ Date Signed _____

GO TO PAGE 2

AMENDMENT:
CANDIDATE MODIFIED REPORTING DECLARATION

13 CANDIDATE NAME	
14 MODIFIED REPORTING DECLARATION	NEW

COMPLETE THIS SECTION ONLY IF YOU ARE CHOOSING MODIFIED REPORTING

•• This declaration must be filed no later than the 30th day before the first election to which the declaration applies. ••

•• The modified reporting option is valid for one election cycle only. ••
(An election cycle includes a primary election, a general election, and any related runoffs.)

•• Candidates for the office of state chair of a political party may NOT choose modified reporting. ••

I do not intend to accept more than $1,140 in political contributions or make more than $1,140 in political expenditures (excluding filing fees) in connection with any future election within the election cycle. I understand that if either one of those limits is exceeded, I will be required to file pre-election reports and, if necessary, a runoff report.

_____ Year of election(s) or election cycle to which declaration applies

_____ Signature of Candidate

This appointment is effective on the date it is filed with the appropriate filing authority.

TEC Filers may send this form to the TEC electronically at treasappoint@ethics.state.tx.us
or mail to
Texas Ethics Commission
P.O. Box 12070
Austin, TX 78711-2070

Non-TEC Filers must file this form with the local filing authority
DO NOT SEND TO TEC

For more information about where to file go to:
https://www.ethics.state.tx.us/filinginfo/QuickFileAReport.php

TEXAS ETHICS COMMISSION

AMENDMENT: APPOINTMENT OF A CAMPAIGN TREASURER BY A CANDIDATE

FORM ACTA–INSTRUCTION GUIDE

Revised January 1, 2026

Texas Ethics Commission, P.O. Box 12070, Austin, Texas 78711
www.ethics.state.tx.us
(512) 463-5800 • TDD (800) 735-2989
Promoting Public Confidence in Government

FORM ACTA–AMENDMENT: APPOINTMENT OF A CAMPAIGN TREASURER BY A CANDIDATE

GENERAL INSTRUCTIONS

These instructions are for the AMENDMENT: APPOINTMENT OF A CAMPAIGN TREASURER BY A CANDIDATE (Form ACTA). Use this form for changing information previously reported on Form CTA and for renewing your choice to report under the modified schedule. The information you enter on this form will replace the information from your previous APPOINTMENT OF A CAMPAIGN TREASURER BY A CANDIDATE (Form (CTA).

If any of the information required to be reported on your CAMPAIGN TREASURER APPOINTMENT changes, you should file an amendment. Use the AMENDMENT form (Form ACTA) to report the changes. Do not use the APPOINTMENT form (Form CTA).

You must also use the AMENDMENT form to renew your option to file under the modified schedule.

Except for your name at the top of the form (and your filer account number, if you file with the Texas Ethics Commission (Commission)), enter only the information that is ***different*** from what is on your current campaign treasurer appointment. Do not repeat information that has not changed. The "NEW" boxes emphasize that the information entered on this form should only be information that is different from what was previously reported. Any information entered in a space with a "NEW" box will replace the existing information.

SPECIFIC INSTRUCTIONS

Each numbered item in these instructions corresponds to the same numbered item on the form.

PAGE 1

1. **CANDIDATE NAME**: Enter your name as it is on your current campaign treasurer appointment. Enter your name in the same way on Page 2, Section 13, of this form. If you are reporting a name change, enter your new name under Section 4.

2. **FILER ID #**: If you are filing with the Commission, you were assigned a filer account number when you filed your initial campaign treasurer appointment. You should have received a letter acknowledging receipt of the form and informing you of your account number. Enter this number wherever you see "FILER ID #." If you do not file with the Ethics Commission, you are not required to enter an account number.

3. **TOTAL PAGES FILED**: After you have completed the form, enter the total number of pages of this form and any additional pages. A "page" is one side of a two-sided form. If you are not using a two-sided form, a "page" is a single sheet.

4. **CANDIDATE NAME**: Complete this section only if your name has *changed*. If your name has changed, enter your complete new name, including nicknames and suffixes (e.g., Sr., Jr., III) if applicable.

5. **CANDIDATE MAILING ADDRESS**: Complete this section only if your mailing address has *changed*. If your mailing address has changed, enter your complete new address, including zip code. This information will allow your filing authority to correspond with you. We recommend using a PO Box or other address where you receive mail, rather than your home address. This will be public information.

6. **CANDIDATE PHONE**: Complete this section only if your phone number has *changed*. If your phone number has changed, enter your new phone number, including the area code and extension, if applicable.

7. **OFFICE HELD**: If you are an officeholder, complete this section only if your office has *changed*. If your office has changed, please enter the new office held. Include the district, precinct, or other designation for the office, if applicable.

8. **OFFICE SOUGHT**: If you are a candidate, complete this section only if the office you seek has *changed*. If the office has changed, please enter the office you now seek, if known. Include the district, precinct, or other designation for the office, if applicable.

Note: Changing the office you are seeking may require you to file your reports with a different filing authority. See the Campaign Finance Guide for further information on filing with a different authority.

9. **CAMPAIGN TREASURER NAME**: Complete this section only if your campaign treasurer has *changed*. If your campaign treasurer has changed, enter the full name of your new campaign treasurer, including nicknames and suffixes (e.g., Sr., Jr., III), if applicable.

Qualifications of Campaign Treasurer. A person is ineligible for appointment as a campaign treasurer if the person is the campaign treasurer of a political committee that has outstanding filing obligations (including outstanding penalties). This prohibition does not apply if the committee in connection with which the ineligibility arose has not accepted more than $5,000 in political contributions or made more than $5,000 in political expenditures in any semiannual reporting period. A person who violates this prohibition is liable for a civil penalty not to exceed three times the amount of political contributions accepted or political expenditures made in violation of this provision.

10. **CAMPAIGN TREASURER STREET ADDRESS**: Complete this section only if your campaign treasurer's street address has *changed*. If your campaign treasurer's street address has changed, enter the complete new address of your campaign treasurer, including the zip code. You may enter either the treasurer's new business or residential street address. If you are your own treasurer, you may enter either your business or residential street address.

11. **CAMPAIGN TREASURER PHONE**: Complete this section only if your campaign treasurer's phone number has *changed*. If your campaign treasurer's phone number has

changed, enter the new phone number of your campaign treasurer, including the area code and extension, if applicable.

12. CANDIDATE SIGNATURE: Enter your signature after reading the summary. Your signature here indicates that you have read the following summary of the nepotism law; that you are aware of your responsibility to file timely reports; and that you are aware of the restrictions on contributions from corporations and labor organizations.

- The Texas nepotism law (Government Code, chapter 573) imposes certain restrictions on both officeholders and candidates. You should consult the statute in regard to the restrictions applicable to officeholders.

- A candidate may not take an affirmative action to influence an employee of the office to which the candidate seeks election in regard to the appointment, confirmation, employment or employment conditions of an individual who is related to the candidate within a prohibited degree.

- A candidate for a multi-member governmental body may not take an affirmative action to influence an officer or employee of the governmental body to which the candidate seeks election in regard to the appointment, confirmation, or employment of an individual related to the candidate in a prohibited degree.

- Two people are related within a prohibited degree if they are related within the third degree by consanguinity (blood) or the second degree by affinity (marriage). The *degree of consanguinity* is determined by the number of generations that separate them. If neither is descended from the other, the degree of consanguinity is determined by adding the number of generations that each is separated from a common ancestor. **Examples**: (1) first degree - parent to child; (2) second degree - grandparent to grandchild; or brother to sister; (3) third degree - great-grandparent to great-grandchild; or aunt to niece who is child of individual's brother or sister. A husband and wife are related in the first degree by affinity. A wife has the same degree of relationship by affinity to her husband's relatives as her husband has by consanguinity. For example, a wife is related to her husband's grandmother in the second degree by affinity.

Note: The changes you have made on this form will replace the information on your previous APPOINTMENT form (Form CTA).

PAGE 2

13. CANDIDATE NAME: Enter your name as you did on Page 1, Section 1.

14. MODIFIED REPORTING DECLARATION: Sign this option if you wish to report under the modified reporting schedule.

The modified reporting option is not available for candidates for the office of state chair of a political party.

To the left of your signature, enter the year of the election or election cycle to which your selection of modified reporting applies.

Your selection of modified reporting is valid for an entire election cycle. For example, if you choose modified reporting before a primary election, your selection remains in effect for any runoff and for the general election and any related runoff. You must make this selection at least 30 days before the first election to which your selection applies.

An opposed candidate in an election is eligible to report under the modified reporting schedule if he or she does not intend to accept more than $1,140 in political contributions or make more than $1,140 in political expenditures in connection with an election. The amount of a filing fee paid to qualify for a place on the ballot does not count against the $1,140 expenditure limit. An opposed candidate who reports under the modified schedule is not required to file pre-election reports (due 30 days and 8 days before an election) or runoff reports (due 8 days before a runoff). (Note: An *unopposed* candidate is not required to file pre-election reports in the first place.) The obligations to file semi-annual reports, special pre-election reports, or special session reports, if applicable, are not affected by selecting the modified schedule.

The $1,140 maximums apply to each election within the cycle. In other words, you are limited to $1,140 in contributions and expenditures in connection with the primary, an additional $1,140 in contributions and expenditures in connection with the general election, and an additional $1,140 in contributions and expenditures in connection with a runoff.

Exceeding $1,140 in contributions or expenditures. If you exceed $1,140 in contributions or expenditures in connection with an election, you must file according to the regular schedule. In other words, you must file pre-election reports and a runoff report, if you are in a runoff.

If you exceed either of the $1,140 limits *after the 30th day before the election*, you must file a sworn report of contributions and expenditures within 48 hours after exceeding the limit. After that, you must file any pre-election reports or runoff reports that are due under the regular filing schedule.

Your selection is not valid for other elections or election cycles. Use another amendment form (ACTA) to renew your option to file under the modified schedule.

For more information, see the Commission's campaign finance guide that applies to you.

CODE OF FAIR CAMPAIGN PRACTICES

FORM CFCP
COVER SHEET

Pursuant to chapter 258 of the Election Code, every candidate and political committee is encouraged to subscribe to the Code of Fair Campaign Practices. The Code may be filed with the proper filing authority upon submission of a campaign treasurer appointment form. Candidates or political committees that already have a current campaign treasurer appointment on file as of September 1, 1997, may subscribe to the code at any time.

Subscription to the Code of Fair Campaign Practices is voluntary.

OFFICE USE ONLY

Date Received

Date Hand-delivered or Postmarked

Date Processed

Date Imaged

1 ACCOUNT NUMBER
(Ethics Commission Filers)

2 TYPE OF FILER

CANDIDATE ☐

If filing as a candidate, complete boxes 3 - 6, then read and sign page 2.

POLITICAL COMMITTEE ☐

If filing for a political committee, complete boxes 7 and 8, then read and sign page 2.

3 NAME OF CANDIDATE
(PLEASE TYPE OR PRINT)

TITLE (Dr., Mr., Ms., etc.) FIRST MI

NICKNAME LAST SUFFIX (SR., JR., III, etc.)

4 TELEPHONE NUMBER OF CANDIDATE
(PLEASE TYPE OR PRINT)

AREA CODE PHONE NUMBER EXTENSION

( )

5 ADDRESS OF CANDIDATE
(PLEASE TYPE OR PRINT)

STREET / PO BOX; APT / SUITE #; CITY; STATE; ZIP CODE

6 OFFICE SOUGHT BY CANDIDATE
(PLEASE TYPE OR PRINT)

7 NAME OF COMMITTEE
(PLEASE TYPE OR PRINT)

8 NAME OF CAMPAIGN TREASURER
(PLEASE TYPE OR PRINT)

TITLE (Dr., Mr., Ms., etc.) FIRST MI

NICKNAME LAST SUFFIX (SR., JR., III, etc.)

GO TO PAGE 2

CODE OF FAIR CAMPAIGN PRACTICES

There are basic principles of decency, honesty, and fair play that every candidate and political committee in this state has a moral obligation to observe and uphold, in order that, after vigorously contested but fairly conducted campaigns, our citizens may exercise their constitutional rights to a free and untrammeled choice and the will of the people may be fully and clearly expressed on the issues.

THEREFORE:

(1) I will conduct the campaign openly and publicly and limit attacks on my opponent to legitimate challenges to my opponent's record and stated positions on issues.

(2) I will not use or permit the use of character defamation, whispering campaigns, libel, slander, or scurrilous attacks on any candidate or the candidate's personal or family life.

(3) I will not use or permit any appeal to negative prejudice based on race, sex, religion, or national origin.

(4) I will not use campaign material of any sort that misrepresents, distorts, or otherwise falsifies the facts, nor will I use malicious or unfounded accusations that aim at creating or exploiting doubts, without justification, as to the personal integrity or patriotism of my opponent.

(5) I will not undertake or condone any dishonest or unethical practice that tends to corrupt or undermine our system of free elections or that hampers or prevents the full and free expression of the will of the voters, including any activity aimed at intimidating voters or discouraging them from voting.

(6) I will defend and uphold the right of every qualified voter to full and equal participation in the electoral process, and will not engage in any activity aimed at intimidating voters or discouraging them from voting.

(7) I will immediately and publicly repudiate methods and tactics that may come from others that I have pledged not to use or condone. I shall take firm action against any subordinate who violates any provision of this code or the laws governing elections.

I, the undersigned, candidate for election to public office in the State of Texas or campaign treasurer of a political committee, hereby voluntarily endorse, subscribe to, and solemnly pledge myself to conduct the campaign in accordance with the above principles and practices.

_____ _____

Signature Date

CANDIDATE / OFFICEHOLDER CAMPAIGN FINANCE REPORT

FORM C/OH COVER SHEET PG 1

The C/OH Instruction Guide explains how to complete this form.

1 Filer ID (Ethics Commission Filers)

2 Total pages filed:

OFFICE USE ONLY

Date Received

Date Hand-delivered or Date Postmarked

Receipt # | Amount $

Date Processed

Date Imaged

3 CANDIDATE / OFFICEHOLDER NAME

MS / MRS / MR | FIRST | MI

NICKNAME | LAST | SUFFIX

4 CANDIDATE / OFFICEHOLDER MAILING ADDRESS

☐ Change of Address

ADDRESS / PO BOX; | APT / SUITE #; | CITY; | STATE; | ZIP CODE

5 CANDIDATE/ OFFICEHOLDER PHONE

AREA CODE | PHONE NUMBER | EXTENSION

( )

6 CAMPAIGN TREASURER NAME

MS / MRS / MR | FIRST | MI

NICKNAME | LAST | SUFFIX

7 CAMPAIGN TREASURER ADDRESS

(Residence or Business)

STREET ADDRESS (NO PO BOX PLEASE); | APT / SUITE #; | CITY; | STATE; | ZIP CODE

8 CAMPAIGN TREASURER PHONE

AREA CODE | PHONE NUMBER | EXTENSION

( )

9 REPORT TYPE

☐ January 15 ☐ 30th day before election ☐ Runoff ☐ 15th day after campaign treasurer appointment (Officeholder Only)

☐ July 15 ☐ 8th day before election ☐ Exceeded Modified Reporting Limit ☐ Final Report (Attach C/OH - FR)

10 PERIOD COVERED

Month / Day / Year THROUGH Month / Day / Year

11 ELECTION

ELECTION DATE

Month / Day / Year

ELECTION TYPE

☐ Primary ☐ Runoff ☐ Other Description

☐ General ☐ Special

12 OFFICE

OFFICE HELD (if any)

13 OFFICE SOUGHT (if known)

14 NOTICE FROM POLITICAL COMMITTEE(S)

☐ Additional Pages

THIS BOX IS FOR NOTICE OF POLITICAL CONTRIBUTIONS ACCEPTED OR POLITICAL EXPENDITURES MADE BY POLITICAL COMMITTEES TO SUPPORT THE CANDIDATE / OFFICEHOLDER. *THESE EXPENDITURES MAY HAVE BEEN MADE WITHOUT THE CANDIDATE'S OR OFFICEHOLDER'S KNOWLEDGE OR CONSENT.* CANDIDATES AND OFFICEHOLDERS ARE REQUIRED TO REPORT THIS INFORMATION ONLY IF THEY RECEIVE NOTICE OF SUCH EXPENDITURES.

COMMITTEE TYPE

☐ GENERAL

☐ SPECIFIC

COMMITTEE NAME

COMMITTEE ADDRESS

COMMITTEE CAMPAIGN TREASURER NAME

COMMITTEE CAMPAIGN TREASURER ADDRESS

GO TO PAGE 2

CANDIDATE / OFFICEHOLDER CAMPAIGN FINANCE REPORT

FORM C/OH COVER SHEET PG 2

15 C/OH NAME	**16** Filer ID (Ethics Commission Filers)

17 CONTRIBUTION TOTALS	1. TOTAL UNITEMIZED POLITICAL CONTRIBUTIONS (OTHER THAN PLEDGES, LOANS, OR GUARANTEES OF LOANS, OR CONTRIBUTIONS MADE ELECTRONICALLY)	$
	2. TOTAL POLITICAL CONTRIBUTIONS (OTHER THAN PLEDGES, LOANS, OR GUARANTEES OF LOANS)	$
EXPENDITURE TOTALS	3. TOTAL UNITEMIZED POLITICAL EXPENDITURE.	$
	4. TOTAL POLITICAL EXPENDITURES	$
CONTRIBUTION BALANCE	5. TOTAL POLITICAL CONTRIBUTIONS MAINTAINED AS OF THE LAST DAY OF REPORTING PERIOD	$
OUTSTANDING LOAN TOTALS	6. TOTAL PRINCIPAL AMOUNT OF ALL OUTSTANDING LOANS AS OF THE LAST DAY OF THE REPORTING PERIOD	$

18 SIGNATURE

I swear, or affirm, under penalty of perjury, that the accompanying report is true and correct and includes all information required to be reported by me under Title 15, Election Code.

_____

Signature of Candidate or Officeholder

Please complete either option below:

(1) Affidavit

NOTARY STAMP / SEAL

Sworn to and subscribed before me by _____ this the _____ day of _____, 20 _____, to certify which, witness my hand and seal of office.

Signature of officer administering oath | Printed name of officer administering oath | Title of officer administering oath

OR

(2) Unsworn Declaration

My name is _____, and my date of birth is _____.

My address is _____, _____, _____, _____, _____.
(street) (city) (state) (zip code) (country)

Executed in _____ County, State of _____ , on the _____ day of _____, 20_____.
(month) (year)

_____

Signature of Candidate/Officeholder (Declarant)

SUBTOTALS - C/OH

FORM C/OH
COVER SHEET PG 3

19 FILER NAME	**20** Filer ID (Ethics Commission Filers)

21 SCHEDULE SUBTOTALS NAME OF SCHEDULE		SUBTOTAL AMOUNT
1.	☐ SCHEDULE A1: MONETARY POLITICAL CONTRIBUTIONS	$
2.	☐ SCHEDULE A2: NON-MONETARY (IN-KIND) POLITICAL CONTRIBUTIONS	$
3.	☐ SCHEDULE B: PLEDGED CONTRIBUTIONS	$
4.	☐ SCHEDULE E: LOANS	$
5.	☐ SCHEDULE F1: POLITICAL EXPENDITURES MADE FROM POLITICAL CONTRIBUTIONS	$
6.	☐ SCHEDULE F2: UNPAID INCURRED OBLIGATIONS	$
7.	☐ SCHEDULE F3: PURCHASE OF INVESTMENTS MADE FROM POLITICAL CONTRIBUTIONS	$
8.	☐ SCHEDULE F4: EXPENDITURES MADE BY CREDIT CARD	$
9.	☐ SCHEDULE G: POLITICAL EXPENDITURES MADE FROM PERSONAL FUNDS	$
10.	☐ SCHEDULE H: PAYMENT MADE FROM POLITICAL CONTRIBUTIONS TO A BUSINESS OF C/OH	$
11.	☐ SCHEDULE I: NON-POLITICAL EXPENDITURES MADE FROM POLITICAL CONTRIBUTIONS	$
12.	☐ SCHEDULE K: INTEREST, CREDITS, GAINS, REFUNDS, AND CONTRIBUTIONS RETURNED TO FILER	$

MONETARY POLITICAL CONTRIBUTIONS

SCHEDULE A1

If the requested information is not applicable, **DO NOT include this page in the report.**

The Instruction Guide explains how to complete this form.

1 Total pages Schedule A1:

2 FILER NAME

3 Filer ID (Ethics Commission Filers)

4 Date

5 Full name of contributor ☐ out-of-state PAC (ID#:_____)

6 Contributor address; City; State; Zip Code

7 Amount of contribution ($)

8 Principal occupation / Job title (See Instructions)

9 Employer (See Instructions)

Date

Full name of contributor ☐ out-of-state PAC (ID#:_____)

Contributor address; City; State; Zip Code

Amount of contribution ($)

Principal occupation / Job title (See Instructions)

Employer (See Instructions)

Date

Full name of contributor ☐ out-of-state PAC (ID#:_____)

Contributor address; City; State; Zip Code

Amount of contribution ($)

Principal occupation / Job title (See Instructions)

Employer (See Instructions)

Date

Full name of contributor ☐ out-of-state PAC (ID#:_____)

Contributor address; City; State; Zip Code

Amount of contribution ($)

Principal occupation / Job title (See Instructions)

Employer (See Instructions)

ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED

If contributor is out-of-state PAC, please see Instruction guide for additional reporting requirements.

NON-MONETARY (IN-KIND) POLITICAL CONTRIBUTIONS

SCHEDULE A2

If the requested information is not applicable, **DO NOT include this page in the report.**

The Instruction Guide explains how to complete this form.	**1** Total pages Schedule A2:
2 FILER NAME	**3** Filer ID (Ethics Commission Filers)
4 TOTAL OF UNITEMIZED IN-KIND POLITICAL CONTRIBUTIONS	$

5 Date	**6** Full name of contributor ☐ out-of-state PAC (ID#:_____) **7** Contributor address; City; State; Zip Code	**8** Amount of Contribution $ ☐ Check if travel outside of Texas. Complete Schedule T.	**9** In-kind contribution description

10 Principal occupation / Job title (FOR NON-JUDICIAL) (See Instructions)	**11** Employer (FOR NON-JUDICIAL) (See Instructions)
12 Contributor's principal occupation (FOR JUDICIAL)	**13** Contributor's job title (FOR JUDICIAL) (See Instructions)
14 Contributor's employer/law firm (FOR JUDICIAL)	**15** Law firm of contributor's spouse (if any) (FOR JUDICIAL)
16 If contributor is a child, law firm of parent(s) (if any) (FOR JUDICIAL)	

Date	Full name of contributor ☐ out-of-state PAC (ID#:_____) Contributor address; City; State; Zip Code	Amount of Contribution $ ☐ Check if travel outside of Texas. Complete Schedule T.	In-kind contribution description

Principal occupation / Job title (FOR NON-JUDICIAL) (See Instructions)	Employer (FOR NON-JUDICIAL) (See Instructions)
Contributor's principal occupation (FOR JUDICIAL)	Contributor's job title (FOR JUDICIAL) (See Instructions)
Contributor's employer/law firm (FOR JUDICIAL)	Law firm of contributor's spouse (if any) (FOR JUDICIAL)
If contributor is a child, law firm of parent(s) (if any) (FOR JUDICIAL)	

ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED

If contributor is out-of-state PAC, please see Instruction guide for additional reporting requirements.

PLEDGED CONTRIBUTIONS

SCHEDULE B

If the requested information is not applicable, **DO NOT include this page in the report.**

The Instruction Guide explains how to complete this form.

1 Total pages Schedule B:

2 FILER NAME

3 Filer ID (Ethics Commission Filers)

4 TOTAL OF UNITEMIZED PLEDGES $

5 Date

6 Full name of pledgor ☐ out-of-state PAC (ID#:_____)

7 Pledgor address; City; State; Zip Code

8 Amount of Pledge $

9 In-kind contribution description

☐ Check if travel outside of Texas. Complete Schedule T.

10 Principal occupation / Job title (See Instructions)

11 Employer (See Instructions)

Date

Full name of pledgor ☐ out-of-state PAC (ID#:_____)

Pledgor address; City; State; Zip Code

Amount of Pledge $

In-kind contribution description

☐ Check if travel outside of Texas. Complete Schedule T.

Principal occupation / Job title (See Instructions)

Employer (See Instructions)

Date

Full name of pledgor ☐ out-of-state PAC (ID#:_____)

Pledgor address; City; State; Zip Code

Amount of Pledge $

In-kind contribution description

☐ Check if travel outside of Texas. Complete Schedule T.

Principal occupation / Job title (See Instructions)

Employer (See Instructions)

Date

Full name of pledgor ☐ out-of-state PAC (ID#:_____)

Pledgor address; City; State; Zip Code

Amount of Pledge $

In-kind contribution description

☐ Check if travel outside of Texas. Complete Schedule T.

Principal occupation / Job title (See Instructions)

Employer (See Instructions)

ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED

If contributor is out-of-state PAC, please see Instruction guide for additional reporting requirements.

LOANS

SCHEDULE E

If the requested information is not applicable, **DO NOT include this page in the report.**

The Instruction Guide explains how to complete this form.

1 Total pages Schedule E:

2 FILER NAME

3 Filer ID (Ethics Commission Filers)

4 TOTAL OF UNITEMIZED LOANS $

5 Date of loan

7 Name of lender ☐ out-of-state PAC (ID#:_____)

9 Loan Amount ($)

6 Is lender a financial Institution? Y N

8 Lender address; City; State; Zip Code

10 Interest rate

11 Maturity date

12 Principal occupation / Job title (See Instructions)

13 Employer (See Instructions)

14 Description of Collateral ☐ none

15 ☐ Check if personal funds were deposited into political account (See Instructions)

16 GUARANTOR INFORMATION ☐ not applicable

17 Name of guarantor

18 Guarantor address; City; State; Zip Code

19 Amount Guaranteed ($)

20 Principal Occupation (See Instructions)

21 Employer (See Instructions)

Date of loan

Name of lender ☐ out-of-state PAC (ID#:_____)

Loan Amount ($)

Is lender a financial Institution? Y N

Lender address; City; State; Zip Code

Interest rate

Maturity date

Principal occupation / Job title (See Instructions)

Employer (See Instructions)

Description of Collateral ☐ none

☐ Check if personal funds were deposited into political account (See Instructions)

GUARANTOR INFORMATION ☐ not applicable

Name of guarantor

Guarantor address; City; State; Zip Code

Amount Guaranteed ($)

Principal Occupation (See Instructions)

Employer (See Instructions)

ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED

If lender is out-of-state PAC, please see Instruction guide for additional reporting requirements.

POLITICAL EXPENDITURES MADE FROM POLITICAL CONTRIBUTIONS

SCHEDULE F1

If the requested information is not applicable, **DO NOT include this page in the report.**

EXPENDITURE CATEGORIES FOR BOX 8(a)

Advertising Expense
Accounting/Banking
Consulting Expense
Contributions/Donations Made By Candidate/Officeholder/Political Committee
Credit Card Payment
Event Expense
Fees
Food/Beverage Expense
Gift/Awards/Memorials Expense
Legal Services
Loan Repayment/Reimbursement
Office Overhead/Rental Expense
Polling Expense
Printing Expense
Salaries/Wages/Contract Labor
Solicitation/Fundraising Expense
Transportation Equipment & Related Expense
Travel In District
Travel Out Of District
Other (enter a category not listed above)

The Instruction Guide explains how to complete this form.

1 Total pages Schedule F1:	**2** FILER NAME	**3** Filer ID (Ethics Commission Filers)
4 Date	**5** Payee name	
6 Amount ($)	**7** Payee address; City; State; Zip Code	
8 PURPOSE OF EXPENDITURE	**(a)** Category (See Categories listed at the top of this schedule)	**(b)** Description
	(c) ☐ Check if travel outside of Texas. Complete Schedule T.	☐ Check if Austin, TX, officeholder living expense
9 Complete ONLY if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought / Office held

Date	Payee name	
Amount ($)	Payee address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	Category (See Categories listed at the top of this schedule)	Description
	☐ Check if travel outside of Texas. Complete Schedule T.	☐ Check if Austin, TX, officeholder living expense
Complete ONLY if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought / Office held

Date	Payee name	
Amount ($)	Payee address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	Category (See Categories listed at the top of this schedule)	Description
	☐ Check if travel outside of Texas. Complete Schedule T.	☐ Check if Austin, TX, officeholder living expense
Complete ONLY if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought / Office held

ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED

UNPAID INCURRED OBLIGATIONS

SCHEDULE F2

If the requested information is not applicable, **DO NOT include this page in the report.**

EXPENDITURE CATEGORIES FOR BOX 10(a)

Advertising Expense
Accounting/Banking
Consulting Expense
Contributions/Donations Made By Candidate/Officeholder/Political Committee
Event Expense
Fees
Food/Beverage Expense
Gift/Awards/Memorials Expense
Legal Services
Loan Repayment/Reimbursement
Office Overhead/Rental Expense
Polling Expense
Printing Expense
Salaries/Wages/Contract Labor
Solicitation/Fundraising Expense
Transportation Equipment & Related Expense
Travel In District
Travel Out Of District
Other (enter a category not listed above)

The Instruction Guide explains how to complete this form.

1 Total pages Schedule F2:	**2** FILER NAME	**3** Filer ID (Ethics Commission Filers)
4 TOTAL OF UNITEMIZED UNPAID INCURRED OBLIGATIONS		**$**
5 Date	**6** Payee name	
7 Amount ($)	**8** Payee address; City; State; Zip Code	
9 TYPE OF EXPENDITURE	☐ Political ☐ Non-Political	
10 PURPOSE OF EXPENDITURE	**(a)** Category (See Categories listed at the top of this schedule)	**(b)** Description
	(c) ☐ Check if travel outside of Texas. Complete Schedule T.	☐ Check if Austin, TX, officeholder living expense
11 Complete ONLY if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought / Office held

Date	Payee name	
Amount ($)	Payee address; City; State; Zip Code	
TYPE OF EXPENDITURE	☐ Political ☐ Non-Political	
PURPOSE OF EXPENDITURE	Category (See Categories listed at the top of this schedule)	Description
	☐ Check if travel outside of Texas. Complete Schedule T.	☐ Check if Austin, TX, officeholder living expense
Complete ONLY if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought / Office held

ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED

PURCHASE OF INVESTMENTS MADE FROM POLITICAL CONTRIBUTIONS

SCHEDULE F3

If the requested information is not applicable, **DO NOT include this page in the report.**

The Instruction Guide explains how to complete this form.	**1** Total pages Schedule F3:
2 FILER NAME	**3** Filer ID (Ethics Commission Filers)

4 Date	**5** Name of person from whom investment is purchased
	6 Address of person from whom investment is purchased; City; State; Zip Code
	7 Description of investment
	8 Amount of investment ($)

Date	Name of person from whom investment is purchased
	Address of person from whom investment is purchased; City; State; Zip Code
	Description of investment
	Amount of investment ($)

ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED

EXPENDITURES MADE BY CREDIT CARD

SCHEDULE F4

If the requested information is not applicable, **DO NOT include this page in the report.**

EXPENDITURE CATEGORIES FOR BOX 10(a)

Advertising Expense
Accounting/Banking
Consulting Expense
Contributions/Donations Made By Candidate/Officeholder/Political Committee
Event Expense
Fees
Food/Beverage Expense
Gift/Awards/Memorials Expense
Legal Services
Loan Repayment/Reimbursement
Office Overhead/Rental Expense
Polling Expense
Printing Expense
Salaries/Wages/Contract Labor
Solicitation/Fundraising Expense
Transportation Equipment & Related Expense
Travel In District
Travel Out Of District
Other (enter a category not listed above)

The Instruction Guide explains how to complete this form. **USE A NEW PAGE FOR EACH CREDIT CARD ISSUER**

1 TOTAL PAGES SCHEDULE F4:	**2 FILER NAME**	**3 FILER ID (Ethics Commission Filers)**
4 TOTAL OF UNITEMIZED EXPENDITURES CHARGED TO A CREDIT CARD		$
5 CREDIT CARD ISSUER	Name of financial institution	

6 PAYMENT	(a) Amount Charged $	(b) Date Expenditure Charged	(c) Date(s) Credit Card Issuer Paid
7 PAYEE	(a) Payee name	(b) Payee address; City, State, Zip Code	
8 PURPOSE OF EXPENDITURE ☐ Political ☐ Non-Political	(a) Category (See Categories listed at the top of this schedule)	(b) Description	
	(c) ☐ Check if travel outside of Texas. Complete Schedule T.	☐ Check if Austin, TX, officeholder living expense	
9 Complete ONLY if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office Sought	Office Held

PAYMENT	(a) Amount Charged $	(b) Date Expenditure Charged	(c) Date(s) Credit Card Issuer Paid
PAYEE	(a) Payee name	(b) Payee address; City, State, Zip Code	
PURPOSE OF EXPENDITURE ☐ Political ☐ Non-Political	(a) Category (See Categories listed at the top of this schedule)	(b) Description	
	(c) ☐ Check if travel outside of Texas. Complete Schedule T.	☐ Check if Austin, TX, officeholder living expense	
Complete ONLY if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office Sought	Office Held

PAYMENT	(a) Amount Charged $	(b) Date Expenditure Charged	(c) Date(s) Credit Card Issuer Paid
PAYEE	(a) Payee name	(b) Payee address; City, State, Zip Code	
PURPOSE OF EXPENDITURE ☐ Political ☐ Non-Political	(a) Category (See Categories listed at the top of this schedule)	(b) Description	
	(c) ☐ Check if travel outside of Texas. Complete Schedule T.	☐ Check if Austin, TX, officeholder living expense	
Complete ONLY if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office Sought	Office Held

ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED

POLITICAL EXPENDITURES MADE FROM PERSONAL FUNDS

SCHEDULE G

If the requested information is not applicable, **DO NOT include this page in the report.**

EXPENDITURE CATEGORIES FOR BOX 8(a)

Advertising Expense
Accounting/Banking
Consulting Expense
Contributions/Donations Made By Candidate/Officeholder/Political Committee
Credit Card Payment
Event Expense
Fees
Food/Beverage Expense
Gift/Awards/Memorials Expense
Legal Services
Loan Repayment/Reimbursement
Office Overhead/Rental Expense
Polling Expense
Printing Expense
Salaries/Wages/Contract Labor
Solicitation/Fundraising Expense
Transportation Equipment & Related Expense
Travel In District
Travel Out Of District
Other (enter a category not listed above)

The Instruction Guide explains how to complete this form.

1 Total pages Schedule G:	**2** FILER NAME	**3** Filer ID (Ethics Commission Filers)
4 Date	**5** Payee name	
6 Amount ($) ☐ Reimbursement from political contributions intended	**7** Payee address; City; State; Zip Code	
8 PURPOSE OF EXPENDITURE	**(a)** Category (See Categories listed at the top of this schedule)	**(b)** Description
	(c) ☐ Check if travel outside of Texas. Complete Schedule T.	☐ Check if Austin, TX, officeholder living expense
9 Complete ONLY if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought / Office held

Date	Payee name	
Amount ($) ☐ Reimbursement from political contributions intended	Payee address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	Category (See Categories listed at the top of this schedule)	Description
	☐ Check if travel outside of Texas. Complete Schedule T.	☐ Check if Austin, TX, officeholder living expense
Complete ONLY if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought / Office held

Date	Payee name	
Amount ($) ☐ Reimbursement from political contributions intended	Payee address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	Category (See Categories listed at the top of this schedule)	Description
	☐ Check if travel outside of Texas. Complete Schedule T.	☐ Check if Austin, TX, officeholder living expense
Complete ONLY if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought / Office held

ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED

PAYMENT MADE FROM POLITICAL CONTRIBUTIONS TO A BUSINESS OF C/OH

SCHEDULE H

If the requested information is not applicable, **DO NOT include this page in the report.**

EXPENDITURE CATEGORIES FOR BOX 8(a)

Advertising Expense
Accounting/Banking
Consulting Expense
Contributions/Donations Made By Candidate/Officeholder/Political Committee
Credit Card Payment
Event Expense
Fees
Food/Beverage Expense
Gift/Awards/Memorials Expense
Legal Services
Loan Repayment/Reimbursement
Office Overhead/Rental Expense
Polling Expense
Printing Expense
Salaries/Wages/Contract Labor
Solicitation/Fundraising Expense
Transportation Equipment & Related Expense
Travel In District
Travel Out Of District
Other (enter a category not listed above)

The Instruction Guide explains how to complete this form.

1 Total pages Schedule H:	**2** FILER NAME	**3** Filer ID (Ethics Commission Filers)
4 Date	**5** Business name	
6 Amount ($)	**7** Business address; City; State; Zip Code	
8 **PURPOSE OF EXPENDITURE**	**(a)** Category (See Categories listed at the top of this schedule)	**(b)** Description
	(c) ☐ Check if travel outside of Texas. Complete Schedule T.	☐ Check if Austin, TX, officeholder living expense
9 Complete ONLY if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought / Office held

Date	Business name	
Amount ($)	Business address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	Category (See Categories listed at the top of this schedule)	Description
	☐ Check if travel outside of Texas. Complete Schedule T.	☐ Check if Austin, TX, officeholder living expense
Complete ONLY if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought / Office held

Date	Business name	
Amount ($)	Business address; City; State; Zip Code	
PURPOSE OF EXPENDITURE	Category (See Categories listed at the top of this schedule)	Description
	☐ Check if travel outside of Texas. Complete Schedule T.	☐ Check if Austin, TX, officeholder living expense
Complete ONLY if direct expenditure to benefit C/OH	Candidate / Officeholder name	Office sought / Office held

ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED

NON-POLITICAL EXPENDITURES MADE FROM POLITICAL CONTRIBUTIONS

SCHEDULE I

If the requested information is not applicable, **DO NOT include this page in the report.**

The Instruction Guide explains how to complete this form.

1 Total pages Schedule I:	**2** FILER NAME	**3** Filer ID (Ethics Commission Filers)
4 Date	**5** Payee name	
6 Amount ($)	**7** Payee address; City State Zip Code	
8 PURPOSE OF EXPENDITURE	**(a)** Category (See instructions for examples of acceptable categories.)	**(b)** Description (See instructions regarding type of information required.)
Date	Payee name	
Amount ($)	Payee address; City State Zip Code	
PURPOSE OF EXPENDITURE	Category (See instructions for examples of acceptable categories.)	Description (See instructions regarding type of information required.)
Date	Payee name	
Amount ($)	Payee address; City State Zip Code	
PURPOSE OF EXPENDITURE	Category (See instructions for examples of acceptable categories.)	Description (See instructions regarding type of information required.)
Date	Payee name	
Amount ($)	Payee address; City State Zip Code	
PURPOSE OF EXPENDITURE	Category (See instructions for examples of acceptable categories.)	Description (See instructions regarding type of information required.)

ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED

INTEREST, CREDITS, GAINS, REFUNDS, AND CONTRIBUTIONS RETURNED TO FILER

SCHEDULE K

If the requested information is not applicable, **DO NOT include this page in the report.**

The Instruction Guide explains how to complete this form.

1 Total pages Schedule K:

2 FILER NAME

3 Filer ID (Ethics Commission Filers)

4 Date

5 Name of person from whom amount is received

6 Address of person from whom amount is received; City; State; Zip Code

7 Purpose for which amount is received

☐ Check if political contribution returned to filer

8 Amount ($)

Date

Name of person from whom amount is received

Address of person from whom amount is received; City; State; Zip Code

Purpose for which amount is received

☐ Check if political contribution returned to filer

Amount ($)

Date

Name of person from whom amount is received

Address of person from whom amount is received; City; State; Zip Code

Purpose for which amount is received

☐ Check if political contribution returned to filer

Amount ($)

Date

Name of person from whom amount is received

Address of person from whom amount is received; City; State; Zip Code

Purpose for which amount is received

☐ Check if political contribution returned to filer

Amount ($)

ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED

IN-KIND CONTRIBUTIONS OR POLITICAL EXPENDITURES FOR TRAVEL OUTSIDE OF TEXAS

SCHEDULE T

If the requested information is not applicable, **DO NOT include this page in the report.**

The Instruction Guide explains how to complete this form.

1 Total pages Schedule T:

2 FILER NAME

3 Filer ID (Ethics Commission Filers)

4 Name of Contributor / Corporation or Labor Organization / Pledgor / Payee

5 Contribution / Expenditure reported on:

☐ Schedule A2 ☐ Schedule B ☐ Schedule B(J) ☐ Schedule C2 ☐ Schedule D ☐ Schedule F1
☐ Schedule F2 ☐ Schedule F4 ☐ Schedule G ☐ Schedule H ☐ Schedule COH-UC ☐ Schedule B-SS

6 Dates of travel

7 Name of person(s) traveling

8 Departure city or name of departure location

9 Destination city or name of destination location

10 Means of transportation

11 Purpose of travel (including name of conference, seminar, or other event)

Name of Contributor / Corporation or Labor Organization / Pledgor / Payee

Contribution / Expenditure reported on:

☐ Schedule A2 ☐ Schedule B ☐ Schedule B(J) ☐ Schedule C2 ☐ Schedule D ☐ Schedule F1
☐ Schedule F2 ☐ Schedule F4 ☐ Schedule G ☐ Schedule H ☐ Schedule COH-UC ☐ Schedule B-SS

Dates of travel

Name of person(s) traveling

Departure city or name of departure location

Destination city or name of destination location

Means of transportation

Purpose of travel (including name of conference, seminar, or other event)

Name of Contributor / Corporation or Labor Organization / Pledgor / Payee

Contribution / Expenditure reported on:

☐ Schedule A2 ☐ Schedule B ☐ Schedule B(J) ☐ Schedule C2 ☐ Schedule D ☐ Schedule F1
☐ Schedule F2 ☐ Schedule F4 ☐ Schedule G ☐ Schedule H ☐ Schedule COH-UC ☐ Schedule B-SS

Dates of travel

Name of person(s) traveling

Departure city or name of departure location

Destination city or name of destination location

Means of transportation

Purpose of travel (including name of conference, seminar, or other event)

ATTACH ADDITIONAL COPIES OF THIS SCHEDULE AS NEEDED

CANDIDATE / OFFICEHOLDER REPORT: DESIGNATION OF FINAL REPORT

FORM C/OH - FR

The Instruction Guide explains how to complete this form.

•• Complete only if "Report Type" on page 1 is marked "Final Report" ••

1 C/OH NAME	2 Filer ID (Ethics Commission Filers)

3 SIGNATURE

I do not expect any further political contributions or political expenditures in connection with my candidacy. I understand that designating a report as a final report terminates my campaign treasurer appointment. I also understand that I may not accept any campaign contributions or make any campaign expenditures without a campaign treasurer appointment on file.

Signature of Candidate / Officeholder

4 FILER WHO IS NOT AN OFFICEHOLDER

•• Complete A & B below *only* if you are not an officeholder. ••

A. CAMPAIGN FUNDS

Check only one:

☐ I do not have unexpended contributions or unexpended interest or income earned from political contributions.

☐ I have unexpended contributions or unexpended interest or income earned from political contributions. I understand that I may not convert unexpended political contributions or unexpended interest or income earned on political contributions to personal use. I also understand that I must file an annual report of unexpended contributions and that I may not retain unexpended contributions or unexpended interest or income earned on political contributions longer than six years after filing this final report. Further, I understand that I must dispose of unexpended political contributions and unexpended interest or income earned on political contributions in accordance with the requirements of Election Code, § 254.204.

B. ASSETS

Check only one:

☐ I do not retain assets purchased with political contributions or interest or other income from political contributions.

☐ I do retain assets purchased with political contributions or interest or other income from political contributions. I understand that I may not convert assets purchased with political contributions or interest or other income from political contributions to personal use. I also understand that I must dispose of assets purchased with political contributions in accordance with the requirements of Election Code, § 254.204.

Signature of Candidate

5 OFFICEHOLDER

•• Complete this section *only* if you are an officeholder ••

☐ I am aware that I remain subject to filing requirements applicable to an officeholder who does not have a campaign treasurer on file. I am also aware that I will be required to file reports of unexpended contributions if, after filing the last required report as an officeholder, I retain political contributions, interest or other income from political contributions, or assets purchased with political contributions or interest or other income from political contributions.

Signature of Officeholder

TEXAS ETHICS COMMISSION

CANDIDATE/OFFICEHOLDER CAMPAIGN FINANCE REPORT

FORM C/OH – INSTRUCTION GUIDE

(LOCAL PAPER FILERS ONLY)

For Reports Due on or after January 1, 2026

Revised January 1, 2026

Texas Ethics Commission, P.O. Box 12070, Austin, Texas 78711
www.ethics.state.tx.us
(512) 463-5800 • TDD (800) 735-2989
Promoting Public Confidence in Government

FORM C/OH – INSTRUCTION GUIDE

TABLE OF CONTENTS

These instructions are for the CANDIDATE/OFFICEHOLDER CAMPAIGN FINANCE REPORT (Form C/OH) and all schedules that are filed with it. FORM C/OH includes a three-page cover sheet and Schedules A1, A2, B, E, F1, F2, F3, F4, G, H, I, K, and T. Candidates or officeholders filing a Final Report should also attach Form C/OH-FR. All filers must submit the three-page cover sheet, but only the schedules on which there is information to report need to be included.

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GENERAL INSTRUCTIONS

These general instructions apply to all C/OH forms required to be filed under title 15, Texas Election Code, for activity that occurs on or after January 1, 2026. For a report that includes activity occurring before January 1, 2026, you must use the instructions applicable before that time, which are available on the Texas Ethics Commission's website at https://www.ethics.state.tx.us/forms/coh/cohfrm.php.

IMPORTANT UPDATES

Increased Disclosure Thresholds

On January 1, 2020, the Texas Ethics Commission began adjusting certain reporting thresholds to account for inflation. As directed by section 571.064 of the Texas Government Code, the Commission is required to annually adjust these thresholds upward to the nearest multiple of $10 in accordance with the percentage increase for the previous year in the Consumer Price Index for Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor. Accordingly, one or more thresholds will generally be adjusted each year, depending upon the figures in the index.

These changes will be made effective January 1st of each calendar year; the affected numbers and corresponding new thresholds are located in 1 T.A.C. §18.31, which can be found here: https://www.ethics.state.tx.us/rules/. The higher itemization thresholds will be reflected on the paper forms and in these instructions, as applicable.

Verify that you are using the correct thresholds and forms that apply to your filing. For example, if you are filing a campaign finance report or lobby activities report that is due in January of 2025, you must use the forms and instructions that are applicable to the period ending December 31, 2024.

Contributions Made Electronically Must Be Itemized

Beginning on September 1, 2019, all political contributions that are made electronically and accepted by a filer during the reporting period must be itemized in the filer's campaign finance report. This change is made by House Bill 2586, adopted by the 86th Texas Legislature.

ELECTRONIC FILING

All persons filing campaign finance reports with the Texas Ethics Commission (Commission) are required to file those reports electronically unless the person is eligible to claim an exemption. Check the Commission's website at *https://www.ethics.state.tx.us* for information about exemptions from the electronic filing requirement.

FILLING OUT THE FORMS

All reports filed on paper must be either handwritten in ink or typewritten. If you complete the report by hand, print everything other than your signature.

If you are filing with the Commission, and you are eligible to claim an exemption to electronic filing, ***you may use your own computer-generated form*** if it provides for disclosure of all the information required on the Commission's form and it is *substantially identical* in paper size, color, layout, and format. A substitute form that is substantially identical to the Commission's prescribed form must be submitted for pre-approval by the Commission's executive director.

Always file the cover sheet of the campaign finance report form. You need to file only those schedules on which you have information to report.

You must keep an exact copy of each report filed and all records necessary to complete the report for at least two (2) years after the deadline for filing the report.

If you have questions, contact our legal department at helpline@ethics.state.tx.us.

TEXAS ETHICS COMMISSION GUIDES

The Commission publishes a Campaign Finance Guide for each type of filer. These guides are designed to explain your responsibilities as a filer. The Commission encourages you to read the appropriate guide before you begin accepting political contributions or making or authorizing political expenditures.

PHOTOCOPIES OF FORMS

You may use photocopies of Commission forms. For example, if the space provided on Schedule A1 is insufficient, you may make copies of a blank Schedule A1 form and attach more pages as needed.

FILING DATE

For most reporting deadlines, a document is considered timely filed if it is properly addressed with postage or handling charges prepaid and bears a postmark or receipt mark of a common or contract carrier indicating a time on or before the deadline.

Pre-Election Reports: A report due 30 days before an election and a report due 8 days before an election must be *received* by the appropriate filing authority no later than the report due date.

If you are filing with the Commission, address your reports and correspondence to the Texas Ethics Commission, P.O. Box 12070, Austin, Texas 78711-2070. For hand-deliveries, the Commission’s street address is 201 East 14th Street, Sam Houston Building, 10th Floor, Austin, Texas 78701.

If the due date for a report falls on a Saturday, Sunday, or legal holiday, the report is due on the next regular business day.

FORM C/OH: CANDIDATE/OFFICEHOLDER CAMPAIGN FINANCE REPORT

These instructions are for the CANDIDATE/OFFICEHOLDER CAMPAIGN FINANCE REPORT (Form C/OH). A complete report includes the Form C/OH cover sheet, and any of the following schedules on which there is information to report: A1, A2, B, E, F1, F2, F3, F4, G, H, I, K, and T. A complete Final Report must also include Form C/OH-FR.

Note: Judicial candidates and officeholders must use a different form, Form JC/OH.

GENERAL INFORMATION

Use Form C/OH for filing the following reports:

- Semiannual reports (January 15 and July 15)
- Pre-election reports (30th day before election, 8th day before election)
- Runoff report (8th day before runoff election)
- Exceeded Modified Reporting Limit report
- 15th day after officeholder campaign treasurer appointment
- Final Report

See the instructions for sections 9 and 10 of the Cover Sheet for help in deciding which reports you are required to file.

OFFICEHOLDER ACTIVITY

An officeholder may make officeholder expenditures and accept officeholder contributions without having a campaign treasurer appointment on file. However, an officeholder must have a campaign treasurer appointment on file before the officeholder may make campaign expenditures or accept campaign contributions.

DUTIES OF CANDIDATE OR OFFICEHOLDER

As a candidate or officeholder, you alone, not the campaign treasurer, are responsible for filing this form. Failing to file a report on time or filing an incomplete report may subject you to criminal or civil penalties.

DUTIES OF CAMPAIGN TREASURER

State law does not impose any reporting or record-keeping obligations on a candidate's campaign treasurer.

WHERE TO FILE

This form is filed with the same filing authority with which you were required to file your Campaign Treasurer Appointment (Form CTA). If you are an officeholder who does not have a campaign treasurer appointment on file, file your reports with the same authority with which a candidate for your office must file the campaign treasurer appointment.

FILING A FINAL REPORT

For filing purposes, you are a "candidate" as long as you have an appointment of campaign treasurer on file. If you do not expect to accept any further campaign contributions or to make any further campaign expenditures, you may file a Final Report of contributions and expenditures. A Final Report terminates your appointment of campaign treasurer and relieves you of the obligation of filing further reports ***as a candidate***. If you are an officeholder at the time of filing a Final Report, you may be required to file semiannual reports of contributions and expenditures as an officeholder. The only officeholders who are not required to file semiannual reports are officeholders who file locally, who do not have a campaign treasurer appointment on file, ***and*** who do not exceed $1,140 in contributions or expenditures during the reporting period.

You are required to file a report of unexpended contributions (using Form C/OH-UC) if ***all*** of the following apply to you: you are not a current officeholder, you have filed a final report, and you retain political contributions. Officeholders who leave office, no longer have a treasurer appointment on file, file a final report, and still retain political contributions will also owe this report. See Instructions for Form C/OH-UC for further information. To file a Final Report, you must complete the "C/OH CAMPAIGN FINANCE REPORT" (Form C/OH), check the "final" box in section 9 on the Cover Sheet, and complete and attach the "C/OH REPORT: DESIGNATION OF FINAL REPORT" (Form C/OH- FR).

COMPLETING THE COVER SHEET

Each numbered item in these instructions corresponds to the same numbered item on the form.

PAGE 1

1. **FILER ID:** If you are filing with the Commission, you were assigned a filer identification number when you filed your initial campaign treasurer appointment. You should have received a letter acknowledging receipt of the form and informing you of your Filer ID. Enter this number wherever you see "FILER ID." If you do not file with the Commission, you are not required to enter a Filer ID.

2. **TOTAL PAGES FILED:** After you have completed the form, count the total number of pages of this form and any attached schedules. Enter that number where indicated on the top line of page 1 only. Each side of a two-sided form counts as one page.

3. **CANDIDATE/OFFICEHOLDER NAME:** Enter your full name, including nicknames and suffixes (e.g., Sr., Jr., III), if applicable.

4. **CANDIDATE/OFFICEHOLDER MAILING ADDRESS:** Enter your complete mailing address. If your mailing address has changed since you last gave notice of your address, check the "Change of Address" box.

5. **CANDIDATE/OFFICEHOLDER PHONE:** Enter your phone number including the area code, and your extension, if applicable.

Sections 6 - 8 pertain to a candidate's campaign treasurer. If you are an officeholder who does not have a campaign treasurer appointment on file, skip these sections.

6. **CAMPAIGN TREASURER NAME:** Enter the full name of your campaign treasurer, including nicknames and suffixes (e.g., Sr., Jr., III), if applicable.

7. **CAMPAIGN TREASURER ADDRESS:** Enter the complete address of your campaign treasurer.

8. **CAMPAIGN TREASURER PHONE:** Enter the phone number of your campaign treasurer including the area code, and the extension, if applicable.

9. **REPORT TYPE:** Check the box that describes the type of report you are filing, according to the descriptions below. See the instructions for section 10 for the periods covered by each type of report.

   January 15 (Semiannual) Report: All candidates and most officeholders must file a semiannual report by January 15. The only officeholders who are not required to file this report are officeholders who file locally, who do not have a campaign treasurer appointment on file, ***and*** who do not exceed $1,140 in contributions or expenditures during the reporting period.

All candidates and officeholders who file with the Commission must file this report by midnight Central Time on the January 15 report due date. All candidates and officeholders who file locally must file this report by 5 p.m. on the January 15 report due date.

Note: Anyone who has a campaign treasurer appointment (Form CTA) on file must file semiannual reports, even after an election has ended and even if the filer lost the election. To end this semiannual filing requirement, the filer must cease campaign activity and file a Final Report. (See "Final Report" below for more information.)

July 15 (Semiannual) Report: All candidates and most officeholders must file a semiannual report by July 15. The only officeholders who are not required to file this report are officeholders who file locally, who do not have a campaign treasurer appointment on file, ***and*** who do not exceed $1,140 in contributions or expenditures during the reporting period.

See "January 15 Report" above for more information on filing requirements and deadlines for semiannual reports.

30th Day Before Election Report: Opposed candidates in an election who did not choose the modified reporting schedule must file this pre-election report. If an opposed candidate chose modified reporting, but then exceeded a threshold before the 30th day before the election, the candidate must file this report.

The report is due no later than 30 days before the election. For all candidates and officeholders who file with the Commission, this report must be received by the Commission no later than midnight Central Time on the report due date. For all candidates and officeholders who file locally, this report must be received by the filing authority no later than 5 p.m. on the report due date.

You are an "opposed" candidate if you have an opponent, including a minor party candidate, whose name is printed on the ballot. If your only opposition is a write-in candidate, you are not considered opposed for filing purposes. If you are a write-in candidate, you are an "opposed" candidate subject to the reporting requirements if you accept political contributions or make political expenditures. Candidates who are unopposed in an election are not required to file pre-election reports for that election.

8th Day Before Election Report: Opposed candidates in an election who did not choose the modified reporting schedule must file this pre-election report. If an opposed candidate chose modified reporting but then exceeded a threshold before the 8th day before the election, the candidate must file this report.

The report is due no later than 8 days before the election. For all candidates and officeholders who file with the Commission, this report must be received by the Commission no later than midnight Central Time on the report due date. For all candidates and officeholders who file locally, this report must be received by the filing authority no later than 5 p.m. on the report due date.

See "30th Day Before Election Report" above for the definition of an opposed candidate.

Runoff Report: Opposed candidates who are participating in a runoff election and who did not choose the modified reporting schedule must file this runoff report. The report is due no later than 8 days before the runoff election. For all candidates and officeholders who file with Commission, this report must be received by the Commission no later than midnight Central Time on the report due date. For all candidates and officeholders who file locally, this report must be received by the filing authority no later than 5 p.m. on the report due date.

See "30th Day Before Election Report" above for the definition of an opposed candidate.

Exceeded Modified Reporting Limit Report: Candidates who chose to file under the modified reporting schedule but then, after the 30th day before the election, exceeded $1,140 in contributions or $1,140 in expenditures in connection with the election must file this Exceeded Modified Reporting Limit report within 48 hours after exceeding the $1,140 limit. The candidate must meet this deadline even if it falls on a weekend or a holiday.

15th Day After Campaign Treasurer Appointment Report (Officeholders Only): An officeholder must file this report if he or she appoints a campaign treasurer after a period of not having a campaign treasurer appointment (Form CTA) on file. For all officeholders who file with Commission, this report is due no later than midnight Central Time on the 15th day after an officeholder files Form CTA with the Commission. For all officeholders who file locally, this report is due no later than 5 p.m. on the 15th day after an officeholder files Form CTA with the filing authority. It is not required of officeholders who are merely changing their campaign treasurer. It is not required of an officeholder who files locally if the officeholder did not exceed $1,140 in either contributions or expenditures during the period covered by the report. Candidates who are not officeholders do not file this report.

Final Report: A person who has a campaign treasurer appointment on file may file this report when he or she does not expect to accept any further campaign contributions or make or authorize any further campaign expenditures. There is not a fixed deadline for this report. This report must have a completed "C/OH REPORT: DESIGNATION OF FINAL REPORT" (Form C/OH-FR) attached.

A candidate must have a CTA on file to accept campaign contributions or make campaign expenditures, including contributions intended to offset campaign debts or expenditures made to pay campaign debts. A candidate who intends to continue campaign activity should not file a Final Report.

A Final Report terminates a candidate's CTA and relieves the candidate from any additional filing obligations as a candidate. Officeholders who file a Final Report will still be subject to the filing requirements applicable to officeholders. A person who is not an officeholder but who has surplus political funds or assets after filing a Final Report will be required to file annual Unexpended Contribution reports. (See "Form C/OH-FR: Designation of Final Report" for more information.) A candidate or officeholder who does not have a CTA on file may still be required to file a personal financial statement (PFS).

Filing a Final Report does not relieve a candidate of responsibility for any delinquent reports or outstanding civil penalties.

Daily Pre-Election Report of Contributions: A candidate or officeholder who files with the Commission may be required to file daily pre-election reports disclosing contributions during the period beginning the 9th day before an election and ending at 12 noon on the day before the election. This information is disclosed on Form Daily-C C/OH. For more information, see the instructions for Form Daily-C C/OH.

Legislative Special Session Report: All statewide candidates and officeholders and members of and candidates for the legislature who accept a political contribution during the period beginning on the date the governor signs the proclamation calling a special legislative session and continuing through the date of final adjournment are required to file a report after a special session of the legislature. This information can be disclosed on Form C/OH-SS. For more information, see the instructions for Form C/OH-SS.

10. PERIOD COVERED: A reporting period includes the start date and the end date. The ***due date*** for filing will generally be ***after*** the end of the reporting period. Generally, a report picks up where the last report left off, and there should be no gaps or overlapping periods. The exceptions are Daily Pre-election reports, which do create overlaps because you are required to report the activity twice.

First Reports: If this is the first report of contributions and expenditures that you have filed, the beginning date will depend on the date your campaign treasurer appointment (Form CTA) was filed or the date you took office.

- If you are a candidate (a person who has filed a Form CTA) and you are filing your first report, the start date will be the date your Form CTA was filed.
- If you are an officeholder who was appointed to an elective office and who did not have a Form CTA on file at the time of the appointment, the start date for your first report will be the date you took office.

January 15th (Semiannual) Report: The start date is July 1 of the previous year or the day after the last day covered by your last required report, whichever is later. If this is the first report you have filed, see the "First Reports" section above. The end date is December 31 of the previous year.

July 15th (Semiannual) Report: The start date is January 1 or the day after the last day covered by your last required report, whichever is later. If this is the first report you have filed, see the "First Reports" section above. The end date is June 30.

30th Day Before Election Report: The start date is the day after the last day covered by your last required report. If this is the first report you have filed, see the "First Reports" section above. The end date is the 40th day before the election. This report is not required for unopposed candidates or candidates who are filing under the modified reporting schedule.

8th Day Before Election Report: The start date is the 39th day before the election if you filed a 30th Day Before Election Report. If you did not file the 30th Day Before Election Report, the day after the last day covered by your last required report is the start date. If this is the first report you have filed, see the "First Reports" section above. The end date is

the 10th day before the election. This report is not required for unopposed candidates or candidates who are filing under the modified reporting schedule.

Runoff Report: The start date is the 9th day before the main election if you filed an 8th Day Before Election Report. Otherwise, the start date is the day after the last day covered by your last required report or the day you appointed a campaign treasurer, whichever is later. The end date is the 10th day before the runoff election. This report is not required for candidates who are filing under the modified reporting schedule.

Exceeded Modified Reporting Limit Report: The start date for the report is either the day you appointed your campaign treasurer or the day after the last day covered by your last required report, whichever is later. The end date is the day you exceeded the $1,140 limit for contributions or expenditures.

15th Day After Campaign Treasurer Appointment Report (Officeholders Only): The start date is either the day after the last day covered by your last required report or the day you began serving an appointment to elective office. The end date is the day before the campaign treasurer appointment was filed. This report is due no later than 15 days after the campaign treasurer appointment was filed.

Final Report: The start date is the day after the last day covered by your last required report. The end date is the day the final report is filed.

If you are an officeholder without a campaign treasurer appointment on file, or if you have a campaign treasurer appointment on file but you are not a candidate in an upcoming election and were not a candidate in a recent election, you may skip Section 11.

11. ELECTION: If you are a candidate in an upcoming election or were a candidate in a recently held election, provide the following information concerning the upcoming or recent election.

Election Date: Enter the month, day, and year of the election for which this report is filed, if known.

Candidate in an Upcoming Election: If the political activity in the report primarily pertains to an upcoming election, provide the date of the upcoming election in which you intend to participate as a candidate that most immediately follows the deadline for this report.

Candidate in a Recently Held Election: If the political activity in this report primarily pertains to a recently held election, provide the date of the recently held election in which you participated as a candidate that most immediately precedes the deadline for this report.

Election Type: Check the box next to the type of election that most accurately describes the election for which this report is filed.

Primary: An election held by a political party to select its nominees for office.

Runoff: An election held if no candidate for a particular office receives the vote necessary to be elected in an election requiring a majority vote.

General: An election, other than a primary election, that regularly occurs at fixed dates.

Special: An election that is neither a general election nor a primary election nor a runoff election.

Other: If none of the listed election types apply, check "Other" and provide your own description of the election for which the report is filed.

12. **OFFICE HELD:** If you are an officeholder, enter the office you currently hold. Include the district, precinct, or other designation for the office, if applicable.

13. **OFFICE SOUGHT:** If you are a candidate in an upcoming election, enter the office you seek. If you were a candidate in a recently held election, but were unsuccessful or are not currently an officeholder, enter the office you sought during the election that most immediately precedes the deadline for this report. Include the district, precinct, or other designation for the office, if applicable.

14. **NOTICE FROM POLITICAL COMMITTEE(S):** Complete this section if you received notice from a political committee that it accepted political contributions or made political expenditures on your behalf. You are required to disclose the receipt of such a notice in the report covering the period in which you receive the notice. If you have not received such notice, you may skip this section.

    The political committee is required to include in the notice the full name and address of the committee, the full name and address of the committee's campaign treasurer, and a statement indicating whether the committee is a general-purpose committee or a specific-purpose committee. If the notice also describes the expenditure, do not include the description in this section.

    "Additional Pages" box: If you received notice from more than one committee, check this box and attach an additional page listing the names and addresses of the other committees and of their campaign treasurers.

    Committee Type:

    "General" box: Check this box if the notice is from a general-purpose committee.

    "Specific" box: Check this box if the notice is from a specific-purpose committee.

    Committee Name: Enter the full name of the committee as reported in the notice.

    Committee Address: Enter the address of the committee as reported in the notice.

Committee Campaign Treasurer Name: Enter the name of the committee's campaign treasurer as reported in the notice.

Committee Campaign Treasurer Address: Enter the address of the committee's campaign treasurer as reported in the notice.

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15. C/OH (CANDIDATE/OFFICEHOLDER) NAME: Enter your full name.

16. FILER ID: See instructions for Cover Sheet, page 1, section 1.

17. TOTALS: Complete this section only after you have completed all applicable schedules.

Line 1- Total Unitemized Political Contributions: Enter the total of all unitemized contributions (other than pledges, loans, guarantees of loans, or contributions made electronically) of $110 or less. Do not include any contributions itemized on Schedules A1 or A2 or any contributions made electronically. Enter a "0" if you did not receive any unitemized contributions during the period covered.

On Schedules A1 and A2, you are required to itemize political contributions that totaled more than $110 from one person during the reporting period and any political contribution that is made electronically. (Remember: If the committee received contributions *totaling* more than $110 from one person during the reporting period, you are required to itemize all of those contributions, even if individual contributions were $110 or less.) You may also itemize contributions of $110 or less from one person. Do not include any itemized contributions in the total entered on line 1, regardless of amount.

Line 2- Total Political Contributions: Add the total contributions listed on Schedules A1 and A2 to the amount you entered on line 1. Enter that total on line 2. Enter a "0" if you did not receive any contributions during the period covered.

Line 3- Total Unitemized Political Expenditures: Enter the total of all unitemized political expenditures of $230 or less. Do not include any expenditures itemized on Schedules F1, F2, F3, F4, G, or H. Enter a "0" if you did not make any unitemized expenditures during the period covered.

On Schedule F1, you are required to itemize political expenditures that totaled more than $230 to one payee. (Remember*:* If the committee made expenditures *totaling* more than $230 to one person during the reporting period, you are required to itemize all of those expenditures, even if individual expenditures were $230 or less.) You may also itemize expenditures totaling $230 or less to one payee. Do not include any expenditures itemized on Schedule F1 in the total entered on line 3, regardless of amount.

On Schedule F2, you are required to itemize incurred but not yet paid political expenditures that totaled more than $230 to one payee. You may also itemize incurred but not yet paid political expenditures totaling $230 or less to one payee. Do not

include any political or non-political expenditures itemized on Schedule F2 in the total entered on line 3, regardless of amount.

On Schedule F4, you are required to itemize political expenditures made by a credit card that totaled more than $230 to one payee. You may also itemize political expenditures made by a credit card totaling $230 or less to one payee. Do not include any political or non-political expenditures itemized on Schedule F4 in the total entered on line 3, regardless of amount.

On Schedule G, you are required to itemize political expenditures from personal funds if you intend to seek reimbursement from political contributions. Do not include any expenditures itemized on Schedule G in the total entered on line 3, regardless of amount.

On Schedule H, you are required to itemize payments from political contributions made to certain businesses. Do not include any expenditures itemized on Schedule H in the total entered on line 3, regardless of amount.

Line 4- Total Political Expenditures: Add the following:

(a) the total expenditures itemized on Schedule F1;

(b) the total political expenditures itemized on Schedule F2;

(c) the total political expenditures itemized on Schedule F4;

(d) the total political expenditures itemized on Schedule G;

(e) the total political expenditures itemized on Schedule H; and

(f) the amount you entered on line 3.

Enter that total on line 4.

Enter a “0” if you did not make any expenditures during the period covered.

Line 5- Total Political Contributions Maintained: Enter the total amount of political contributions, including interest or other income on those contributions, maintained as of the last day of the reporting period. Enter “0” if you do not maintain political contributions, including interest or other income on those contributions, as of the last day of the reporting period. This is different from the total contributions reported on line 2. Only contributions accepted during the period covered by the report are entered on line 2.

The law requires you to disclose the total amount of political contributions accepted, including interest or other income on those contributions, maintained in one or more accounts in which political contributions are deposited as of the last day of the reporting period.

The “total amount of political contributions maintained” includes: the total amount of political contributions maintained in one or more accounts, including the balance on

deposit in banks, savings and loan institutions and other depository institutions; the present value of any investments that can be readily converted to cash, such as certificates of deposit, money market accounts, stocks, bonds, treasury bills, etc.; and the balance of political contributions accepted and held in any online fundraising account over which the filer can exercise control by making a withdrawal, expenditure, or transfer.

The total amount of political contributions maintained does ***not*** include personal funds that the filer intends to use for political expenditures, *unless* the personal funds have been disclosed as a loan to your campaign and deposited into an account in which political contributions are held as permitted by section 253.0351(c) of the Election Code. Any unexpended funds from such a loan are required to be included in the total amount of political contributions maintained as of the last day of the reporting period. Note: Personal funds deposited in an account in which political contributions are held are subject to the personal use restrictions.

Line 6- Total Principal Amount of All Outstanding Loans: Enter the aggregate outstanding principal amount of all loans accepted for campaign or officeholder purposes as of the last day of the reporting period. Enter a "0" if you did not accept any loans during the period covered and have no outstanding loans as of the last day of the reporting period. This is different from the information reported on Schedule E. This line must include outstanding principal of loans made in this reporting period as well as outstanding principal of loans made previously.

18. SIGNATURE: Complete this section only after you have completed all applicable sections and schedules. You must always sign a report that you file. You must complete this section even if you have no schedules to attach. ***Only the candidate or officeholder filing the report may sign the report***.

If you are using the paper form, fill this section out by hand after you finish the rest of this report. You have the option to either: (1) take the completed form to a notary public where you will sign above the first line that says "Signature of Candidate/Officeholder (Declarant)" (an electronic signature is not acceptable) and your signature will be notarized, or (2) sign above both lines that say "Signature of Candidate/Officeholder (Declarant)" (an electronic signature is not acceptable), and fill out the unsworn declaration section.

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19. **C/OH (CANDIDATE/OFFICEHOLDER) NAME:** Enter your full name.

20. FILER ID: See instructions for Cover Sheet, page 1, section 1.

21. SCHEDULE SUBTOTALS: Complete this section only after you have completed all applicable schedules.

Check the appropriate boxes to indicate which schedules are attached to your report. If a schedule is not included in the report, leave the check box blank.

Line 1- Schedule A1: Add the total amount of contributions itemized on Schedule A1. Enter that total on line 1. Enter a "0" if you did not accept any contributions during the period covered.

Line 2- Schedule A2: Add the total amount of non-monetary in-kind contributions itemized on Schedule A2 to the amount of unitemized non-monetary in-kind contributions accepted during the period covered. Enter that total on line 2. Enter a "0" if you did not accept any non-monetary in-kind contributions during the period covered.

Line 3- Schedule B: Add the total amount of pledged contributions itemized on Schedule B to the amount of unitemized pledged contributions accepted during the period covered. Enter that total on line 3. Enter a "0" if you did not accept any pledged contributions during the period covered.

Line 4- Schedule E: Add the total amount of loans itemized on Schedule E to the amount of unitemized loans accepted during the period covered. Enter that total on line 4. Enter a "0" if you did not accept any loans during the period covered.

Line 5- Schedule F1: Add the total amount of political expenditures from political contributions itemized on Schedule F1. Enter that total on line 5. Enter a "0" if you did not make any political expenditures from political contributions during the period covered.

Line 6- Schedule F2: Add the total amount of unpaid incurred obligations itemized on Schedule F2 to the amount of unitemized unpaid obligations incurred during the period covered. Enter that total on line 6. Enter a "0" if you did not incur any unpaid obligations during the period covered.

Line 7- Schedule F3: Add the total amount of investments purchased from political contributions itemized on Schedule F3. Enter that total on line 7. Enter a "0" if you did not purchase any investments from political contributions during the period covered.

Line 8- Schedule F4: Add the total amount of expenditures made by a credit card itemized on Schedule F4 to the amount of unitemized expenditures made by a credit card during the period covered. Enter that total on line 8. Enter a "0" if you did not make any expenditures by credit card during the period covered.

Line 9- Schedule G: Add the total amount of political expenditures from personal funds itemized on Schedule G. Enter that total on line 9. Enter a "0" if you did not make any political expenditures from personal funds during the period covered.

Line 10- Schedule H: Add the total amount of payments from political contributions to a business of the candidate or officeholder itemized on Schedule H. Enter that total on line 10. Enter a "0" if you did not make any payments from political contributions to a business of the candidate or officeholder during the period covered.

Line 11- Schedule I: Add the total amount of non-political expenditures from political contributions itemized on Schedule I. Enter that total on line 11. Enter a "0" if you did

not make any non-political expenditures from political contributions during the period covered.

Line 12- Schedule K: Add the total amount of interests, credits, gains, refunds, and contributions returned to the filer itemized on Schedule K. Enter that total on line 12. Enter a “0” if you did not have any such activity during the period covered.

SCHEDULE A1: MONETARY POLITICAL CONTRIBUTIONS

These instructions are for candidates and officeholders using SCHEDULE A1: MONETARY POLITICAL CONTRIBUTIONS.

Use this schedule to disclose information about monetary campaign and officeholder contributions accepted during the reporting period. Do not enter on this schedule information on non-monetary, in-kind contributions, pledges, loans, or guarantees of loans. Once you actually receive pledged money, it must be reported on Schedule A1. (Report non-monetary, in-kind contributions on Schedule A2; report pledges on Schedule B; report loans and guarantees of loans on Schedule E.)

Itemization: You must enter incoming monetary contributions that exceed $110 from one person, and any monetary contribution made electronically, during the reporting period on this schedule. If you accepted two or more contributions from the same person, the total of which exceeds $110, enter each contribution separately. Although you are not required to do so, you may also report contributions from one person that do not exceed $110 in the period on this schedule. If you do not itemize contributions of $110 and less on this schedule, you must total all such contributions and report them on the Cover Sheet, page 2, section 17, line 1.

Each numbered item in these instructions corresponds to the same numbered item on the form.

1. **TOTAL PAGES SCHEDULE A1:** After you have completed Schedule A1, count the total number of pages. Each side of a two-sided form counts as one page.

2. **FILER NAME:** Enter your full name.

3. **FILER ID:** See instructions for Cover Sheet, page 1, section 1.

4. **DATE:** Enter the date you ***accepted*** the contribution.

   Accepting a contribution is different from ***receiving*** a contribution. You accept a contribution when you decide to accept it rather than reject it. This may or may not be the same day that you receive the contribution.

   Failure to make a determination about acceptance or refusal: If you fail to make a determination to accept or refuse a contribution by the end of the reporting period, the contribution is considered to have been accepted.

   Returning refused contributions: If you receive a political contribution but do not accept it, you must return the contribution not later than the 30th day after the end of the reporting period in which the contribution was received. If you fail to do so, the contribution is considered to have been accepted.

5. **FULL NAME OF CONTRIBUTOR:** Enter the full name of the contributor. If the contributor is an individual, enter the full first and last name, and suffix (Jr., III, etc.) if applicable. If the contributor is an entity, enter the full name of the entity.

   "Out-of-State PAC" box: If the contributor is an out-of-state political committee, check the box. Certain restrictions apply to contributions from out-of-

state PACs. The fact that a political committee has a mailing address outside of Texas does not mean that the committee is an out-of-state PAC for purposes of these restrictions. A political committee that has a campaign treasurer appointment on file in Texas is not an out-of-state PAC. A political committee that makes most of its political expenditures outside of Texas may be an out-of-state PAC. A political committee must determine if it is an out-of-state PAC.

If the contributor is an out-of-state political committee from which you accepted more than $1,140 in the reporting period (including pledges or loans from sources other than financial institutions that have been in business for more than a year), you must include one of the following with your report:

- a written statement, certified by an officer of the out-of-state political committee, listing the full name and address of each person who contributed more than $230 to the out-of-state political committee during the 12 months immediately preceding the contribution; ***or***

- a copy of the out-of-state political committee's statement of organization filed as required by law with the FEC and certified by an officer of the out-of-state committee.

If the contributor is an out-of-state political committee from which you accepted $1,140 or less (including pledges) during the reporting period, you must include one of the following with your report:

- a copy of the out-of-state political committee's statement of organization filed as required by law with the FEC and certified by an officer of the out-of-state committee; ***or***

- a document listing the committee's name, address and phone number; the name of the person appointing the committee's campaign treasurer; and the name, address and phone number of the committee's campaign treasurer.

"ID #" Line (Electronic Filing Only): If you are filing your report electronically, you may enter in this field the out-of-state committee's Federal Election Commission (FEC) identification number. If you do not have an FEC # for the out-of-state PAC or are not filing electronically with the Commission, you must provide other documentation as explained above.

6. **CONTRIBUTOR ADDRESS:** Enter the complete address of the contributor.

7. **AMOUNT OF CONTRIBUTION:** Enter the exact amount of the contribution.

8. **PRINCIPAL OCCUPATION OR JOB TITLE:** Candidates for and holders of statewide offices in the executive branch and candidates for and holders of legislative offices must disclose the principal occupation or job title of an individual from whom the candidate or officeholder has accepted contributions (including pledges) of $1,140 or more during the reporting period. In other circumstances, filers are not required to report this information but may do so.

9. **EMPLOYER:** Candidates for and holders of statewide offices in the executive branch and candidates for and holders of legislative offices must disclose the employer of an individual from whom the candidate or officeholder has accepted contributions (including pledges) of $1,140 or more during the reporting period. In other circumstances, filers are not required to report this information but may do so.

SCHEDULE A2: NON-MONETARY (IN-KIND) POLITICAL CONTRIBUTIONS

These instructions are for candidates and officeholders using SCHEDULE A2: NON-MONETARY (IN-KIND) POLITICAL CONTRIBUTIONS.

Use this schedule to disclose information about non-monetary, in-kind campaign and officeholder contributions received during the reporting period. An in-kind contribution is a contribution of goods, services, or any other thing of value ***other than money*** that is given to your campaign. You are not required to include contributions of an individual's personal services or travel if the individual receives no compensation from any source for the services. Do not enter on this schedule information on monetary political contributions, pledges, loans, or guarantees of loans. Once you actually receive a pledged in-kind contribution, it must be reported on Schedule A2. (Report monetary contributions on Schedule A1; report pledges on Schedule B; report loans and guarantees of loans on Schedule E.)

Itemization: You must enter non-monetary (in-kind) contributions of goods, services, or other things of value that exceed $110 from one person, and any non-monetary contribution made electronically, during the reporting period on this schedule. If you accepted two or more non-monetary contributions from the same person, the total of which exceeds $110, enter each contribution separately. Although you are not required to do so, you may also report contributions from one person that do not exceed $110 in the period on this schedule. If you do not itemize contributions of $110 and less on this schedule, you must total all such contributions and report them on the Cover Sheet, page 2, section 17, line 1.

Each numbered item in these instructions corresponds to the same numbered item on the form.

1. **TOTAL PAGES SCHEDULE A2:** After you have completed Schedule A2, count the total number of pages. Each side of a two-sided form counts as one page.

2. **FILER NAME:** Enter your full name.

3. **FILER ID:** See instructions for Cover Sheet, page 1, section 1.

4. **TOTAL OF UNITEMIZED IN-KIND POLITICAL CONTRIBUTIONS:** Enter the total amount of in-kind political contributions of $110 or less that you accepted during the period covered that are not itemized on this schedule. If you choose to itemize an in-kind contribution of $110 or less on this schedule, do not include it in this total. All contributions made electronically must be itemized.

5. **DATE:** See instructions for Schedule A1, section 4.

6. **FULL NAME OF CONTRIBUTOR:** See instructions for Schedule A1, section 5.

   "Out-of-State PAC" box: See instructions for Schedule A1, section 5.

7. **CONTRIBUTOR ADDRESS:** Enter the complete address of the contributor.

8. **AMOUNT OF CONTRIBUTION:** Enter the fair market value of the in-kind contribution.

9. **IN-KIND CONTRIBUTION DESCRIPTION:** Enter a description of the contribution. The description should be sufficiently detailed to allow a person reviewing your report to understand what was contributed.

   "Check if Travel Outside of Texas" box: Check this box if the expenditure was for travel outside of Texas. The description of a political expenditure for travel outside of Texas must include detailed information. Report this information on Schedule T.

10. **PRINCIPAL OCCUPATION OR JOB TITLE:** See instructions for Schedule A1, section 8.

11. **EMPLOYER:** See instructions for Schedule A1, section 9.

Sections 12-16 pertain to judicial candidates and officeholders only. Do not complete these sections. If you are a judicial candidate or officeholder, use form JC/OH and the corresponding instructions.

SCHEDULE B: PLEDGED CONTRIBUTIONS

These instructions are for candidates and officeholders using SCHEDULE B: PLEDGED CONTRIBUTIONS.

Use this schedule to disclose information about pledges accepted during the reporting period for campaign or officeholder purposes. You are not required to include pledges of an individual's personal services or travel if the individual receives no compensation from any source for the services. Do not enter on this schedule information on contributions actually received, loans, or guarantees of loans. (Report contributions actually received on Schedule A1 or Schedule A2, as applicable; report loans and guarantees of loans on Schedule E.)

If you accept a pledge from a person to give you money, goods, services, or anything of value, that pledge is a reportable contribution and you must include the pledge on this schedule for the report covering the period in which you accept the pledge.

Itemization: You must itemize pledges that exceed $110 in the aggregate from one person during the reporting period. If you accepted two or more pledges from the same person during the reporting period, the total of which exceeds $110, enter each pledge separately. Although you are not required to do so, you may also itemize pledges for $110 or less from one person. You must also disclose the receipt of the pledged contribution on Schedule A1 (used for monetary contributions) or A2 (used for non-monetary contributions), as applicable, in the reporting period in which you actually receive the pledged money or thing of value. If the pledge is accepted and received in the same reporting period, it is no longer a pledge disclosed here; it becomes a contribution disclosed on the applicable contributions schedule

Note: See the Campaign Finance Guide for more information on pledges.

Each numbered item in these instructions corresponds to the same numbered item on the form.

1. **TOTAL PAGES SCHEDULE B:** After you have completed Schedule B, count the total number of pages. Each side of a two-sided form counts as one page.

2. **FILER NAME:** Enter your full name.

3. **FILER ID:** See instructions for Cover Sheet, page 1, section 1.

4. **TOTAL OF UNITEMIZED PLEDGES:** Enter the total amount of pledges that you accepted during the period that did not exceed $110 in the aggregate per person. Although you are not required to do so, you may also itemize pledges of $110 or less on this schedule. If you itemize some pledges of $110 or less, do not include those pledges in the total entered here. If you choose to itemize all pledges of $110 or less, enter a "0" here.

5. **DATE:** Enter the date you ***accepted*** the pledge. Accepting a pledge is different from receiving a contribution. You accept a pledge when you decide to accept it rather than reject it.

   <u>Pledge accepted and received in different reporting periods:</u> If you accept a pledge in one reporting period and then receive the pledged money or other thing of value in a later reporting period, you will disclose the pledge on this schedule in

the reporting period in which you accepted the pledge. You will also disclose the receipt of the pledged money or other thing of value on the appropriate incoming funds schedule (report monetary contributions on Schedule A1; report in-kind contributions on Schedule A2; report loans on Schedule E) in the reporting period in which you received the pledge.

Pledge received in same reporting period as accepted: If you receive payment of a pledged contribution in the same reporting period in which the pledge was accepted, then you will not report the pledge on this schedule. You will only disclose the contribution on the appropriate incoming funds schedule (such as monetary or non-monetary contributions, or loans). For a pledged contribution paid in the same reporting period, the date of the contribution will be the date your committee ***accepted*** the pledge, regardless of what date within the reporting period that the pledged contribution was actually ***received***.

Pledge accepted but never received: You will disclose the pledge on this schedule in the reporting period in which you accepted the pledge. If you never actually receive the pledge, it is not necessary to correct your report to delete the pledge.

Example: In June a supporter promises that he will give Juan Garcia $1,000 in the last week before the November election. Juan accepts his promise. Juan must disclose the pledge on his July 15 report covering the period in which he accepted the pledge. (Note: When he receives the $1,000, he will disclose it as a monetary contribution on Schedule A1 of the report covering the period in which he received the money. Also, if he never receives the $1,000, he does not correct/amend his report to delete the entry for the pledge.)

6. **FULL NAME OF PLEDGOR:** Enter the full name of the person who made the pledge.

   "Out-of-State PAC" box: See instructions for Schedule A1, section 5.

7. **PLEDGOR ADDRESS:** Enter the complete address of the person who made the pledge.

8. **AMOUNT OF PLEDGE:** Enter the exact amount of the pledge or the fair market value of any pledged goods or services or other thing of value, as applicable.

9. **IN-KIND DESCRIPTION:** If the pledge was for goods or services or any other thing of value, enter a description of the pledged goods or services or other thing of value. The description should be sufficiently detailed to allow a person reviewing your report to understand what was pledged.

   "Check if Travel Outside of Texas" box: Check this box if the expenditure was for travel outside of Texas. The description of a political expenditure for travel outside of Texas must include detailed information. Report this information on Schedule T.

10. **PRINCIPAL OCCUPATION OR JOB TITLE:** See instructions for Schedule A1, section 8.

11. **EMPLOYER:** See instructions for Schedule A1, section 9.

You do not need Schedules C1-4 and D. These schedules are for political committees to report contributions from corporations and labor organizations. Candidates and officeholders are generally prohibited from accepting such contributions.

SCHEDULE E: LOANS

These instructions are for candidates and officeholders using SCHEDULE E: LOANS.

Use this schedule to disclose information about loans and guarantees of loans accepted during the reporting period for campaign or officeholder purposes. This schedule must also be used to disclose deposits of personal funds into an account in which political contributions are held as permitted by section 253.0351(c) of the Election Code. This schedule may also be used to disclose political expenditures from personal funds.

> Loans to Your Campaign from Your Personal Funds: You may disclose political expenditures from personal funds as a loan to your campaign on Schedule E. Outgoing political expenditures made from that loan must then be disclosed as if they were made from political contributions. The amount you disclose as a loan from yourself in a reporting period may NOT exceed the amount you actually spent from personal funds in that reporting period. In other words, do not report a $100,000 loan to your campaign if the amount actually spent from your personal funds in the reporting period was $5,000. When you reimburse yourself, disclose the reimbursement as an outgoing political expenditure on Schedule F1. The reimbursement may not exceed the amount disclosed as a loan. (You may also disclose political expenditures from personal funds on Schedule G. See the Schedule G instructions below for more information.)
>
> Personal Funds Deposited into a Political Account: If you deposit personal funds in an account in which political contributions are held, you must disclose the deposited amount as a loan on Schedule E and check the box indicating "Personal Funds Deposited into Political Account." Personal funds deposited in an account in which political contributions are held are subject to the personal use restriction. Disclose the outgoing political expenditures made from that loan as if they were made from political contributions. When you reimburse yourself, disclose the reimbursement as an outgoing political expenditure on Schedule F1. The reimbursement may not exceed the amount disclosed as a loan.

Itemization: You must itemize loans (including loans from personal funds) that exceed $110 that you accepted during the period from one person. If you accepted two or more loans from the same person, the total of which exceeds $110, itemize each loan separately. You must also itemize loans that are made electronically by a person other than a financial institution, regardless of amount. Although you are not required to do so, you may also itemize any other loans that do not exceed $110.

Each numbered item in these instructions corresponds to the same numbered item on the form.

1. **TOTAL PAGES SCHEDULE E:** After you have completed Schedule E, count the total number of pages. Each side of a two-sided form counts as one page.

2. **FILER NAME:** Enter your full name.

3. **FILER ID:** See instructions for Cover Sheet, page 1, section 1.

4. **TOTAL OF UNITEMIZED LOANS:** Enter the total amount of loans accepted during the reporting period that did not exceed $110 in the aggregate per person and were not from financial institutions, unless the loans were made electronically.

   Although you are not required to do so, you may itemize loans of $110 or less from persons other than financial institutions on this schedule. If you itemize some loans of $110 or less, do not include those loans in the total you enter here. If you choose to itemize all loans of $110 or less, enter a "0" here.

5. **DATE OF LOAN:** Enter the date you ***accepted*** the loan.

6. **IS LENDER A FINANCIAL INSTITUTION?:** If you accepted the loan from a corporation that has been legally engaged in the business of making loans for more than one year, choose "Y" for yes. If you accepted the loan from any other source, choose "N" for no. A loan from a corporation that has not been legally engaged in the business of making loans for more than one year is a corporate contribution. Candidates and officeholders may not accept corporate contributions.

7. **NAME OF LENDER:** Enter the full name of the person or financial institution that made the loan. If the lender is an individual, enter the full first and last name and suffix (Jr., III, etc.) if applicable. If the lender is an entity, enter the full name of the entity.

   "Out-of-State PAC" box: See instructions for Schedule A1, section 5.

   Note: See the Campaign Finance Guide for detailed information on accepting and reporting contributions from out-of-state political committees.

8. **LENDER ADDRESS:** Enter the complete address of the person or financial institution that made the loan.

9. **LOAN AMOUNT:** Enter the principal amount of the loan.

10. **INTEREST RATE:** Enter the interest rate.

11. **MATURITY DATE:** Enter the maturity date.

12. **PRINCIPAL OCCUPATION OR JOB TITLE:** Candidates for and holders of statewide offices in the executive branch, and candidates for and holders of legislative offices, must disclose the principal occupation or job title of each individual from whom the candidate or officeholder has accepted a loan (including a pledge of a loan) of $1,140 or more during the reporting period. Other types of filers are not required to report this information but may do so.

13. **EMPLOYER:** Candidates for and holders of statewide offices in the executive branch, and candidates for and holders of legislative offices, must disclose the full name of the employer of an individual from whom the candidate or officeholder has accepted a loan (including a pledge of a loan) of $1,140 or more during the reporting period. Other types of filers are not required to report this information but may do so.

14. **DESCRIPTION OF COLLATERAL:** If there is no collateral for the loan, check the "none" box and go to section 15. If there is collateral for the loan, enter a description of the collateral for the loan.

15. **"Check if personal funds were deposited into political account" box:** Check this box *only if* the loan is a deposit of your personal funds into an account in which political contributions are held as permitted by section 253.0351(c) of the Election Code. Political expenditures made from that loan, and any subsequent expenditures to reimburse the candidate or officeholder, must be reported as if they were made from political contributions. The reimbursement may not exceed the amount reported as a loan. Personal funds deposited in an account in which political contributions are held are subject to the personal use restrictions.

16. **GUARANTOR INFORMATION:** If there are no guarantors for the loan, check the "Not Applicable" box and skip sections 17 through 21. If you have no further loans to report, go to the next applicable schedule.

    Note: A person who guarantees all or part of a loan makes a reportable contribution in the amount of the guarantee. You must report such a contribution on this schedule, and not on the applicable contributions schedule.

17. **NAME OF GUARANTOR:** Enter the full name of the person guaranteeing the loan. If the guarantor is an individual, enter the full first and last name and suffix (Jr., III, etc.) if applicable. If the guarantor is an entity, enter the full name of the entity.

18. **GUARANTOR ADDRESS:** Enter the complete address of the guarantor.

19. **AMOUNT GUARANTEED:** Enter the exact amount of the loan that the guarantor has agreed to guarantee.

20. **PRINCIPAL OCCUPATION:** Enter the principal occupation of the guarantor.

21. **EMPLOYER:** Enter the employer of the guarantor.

SCHEDULE F1: POLITICAL EXPENDITURES FROM POLITICAL CONTRIBUTIONS

These instructions are for candidates and officeholders using SCHEDULE F1: POLITICAL EXPENDITURES FROM POLITICAL CONTRIBUTIONS.

Use this schedule to disclose information about political expenditures from political contributions that were made during the reporting period. Do not enter on this schedule unpaid incurred obligations, political expenditures made from personal funds, the purchase of investments from political contributions, expenditures made by credit card, or payments from political contributions made to a business that you own or control. (Report unpaid incurred obligations on Schedule F2; report expenditures from personal funds on Schedule G; report the purchase of investments from political contributions on Schedule F3; report expenditures made by credit card on Schedule F4; and report payments from political contributions made to a business that you own or control on Schedule H.)

Expenditures Made by Credit Card: You must disclose expenditures charged to a credit card on Schedule F4 and *not* on this schedule. When you pay the credit card bill, you must disclose the payment to the credit card issuer on Schedule F1 (used for political payments from political contributions), Schedule G (used for political payments from personal funds), Schedule H (used for payments from political contributions made to a business that you own or control), or Schedule I (used for non-political payments from political contributions), as applicable. See instructions for Schedule F4: Expenditures Made by Credit Card for more information.

See the *Campaign Finance Guide for Candidates and Officeholders* for important restrictions regarding the use of political funds to rent or purchase real property.

Itemization: You must enter expenditures paid to one individual or entity during the reporting period that in the aggregate exceed $230 on this schedule. If you made more than one expenditure to the same payee, the total of which exceeded $230, enter each expenditure separately. Although you are not required to do so, you may also report expenditures to one person that do not exceed $230 in the period on this schedule. If you choose not to itemize expenditures of $230 and less on this schedule, you must total all unitemized expenditures and report them on the Cover Sheet, page 2, section 17, line 3.

Each numbered item in these instructions corresponds to the same numbered item on the form.

1. **TOTAL PAGES SCHEDULE F1:** After you have completed Schedule F1, count the total number of pages. Each side of a two-sided form counts as one page.

2. **FILER NAME:** Enter your full name.

3. **FILER ID:** See instructions for Cover Sheet, page 1, section 1.

4. **DATE:** Enter the date the expenditure was made. Remember: expenditure obligations you incurred in this reporting period ***but have not yet paid*** are entered on Schedule F2. Expenditures made by credit card are entered on Schedule F4.

5. **PAYEE NAME:** Enter the full name of the person to whom the expenditure was made.

Note: If you make an expenditure for goods or services to benefit another candidate, officeholder, or committee, enter the name of the vendor who sold you the goods or services. Do not enter the name of the person for whose benefit you made the expenditure. Include that information under section 8, "Purpose of Expenditure."

6. **AMOUNT:** Enter the exact amount of the expenditure.

7. **PAYEE ADDRESS:** Enter the complete address of the person to whom the expenditure was made.

8. **PURPOSE OF EXPENDITURE:** You must disclose the purpose of the expenditure in two parts: Category and Description. Merely disclosing the category of goods, services, or other thing of value for which the expenditure was made does not adequately describe the purpose of an expenditure.

   (a) Category: Select a category of goods, services, or other thing of value for which an expenditure is made. If none of the listed categories apply, select "Other" and enter your own category. Examples of acceptable categories include:

   Advertising Expense

   Accounting/Banking

   Consulting Expense

   Contributions/Donations Made By Candidate/Officeholder/Political Committee

   Credit Card Payment

   Event Expense

   Fees

   Food/Beverage Expense

   Gifts/Awards/Memorials Expense

   Legal Services

   Loan Repayment/Reimbursement

   Office Overhead/Rental Expense

   Polling Expense

   Printing Expense

   Salaries/Wages/Contract Labor

   Solicitation/Fundraising Expense

Transportation Equipment and Related Expense

Travel In District

Travel Out Of District

Other (Enter your own category, if none of the listed categories apply)

(b) Description: Enter a brief statement or description of the candidate or officeholder activity that was conducted by making the expenditure. The brief statement or description must include the item or service purchased and must be sufficiently specific, when considered within the context of the description of the category, to make the reason for the expenditure clear. Merely disclosing the category of goods, services, or other thing of value for which the expenditure is made does not adequately describe the purpose of an expenditure.

"Check if travel outside of Texas" box: Check this box if the expenditure was for travel outside of Texas. The description of a political expenditure for travel outside of Texas must include detailed information. Report this information on Schedule T.

"Check if Austin, TX, officeholder living expense" box: Check this box if the expenditure is an officeholder expense for living in Austin, Texas.

For examples of acceptable ways to disclose the purpose of an expenditure, see "Examples: Purpose of Expenditures."

9. DIRECT CAMPAIGN EXPENDITURE TO BENEFIT CANDIDATE/OFFICEHOLDER: If you made a direct campaign expenditure to benefit another candidate or officeholder, enter the full name of the candidate or officeholder and the name of the office sought or held, including the district, precinct, or other designation of the office, as applicable. (Attach additional sheets to list multiple candidates.) Do not complete this section if the expenditure was not a direct campaign expenditure.

A "direct campaign expenditure" to benefit another candidate is not a "political contribution" to that other candidate. A direct campaign expenditure is a campaign expenditure that you make on someone else's behalf and without the prior consent or approval of that person. This is in contrast to a political contribution, which the person has the opportunity to accept or reject.

Example: If you made expenditures to prepare and distribute an endorsement letter in support of a candidate after first asking for and getting the candidate's approval, you made an ***in-kind contribution***. However, if you did not get the candidate's approval ***before*** you made the expenditure, you made a ***direct campaign expenditure***.

SCHEDULE F2: UNPAID INCURRED OBLIGATIONS

These instructions are for candidates and officeholders using SCHEDULE F2: UNPAID INCURRED OBLIGATIONS.

Use this schedule to disclose information about obligations to make an expenditure that you incurred during the reporting period but have not yet paid. If under normal business practices, the amount of an expenditure is not known or readily ascertainable until receipt of a periodic bill, do not report it on this schedule. Do not enter on this schedule obligations that were incurred and paid during the reporting period, or other outgoing funds. (Report obligations incurred and paid during the reporting period on Schedule F1, F3, G, H, or I as appropriate, and report expenditures made by credit card on Schedule F4.)

See the *Campaign Finance Guide for Candidates and Officeholders* for important restrictions regarding the use of political funds to rent or purchase real property.

Itemization: Itemization requirements differ depending on whether the unpaid incurred obligation is for a political or non-political expenditure.

> Unpaid Incurred Political Obligations: You must enter political obligations incurred but not yet paid to one individual or entity during the reporting period that in the aggregate exceed $230 on this schedule. If you incurred more than one obligation to the same payee during the reporting period, the total of which exceeded $230, enter each expenditure separately. Although you are not required to do so, you may also report political obligations incurred to one person that do not exceed $230 in the period on this schedule. If you choose not to itemize incurred political obligations of $230 and less on this schedule, you must total all unitemized obligations and report them in section 4 of this Schedule. You must also include that amount in the total unitemized political expenditures of $230 or less on the Cover Sheet, page 2, section 17, line 3.

Each numbered item in these instructions corresponds to the same numbered item on the form.

1. **TOTAL PAGES SCHEDULE F2**: After you have completed Schedule F2, count the total number of pages. Each side of a two-sided form counts as one page.

2. **FILER NAME:** Enter your full name.

3. **FILER ID:** See instructions for Cover Sheet, page 1, section 1.

4. **TOTAL OF UNITEMIZED UNPAID INCURRED OBLIGATIONS:** Enter the total amount of political obligations incurred during the reporting period that do not exceed $230 in the aggregate per person, unless itemized on this schedule. You are not required to itemize unpaid incurred political obligations of $230 or less, but if you choose to do so, do not include those unpaid incurred obligations in the total you enter here.

5. **DATE:** Enter the date the obligation was incurred. Remember: expenditure obligations you incurred ***and*** paid during the reporting period are entered on Schedule F1, G, H or I, as applicable. Expenditures made by credit card are disclosed on Schedule F4.

6. **PAYEE NAME:** See instructions for Schedule F1, section 5.

   Note: If you incurred an obligation for goods or services to benefit another candidate, officeholder, or committee, enter the name of the vendor of the goods or services. Do not enter the name of the person for whose benefit you incurred the obligation. Include that information under section 10, "Purpose of Expenditure."

7. **AMOUNT:** Enter the exact amount of the incurred expenditure obligation.

8. **PAYEE ADDRESS:** Enter the complete address of the person to whom the obligation is owed.

9. **TYPE OF EXPENDITURE:** Check only one box to indicate whether the incurred obligation was political or non-political.

   A non-political expenditure is an expenditure that is neither a campaign expenditure nor an officeholder expenditure. As a practical matter, ***very few*** expenditures made from political contributions are non-political expenditures. For instance, expenditures for administrative expenses, banking fees, and professional dues are typically political expenditures.

10. **PURPOSE OF EXPENDITURE:** See instructions for Schedule F1, section 8.

11. **DIRECT CAMPAIGN EXPENDITURE TO BENEFIT CANDIDATE/OFFICEHOLDER:** See instructions for Schedule F1, section 9.

SCHEDULE F3: PURCHASE OF INVESTMENTS FROM POLITICAL CONTRIBUTIONS

These instructions are for candidates and officeholders using SCHEDULE F3: PURCHASE OF INVESTMENTS FROM POLITICAL CONTRIBUTIONS.

Use this schedule to disclose information about investments purchased from political contributions during the reporting period. Do not enter on this schedule political expenditures from political contributions, unpaid incurred obligations, expenditures made by credit card, political expenditures made from personal funds, or payments from political contributions made to a business that you own or control. (Report political expenditures from political contributions on Schedule F1; report unpaid incurred obligations on Schedule F2; report expenditures made by credit card on Schedule F4; report expenditures from personal funds on Schedule G; and report payments from political contributions made to a business that you own or control on Schedule H.)

See the *Campaign Finance Guide for Candidates and Officeholders* for important restrictions regarding the use of political funds to rent or purchase real property.

Itemization: You must enter investments purchased with political contributions during the reporting period that in the aggregate exceed $140 on this schedule. If you made two or more payments to the same payee to purchase an investment, the total of which exceeded $140, enter each payment separately. Although you are not required to do so, you may also report investments purchased with political contributions that do not exceed $140 in the period on this schedule.

Each numbered item in these instructions corresponds to the same numbered item on the form.

1. **TOTAL PAGES SCHEDULE F3**: After you have completed Schedule F3, count the total number of pages. Each side of a two-sided form counts as one page.

2. **FILER NAME:** Enter your full name.

3. **FILER ID:** See instructions for Cover Sheet, page 1, section 1.

4. **DATE:** Enter the date you purchased the investment.

5. **NAME OF PERSON FROM WHOM INVESTMENT IS PURCHASED:** Enter the full name of the person or entity from whom you purchased the investment. If you purchased the investment from an individual, enter the full first and last name, and suffix (Jr., III, etc.) if applicable (title is optional). If you purchased the investment from an entity, enter the full name of the entity.

6. **ADDRESS OF PERSON FROM WHOM INVESTMENT IS PURCHASED:** Enter the complete address of the person or entity from whom you purchased the investment.

7. **DESCRIPTION OF INVESTMENT:** Enter a brief statement or description of the investment. For example, “Ten shares of stock in ABC Company.”

8. **AMOUNT OF INVESTMENT:** Enter the exact amount of the investment purchased.

SCHEDULE F4: EXPENDITURES MADE BY CREDIT CARD

These instructions are for candidates and officeholders using SCHEDULE F4: EXPENDITURES MADE BY CREDIT CARD. ***Note: significant changes were made to Schedule F4 in 2022.***

Use this schedule to disclose information about expenditures made by a credit card. You must disclose expenditures charged to a credit card on this schedule and identify the individual, entity, or vendor who receives payment from the credit card issuer. When you pay the credit card bill, you must disclose the payment to the credit card issuer on Schedule F1 (used for political payments from political contributions), Schedule G (used for political payments from personal funds), Schedule H (used for payments from political contributions made to a business that you own or control), or Schedule I (used for non-political payments from political contributions), as applicable.

Do not enter on this schedule: political expenditures from political contributions that were paid for with cash, check, or debit card; unpaid incurred obligations; political expenditures made from personal funds; or payments from political contributions made to a business that a candidate or officeholder owns or controls on this schedule. (Report political expenditures from political contributions that were paid for with cash, check or debit card on Schedule F1; report unpaid incurred obligations on Schedule F2; report the purchase of investments from political contributions on Schedule F3; report expenditures from personal funds on Schedule G; and report payments from political contributions made to a business that a candidate or officeholder owns or controls on Schedule H.)

For examples regarding the disclosure of expenditures made by credit card, see "Examples: Reporting Expenditures Made by Credit Card."

Itemization: Itemization requirements differ depending on whether the expenditure made by a credit card is for a political or non-political expenditure.

> Political Expenditures Made by Credit Card: You must itemize political expenditures made by credit card that exceed $230 (in the aggregate) to a single payee. If you made two or more expenditures to the same payee during the reporting period, the total of which exceeded $230, enter each expenditure made by credit card separately. Although you are not required to do so, you may also report political expenditures made by credit card that do not exceed $230 in the reporting period on this schedule. If you choose not to itemize political expenditures made by credit card of $230 and less on this schedule, you must total all unitemized political expenditures and report them in section 4 of this Schedule. You must also include that amount in the total unitemized political expenditures of $230 or less on the Cover Sheet, page 2, section 17, line 3.

Each numbered item in these instructions corresponds to the same numbered item on the form.

1. **TOTAL PAGES SCHEDULE F4:** After you have completed Schedule F4, count the total number of pages. Each side of a two-sided form counts as one page.

2. **FILER NAME:** Enter your full name.

3. **FILER ID:** See instructions for Cover Sheet, page 1, section 1.

4. **TOTAL OF UNITEMIZED EXPENDITURES CHARGED TO ALL CREDIT CARDS:** Enter the total amount of political expenditures charged to all credit cards you used during the reporting period that do not exceed $230 in the aggregate per person, unless itemized on this schedule. You are not required to itemize political expenditures made by credit card of $230 or less, but if you choose to do so, do not include those political expenditures made by credit card in the total you enter here.

5. **CREDIT CARD ISSUER:** Enter the full name of the financial institution that issued the credit card. Use a separate page of Schedule F4 for each credit card used.

Sections 6 through 9 are used to report information about each itemized expenditure made using the credit card listed in item #5 above. Each expenditure must have its own entry. If you made more than three expenditures using that same credit card during the period covered by the report, include additional pages of Schedule F4 and include the name of the credit card issuer in Item 5 on every page. Leave Item 4 blank except for the first page for that credit card issuer.

6. **PAYMENT**

   (a) Amount Charged: Report the exact amount of the credit card expenditure.

   (b) Date Expenditure Charged Enter the date you charged the credit card.

   Note***:*** There is a special reporting rule for expenditures made by credit card. For reports due 30 days and 8 days before an election (pre-election reports) and for runoff reports, the date of the credit card expenditure is the date the credit card is used. For other reports, the date of the credit card expenditure is either the date of the charge or the date the credit card statement is received. *A filer can never go wrong by disclosing the date of the expenditure as the date of the charge.*

   (c) Date(s) Credit Card Issuer Paid: List the date(s) that you made payments to the credit card issuer during the period covered by the report for this expenditure. If you made multiple payments to the credit card issuer during the period covered by the report, list the first and last dates that you made payments.

7. **PAYEE**

   (a) Payee Name: See instructions for Schedule F1, section 5. Disclose the name of the vendor who sold you the goods or services as the payee, NOT the credit card issuer.

   Note: If you made an expenditure for goods or services to benefit another candidate, officeholder, or committee, enter the name of the vendor of the goods or services. Do not enter the name of the person for whose benefit you made the expenditure. Include that information under section 8, “Purpose of Expenditure.”

   (b) Payee Address: Enter the complete address of the payee of the credit card expenditure.

8. **PURPOSE OF EXPENDITURE:** Check only one box to indicate whether the credit card expenditure was political or non-political.

A non-political expenditure is an expenditure that is neither a campaign expenditure nor an officeholder expenditure. As a practical matter, ***very few*** expenditures made from political contributions are non-political expenditures. For instance, expenditures for administrative expenses, banking fees, and professional dues are typically political expenditures.

(a) Purpose of Expenditure: See instructions for Schedule F1, section 8.

Note***:*** Do not choose "Credit Card Payment" as the category for an expenditure made by credit card when an individual, entity, or vendor receives payment from the credit card issuer. Instead, choose the category that corresponds to the goods, services, or other thing of value purchased from the individual, entity, or vendor.

(b) Description: See instructions for Schedule F1, section 8.

9. DIRECT CAMPAIGN EXPENDITURE TO BENEFIT CANDIDATE/OFFICEHOLDER: See instructions for Schedule F1, section 9.

SCHEDULE G: POLITICAL EXPENDITURES MADE FROM PERSONAL FUNDS

These instructions are for candidates and officeholders using SCHEDULE G: POLITICAL EXPENDITURES MADE FROM PERSONAL FUNDS.

Use this schedule to disclose information about political expenditures from personal funds that were made during the reporting period. Alternatively, you may choose to disclose political expenditures from personal funds as a loan on Schedule E (see the Schedule E instructions above for more information). Do not enter on this schedule information about personal funds deposited in an account in which political contributions are held as permitted by section 253.0351(c) of the Election Code. (Report the deposit of personal funds into a political account as a loan on Schedule E.)

Expenditures Made by Credit Card: You must disclose expenditures charged to a credit card on Schedule F4 and *not* on this schedule. When you pay the credit card bill, you must disclose the payment to the credit card issuer on Schedule F1 (used for political payments from political contributions), Schedule G (used for political payments from personal funds), Schedule H (used for payments from political contributions made to a business that you own or control), or Schedule I (used for non-political payments from political contributions), as applicable. See instructions for Schedule F4: Expenditures Made by Credit Card for more information.

If you intend to seek reimbursement ***in any amount*** from political contributions for a political expenditure made from personal funds, you must either report the expenditure on Schedule E or itemize the expenditure on this schedule and check the box in Section 6 to indicate that you intend to seek reimbursement from political contributions. ***You may not correct a report to allow reimbursement.*** When you reimburse yourself, disclose the reimbursement as an outgoing political expenditure on Schedule F1.

See the Campaign Finance Guide for important restrictions regarding the use of political funds to rent or purchase real property.

Itemization: If you choose to report political expenditures from personal funds on this schedule, you must itemize political expenditures paid to one individual or entity during the reporting period that in the aggregate exceed $230 on this schedule. If you made more than one expenditure to the same payee during the reporting period, the total of which exceeded $230, enter each expenditure separately. Although you are not required to do so, you may also report expenditures to one person that do not exceed $230 in the period on this schedule. You must total all political expenditures from personal funds that you do not itemize on this schedule and include them in the total of unitemized political expenditures on the Cover Sheet, page 2, section 17, line 3.

Officeholder expenditures from personal funds for which you do not intend to seek reimbursement are not required to be reported on this schedule or included in the total of unitemized political expenditures.

Each numbered item in these instructions corresponds to the same numbered item on the form.

1 **TOTAL PAGES SCHEDULE G:** After you have completed Schedule G, count the total number of pages. Each side of a two-sided form counts as one page.

2. **FILER NAME:** Enter your full name.

3. **FILER ID:** See instructions for Cover Sheet, page 1, section 1.

4. **DATE:** Enter the date the expenditure was made.

5. **PAYEE NAME:** See instructions for Schedule F1, section 7.

6. **AMOUNT:** Enter the exact amount of the expenditure.

   "Reimbursement from Political Contributions Intended" box: Check this box if you intend to reimburse yourself for the expenditure. (In order to be reimbursed from political contributions in any amount for an expenditure made out of personal funds, you must itemize the expenditure on this schedule and check this box, or you must report the expenditure as a loan to yourself on Schedule E.) If you do not check this box at the time you file your report, you cannot correct/amend your report later to check this box without subjecting yourself to a possible penalty.

7. **PAYEE ADDRESS:** Enter the complete address of the person to whom the expenditure was made.

8. **PURPOSE OF EXPENDITURE:** See instructions for Schedule F1, section 8.

9. **DIRECT CAMPAIGN EXPENDITURE TO BENEFIT CANDIDATE/OFFICEHOLDER:** See instructions for Schedule F1, section 9.

SCHEDULE H: PAYMENT FROM POLITICAL CONTRIBUTIONS TO A BUSINESS OF C/OH

These instructions are for candidates and officeholders using SCHEDULE H: PAYMENT FROM POLITICAL CONTRIBUTIONS TO A BUSINESS OF C/OH.

Use this schedule to disclose information about payments from political contributions that were made to a business in which you have an interest of more than 10%, a position on the governing body, or a position as an officer. Do not enter on this schedule other payments from political contributions made during the reporting period.

See the *Campaign Finance Guide for Candidates and Officeholders* for a discussion on the important restrictions on making and reporting payments from political contributions to a business in which you have an interest.

This schedule is for payments to a business in which you have one or more of the following interests or positions:

1) a participating interest of more than 10%;

2) a position on the governing body of the business; *or*

3) a position as an officer of the business.

Itemization: You must enter all payments from political contributions made to certain businesses (as defined above) of a candidate or officeholder made during the reporting period on this schedule, regardless of the amount.

Each numbered item in these instructions corresponds to the same numbered item on the form.

1. **TOTAL PAGES SCHEDULE H:** After you have completed Schedule H, count the total number of pages. Each side of a two-sided form counts as one page.

2. **FILER NAME:** Enter your full name.

3. **FILER ID:** See instructions for Cover Sheet, page 1, section 1.

4. **DATE:** Enter the date you made the payment.

5. **BUSINESS NAME:** Enter the full name of the business to which you made the payment.

6. **AMOUNT:** Enter the exact amount of the payment.

7. **BUSINESS ADDRESS:** Enter the complete address of the business to which you made the payment.

8. **PURPOSE OF EXPENDITURE:** See instructions for Schedule F1, section 8.

9. **DIRECT CAMPAIGN EXPENDITURE TO BENEFIT CANDIDATE/OFFICEHOLDER:** See instructions for Schedule F1, section 9.

SCHEDULE I: NON-POLITICAL EXPENDITURES MADE FROM POLITICAL CONTRIBUTIONS

These instructions are for candidates and officeholders using SCHEDULE I: NON-POLITICAL EXPENDITURES MADE FROM POLITICAL CONTRIBUTIONS.

Use this schedule to disclose information about non-political expenditures from political contributions made during the reporting period. Do not enter political expenditures on this schedule. Also, do not enter non-political expenditure obligations you incurred in this reporting period but have not yet paid or non-political expenditures made by credit card. (Report unpaid incurred obligations on Schedule F2; report expenditures made by a credit card on Schedule F4.)

Expenditures Made by Credit Card: You must disclose non-political expenditures charged to a credit card on Schedule F4 and *not* on this schedule. When you pay the credit card bill, you must disclose the payment to the credit card issuer on Schedule F1 (used for political payments from political contributions), Schedule G (used for political payments from personal funds), Schedule H (used for payments from political contributions made to a business that you own or control), or Schedule I (used for non-political payments from political contributions), as applicable. See instructions for Schedule F4: Expenditures Made by Credit Card for more information.

Itemization: You must enter all non-political expenditures from political contributions on this schedule, regardless of the amount. A non-political expenditure is an expenditure that is neither a campaign expenditure nor an officeholder expenditure, as defined in section 251.001 of the Election Code. As a practical matter, ***very few*** expenditures made from political contributions are non-political expenditures. For instance, expenditures for administrative expenses, banking fees, and professional dues are typically political expenditures. You may not convert political contributions to personal use.

Each numbered item in these instructions corresponds to the same numbered item on the form.

1. **TOTAL PAGES SCHEDULE I:** After you have completed Schedule I, count the total number of pages. Each side of a two-sided form counts as one page.

2. **FILER NAME:** Enter your full name.

3. **FILER ID:** See instructions for Cover Sheet, page 1, section 1.

4. **DATE:** Enter the date the expenditure was made.

5. **PAYEE NAME:** See instructions for Schedule F1, section 5.

6. **AMOUNT:** Enter the exact amount of the expenditure.

7. **PAYEE ADDRESS:** Enter the complete address of the person to whom the expenditure was made.

8. **PURPOSE OF EXPENDITURE:** See instructions for Schedule F1, section 8.

SCHEDULE K: INTEREST, CREDITS, GAINS, REFUNDS, AND CONTRIBUTIONS RETURNED TO FILER

These instructions are for candidates and officeholders using SCHEDULE K: INTEREST, CREDITS, GAINS, REFUNDS, AND CONTRIBUTIONS RETURNED TO FILER.

Use this schedule to report information regarding any credit, interest, rebate, refund, reimbursement, or return of a deposit fee resulting from the use of a political contribution or an asset purchased with a political contribution, any proceeds from the sale of an asset purchased with a political contribution, the amount of which exceeds $140, and any other gain from a political contribution received during the reporting period.

Itemization: You must enter interest, credits, gains, refunds and returned contributions received during the reporting period that in the aggregate exceed $140 on this schedule. Although you are not required to do so, you may also report any interest/credit/gain/refund that does not exceed $140 in the period on this schedule.

Each numbered item in these instructions corresponds to the same numbered item on the form.

1. **TOTAL PAGES SCHEDULE K:** After you have completed Schedule K, count the total number of pages. Each side of a two-sided form counts as one page.

2. **FILER NAME:** Enter your full name.

3. **FILER ID:** See instructions for Cover Sheet, page 1, section 1.

4. **DATE:** Enter the date the credit/gain/refund/returned contribution was received or the interest was earned, as applicable.

5. **NAME OF PERSON FROM WHOM AMOUNT IS RECEIVED:** Enter the full name of the person or business from whom the interest/credit/gain/refund or returned contribution was received. If the person is an individual, enter the full name, first, last, and suffix (Jr., III, etc.) if applicable (title is optional). If the person or business is an entity, enter the full name of the entity.

6. **ADDRESS OF PERSON FROM WHOM AMOUNT IS RECEIVED:** Enter the complete address of the person or business from whom the interest/credit/gain/refund or returned contribution was received.

7. **PURPOSE FOR WHICH AMOUNT IS RECEIVED:** Enter a brief statement or description of the purpose for which the amount was received (for example, “phone service deposit return,” “returned contribution” or “interest on savings account”).

   “Check if political contribution returned to filer” box: If the incoming credit/gain was originally made by you in the form of a political contribution to another candidate or political committee and was returned to you in this reporting period, check this box.

8. **AMOUNT:** Enter the exact amount of the interest/credit/gain/refund or returned contribution.

SCHEDULE T: IN-KIND CONTRIBUTIONS OR POLITICAL EXPENDITURES FOR TRAVEL OUTSIDE OF TEXAS

These instructions are for candidates and officeholders using SCHEDULE T: IN-KIND CONTRIBUTIONS OR POLITICAL EXPENDITURES FOR TRAVEL OUTSIDE OF TEXAS.

Use this schedule to disclose information about contributions accepted or expenditures made during the reporting period that were used for travel outside of Texas. In addition to completing this schedule, you must also report the actual contribution or expenditure on the appropriate schedule or form. The law requires detailed information regarding in-kind contributions or political expenditures for travel outside of Texas.

Each numbered item in these instructions corresponds to the same numbered item on the form.

1. **TOTAL PAGES SCHEDULE T:** After you have completed Schedule T, count the total number of pages. Each side of a two-sided form counts as one page.

2. **FILER NAME:** Enter the full name of the candidate, committee, or party on whose report you are including this schedule.

3. **FILER ID:** If you are filing with the Commission, enter your filer identification number. If you do not file with the Commission, you are not required to enter a filer identification number.

4. **NAME OF CONTRIBUTOR / CORPORATION OR LABOR ORGANIZATION / PLEDGOR / PAYEE:** Enter the full name of the contributor / corporation or labor organization / pledgor / payee as it appears on the schedule or form on which you reported the actual contribution or expenditure.

5. **CONTRIBUTION / EXPENDITURE REPORTED ON:** Check the appropriate box for the schedule or form on which you reported the actual contribution or expenditure.

6. **DATES OF TRAVEL:** Enter the date(s) on which the travel occurred.

7. **NAME OF PERSON(S) TRAVELING:** Enter the full name of the person or persons traveling on whose behalf the travel was accepted or on whose behalf the expenditure was made.

8. **DEPARTURE CITY OR NAME OF DEPARTURE LOCATION:** Enter the name of the departure city or the name of each departure location.

9. **DESTINATION CITY OR NAME OF DESTINATION LOCATION:** Enter the name of the destination city or the name of each destination location.

10. **MEANS OF TRANSPORTATION:** Enter the method of travel (e.g., airplane, bus, boat, car, etc.)

11. **PURPOSE OF TRAVEL:** Enter the campaign or officeholder purpose of the travel, including the name of a conference, seminar, or other event.

FORM C/OH-FR: DESIGNATION OF FINAL REPORT

These instructions are for candidates and officeholders using Form C/OH-FR: C/OH REPORT: DESIGNATION OF FINAL REPORT. A final report must include this form (Form C/OH-FR) and the CAMPAIGN FINANCE REPORT (Form C/OH) with the "Final Report" box checked on page 1, section 9. It must also include Schedules A1, A2, B, E, F1, F2, F3, F4, G, H, I, K, and T, as applicable.

GENERAL INFORMATION

For filing purposes, you are a "candidate" as long as you have an active appointment of campaign treasurer on file. If you do not expect to accept any further campaign contributions or to make any further campaign expenditures, you may file a final report of contributions and expenditures. A final report terminates your appointment of campaign treasurer and relieves you of the obligation of filing further reports as a candidate.

If you do not have an active appointment of campaign treasurer on file, you may not accept ***campaign*** contributions or make ***campaign*** expenditures. A payment on a campaign debt is a campaign expenditure. An officeholder who does not have an active appointment of campaign treasurer on file may accept ***officeholder*** contributions and make ***officeholder*** expenditures.

The effect of filing a final report differs depending on whether you are an officeholder at the time you file a final report.

Officeholders Filing a Final Report: You will not have to worry about surplus political funds and assets until you cease to be an officeholder. You may still be required to file semiannual reports of contributions and expenditures as an officeholder. The only officeholders who are not required to file semiannual reports are local officeholders who do not exceed $1,140 in contributions or $1,140 in expenditures during the reporting period.

If you cease to be an officeholder at a time when you do not have an active campaign treasurer appointment on file, and you retain political contributions, interest or other income from political contributions, or assets purchased with political contributions or interest or other income from political contributions after filing the last required report as an officeholder, you ***must*** file an annual report of unexpended contributions (Form C/OH-UC) not earlier than January 1 and not later than January 15 of each year following the year in which you filed the last required report as an officeholder. If your unexpended contribution report shows that your contributions maintained is now "$0.00," then you may file that unexpended contribution report at any time. You may not retain these unexpended funds longer than six years after the date you ceased to be an officeholder. For information about important restrictions regarding the use and reporting of unexpended contributions, see the Campaign Finance Guide for Candidates and Officeholders.

Non-Officeholders Filing a Final Report: You will no longer be required to file reports ***unless*** you retain political contributions, interest or other income from political contributions, or assets purchased with political contributions or interest or other income from political contributions. If you retain any of those items, you must file an annual report of unexpended contributions (Form C/OH-UC) not earlier than January 1 and not later than January 15 of each year after the year in which you filed your final report. If your unexpended contribution report shows that your contributions maintained is now "$0.00," then you may file that unexpended contribution report

at any time. You may not retain these unexpended funds longer than six years after the date of filing a final report. For information about important restrictions regarding the use and reporting of unexpended contributions, see the Campaign Finance Guide for Candidates and Officeholders.

COMPLETING THE FORM

Each numbered item in these instructions corresponds to the same numbered item on the form.

1. **C/OH NAME:** Enter your full name.

2. **FILER ID:** If you are filing with the Commission, enter your Filer ID. If you do not file with the Commission, you are not required to enter a Filer ID.

3. **SIGNATURE:** You must sign this section to indicate that you understand the consequences of filing a final report.

4. **FILER WHO IS NOT AN OFFICEHOLDER:** Complete this section if you are not an officeholder at the time of filing your final report. Be sure to check the appropriate box in both sections A and B and sign on the "Signature" line.

5. **OFFICEHOLDER:** Complete this section if you are an officeholder at the time of filing your final report. You must check the box to indicate awareness of further filing requirements.

ADDITIONAL INFORMATION REGARDING EXPENDITURES

EXAMPLES: REPORTING EXPENDITURES MADE BY CREDIT CARD

This list is for illustrative purposes only. It is intended to provide helpful information and to assist filers in reporting expenditures made by credit card and payments made to credit card issuers.

Keep in mind that this reporting system is not an accounting system and duplication of expenditures is not uncommon when reporting transactions related to expenditures made by credit card.

Example #1 Candidate Using Credit Card to Make Political Expenditures and Using Political Contributions to Pay the Entire Credit Card Bill in the Same Reporting Period

A candidate for elected office uses her credit card to buy $1,000 in campaign office supplies from an office store. During the same reporting period, the candidate uses her credit card to buy $500 in political advertising signs from a sign company. During the same reporting period, the candidate makes a single payment from her political contributions account to pay the $1,500 credit card bill.

To report that activity, the candidate would report all of the following on a campaign finance report (Form C/OH) covering the period in which she made the credit card charges and sent the payment to the credit card issuer:

1. The candidate fills out one page of the "Expenditures Made by Credit Card" Schedule (F4). The credit card issuer's name is included in section 5. The candidate fills out sections 6 through 9 twice, once for the $1,000 expenditure and again for the $500 expenditure.

2. For the $1,000 expenditure, the candidate reports an amount charged of $1,000 in section 6(a), the date the expenditure was made in section 6(b), and the date the credit card issuer was paid $1,500 in section 6(c). She identifies the office store in section 7 as the payee of the expenditure and includes their address. Section 8's category for the expenditure is "Office Overhead/Rental Expense," and the description is "Campaign Office Supplies." In Section 8 of the schedule, the box for "Political" is also checked.

3. For the $500 expenditure, the candidate reports an amount charged of $500 in section 6(a), the date the expenditure was made in section 6(b), and the date the credit card issuer was paid $1,500 in section 6(c). She identifies the sign company in section 7 as the payee of the expenditure and includes their address. Section 8's category for the expenditure is "Advertising Expense," and the description is "Political Advertising Signs." In Section 8 of the schedule, the box for "Political" is also checked.

4. For the payment to the credit card issuer: a $1,500 expenditure is reported on the "Political Expenditures from Political Contributions" Schedule (F1). The schedule identifies the credit card issuer as the payee of the expenditure and includes the address, date, amount, a category of the expenditure as "Credit Card Payment," and a description as "Payment of credit card bill for credit card expenditures."

5. Both $1,500 amounts reported on Schedules F4 and F1 are also included in the appropriate totals sections of Cover Sheet Pages 2 and 3.

Example #2: Candidate Using Credit Card to Make a Political Expenditure and Using Personal Funds to Pay the Entire Credit Card Bill in the Same Reporting Period

A candidate for *non-judicial* office uses his credit card to purchase $3,000 in political advertising materials from a print shop. During the same reporting period, the candidate makes one payment from his personal funds account to pay the entire $3,000 credit card bill.

To report that activity, the candidate would report all of the following on a campaign finance report (Form C/OH) covering the period in which he made the credit card charge and sent the payment to the credit card issuer:

1. The candidate fills out one page of the "Expenditures Made by Credit Card" Schedule (F4). The credit card issuer's name is included in section 5. The candidate fills out sections 6 through 9 once, for the $3,000 expenditure.

2. The candidate reports an amount charged of $3,000 in section 6(a), the date the expenditure was made in section 6(b), and the date the credit card issuer was paid $3,000 in section 6(c). He identifies the print shop in section 7 as the payee of the expenditure and includes their address. Section 8's category for the expenditure is "Advertising Expense," and the description is "Political Advertising Materials." In Section 8 of the schedule, the box for "Political" is also checked.

3. For the payment to the credit card issuer: a $3,000 expenditure is reported on the "Political Expenditures Made from Personal Funds" Schedule (G). The schedule identifies the credit card issuer as the payee of the expenditure and includes the address, date, amount, a category of the expenditure as "Credit Card Payment," and a description as "Payment of credit card bill for political advertising materials." If the candidate intends to seek reimbursement from political contributions, the candidate may also check the appropriate box in Section 6.

4. Both $3,000 amounts reported on Schedules F4 and G are also included in the appropriate sections of Cover Sheet Pages 2 and 3.

Example #3: Political Committee Using Credit Card to Make a Political Expenditure and Using Political Contributions to Pay the Credit Card Bill in Different Reporting Periods

A general-purpose committee (GPAC) uses its credit card to buy $500 in political advertising in a newspaper. The committee receives the statement from the credit card issuer but does not send a payment until after the reporting period ends. When the committee sends a payment to the credit card issuer, it makes a $500 payment from its political contributions account.

To report the credit card charge, the committee's campaign treasurer would report all of the following on a campaign finance report (Form GPAC) covering the period in which it made the credit card charge:

1. The GPAC fills out one page of the "Expenditures Made by Credit Card" Schedule (F4). The credit card issuer's name is included in section 5. The GPAC fills out sections 6 through 9 once, for the $500 expenditure.

2. The GPAC reports an amount charged of $500 in section 6(a), the date the expenditure was made in section 6(b), and leaves section 6(c) blank. They identify the newspaper in section 7 as the payee of the expenditure and include their address. Section 8's category for the expenditure is "Advertising Expense," and the description is "Political Advertising." In Section 8 of the schedule, the box for "Political" is also checked.

3. The $500 amount reported on the "Expenditures Made by Credit Card" Schedule (F4) will also be included in the appropriate sections of Cover Sheet Pages 2 and 3.

To report the payment to the credit card issuer, the committee's campaign treasurer would also report all of the following on a campaign finance report (Form GPAC) covering the period in which it made the payment to the credit card issuer:

1. The GPAC reports a $500 expenditure on the "Political Expenditures from Political Contributions" Schedule (F1). The schedule identifies the credit card issuer as the payee of the expenditure and includes the address, date, amount, a category of the expenditure as "Credit Card Payment," and a description as "Payment of credit card bill for political advertising."

2. The $500 amount reported on the "Political Expenditures from Political Contributions" Schedule (F1) will also be included in the appropriate sections of Cover Sheet Pages 2 and 3.

Example #4: Candidate Using Credit Card to Make a Political Expenditure and Using Political Contributions to Pay the Credit Card Bill in Different Reporting Periods

A candidate for *judicial* office uses her credit card to buy $500 in political advertising in a newspaper. The candidate receives the statement from the credit card issuer but does not send a payment until after the reporting period ends. When the candidate sends a payment to the credit card issuer, she makes a $500 payment from her political contributions account.

To report the credit card charge, the candidate would report all of the following on a campaign finance report (Form JC/OH) covering the period in which she made the credit card charge:

1. The judicial candidate fills out one page of the "Expenditures Made by Credit Card" Schedule (F4). The credit card issuer's name is included in section 5. The candidate fills out sections 6 through 9 once, for the $500 expenditure.

2. The judicial candidate reports an amount charged of $500 in section 6(a), the date the expenditure was made in section 6(b), and leaves section 6(c) blank. She identifies the newspaper in section 7 as the payee of the expenditure and includes their address. Section 8's category for the expenditure is "Advertising Expense," and the description is "Political Advertising." In Section 8 of the schedule, the box for "Political" is also checked.

3. The $500 amount reported on the "Expenditures Made by Credit Card" Schedule (F4) will also be included in the appropriate sections of Cover Sheet Pages 2 and 3.

To report the payment to the credit card issuer, the judicial candidate would also report all of the following on a campaign finance report (Form JC/OH) covering the period in which the payment to the credit card issuer was made:

1. The judicial candidate reports a $500 expenditure on the "Political Expenditures from Political Contributions" Schedule (F1). The schedule identifies the credit card issuer as the payee of the expenditure and includes the address, date, amount, a category of the expenditure as "Credit Card Payment," and a description as "Payment of credit card bill for political advertising."

2. The $500 amount reported on the "Political Expenditures from Political Contributions" Schedule (F1) will also be included in the appropriate sections of Cover Sheet Pages 2 and 3.

Example #5: Political Committee Using Credit Card to Make a Political Expenditure and Using Political Contributions to Make Partial Payments of the Credit Card Bill in Different Reporting Periods

A general-purpose committee (GPAC) uses its credit card to buy $5,000 in political advertising for a mailer from a printing company. The committee receives the statement from the credit card issuer and makes one or more partial payments from political contributions of $2,000 in that same reporting period. The committee pays the remaining $3,000 from political contributions to the credit card issuer in a different reporting period.

To report the credit card charge, the committee's campaign treasurer would report all of the following on a campaign finance report (Form GPAC) covering the period in which it made the credit card charge:

1. The GPAC fills out one page of the "Expenditures Made by Credit Card" Schedule (F4). The credit card issuer's name is included in section 5. The GPAC fills out sections 6 through 9 once, for the $5,000 expenditure.

2. The GPAC reports an amount charged of $5,000 in section 6(a), the date the expenditure was made in section 6(b), and reports the date (or dates) during that reporting period on which the $2,000 was paid in section 6(c). They identify the printing company in section 7 as the payee of the expenditure and include their address. Section 8's category for the expenditure is "Advertising Expense," and the description is "Political Advertising." In Section 8 of the schedule, the box for "Political" is also checked.

3. The $5,000 amount reported on "Expenditures Made by Credit Card" Schedule (F4) will also be included in the appropriate sections of Cover Sheet Pages 2 and 3.

To report the payments to the credit card issuer, the committee's campaign treasurer would also report all of the following on a campaign finance report (Form GPAC):

1. For the $2,000 payment(s) made during the same period that the expenditure was made, the GPAC reports a $2,000 expenditure on the "Political Expenditures from Political

Contributions" Schedule (F1). The schedule identifies the credit card issuer as the payee of the expenditure and includes the address, date, amount, a category of the expenditure as "Credit Card Payment," and a description as "Payment of credit card bill for political advertising."

2. For the $3,000 payment made during a different reporting period, the GPAC reports a $3,000 expenditure on the "Political Expenditures from Political Contributions" Schedule (F1). The schedule identifies the credit card issuer as the payee of the expenditure and includes the address, date, amount, a category of the expenditure as "Credit Card Payment," and a description as "Payment of credit card bill for political advertising."

3. The $2,000 and $3,000 amounts reported on the "Political Expenditures from Political Contributions" Schedule (F1) will also be included in the appropriate sections of Cover Sheet Pages 2 and 3 for each reporting period.

EXAMPLES: PURPOSE OF EXPENDITURES

This list is for illustrative purposes only. It is intended to provide helpful information and to assist filers in reporting the purpose of an expenditure. However, it is not, and is not intended to be, an exhaustive or an exclusive list of how a filer may permissibly report the purpose of an expenditure.

(1) Example: Candidate X is seeking the office of State Representative, District 2000. She purchases an airline ticket from ABC Airlines to attend a campaign rally within District 2000. The acceptable category for this expenditure is "travel in district." An acceptable brief description is "airline ticket to attend campaign event."

(2) Example: Candidate X purchases an airline ticket to attend a campaign event outside of District 2000 but within Texas, the acceptable category is "travel out of district." An acceptable brief description is "airline ticket to attend campaign or officeholder event."

(3) Example: Candidate X purchases an airline ticket to attend an officeholder related seminar outside of Texas. The acceptable category is "travel out of district" and an acceptable brief description is "airline ticket to attend [name of seminar] in [city,] [state]. You must also complete "Schedule T" (used to report travel outside of Texas).

(4) Example: Candidate X contracts with an individual to do various campaign related tasks such as work on a campaign phone bank, sign distribution, and staffing the office. The acceptable category is "salaries/wages/contract labor." An acceptable brief description is "contract labor for campaign services."

(5) Example: Officeholder X is seeking re-election and makes an expenditure to purchase a vehicle to use for campaign purposes and permissible officeholder purposes. The acceptable category is "transportation equipment and related expenses" and an acceptable brief description is "purchase of campaign/officeholder vehicle."

(6) Example: Candidate X makes an expenditure to repair a flat tire on a campaign vehicle purchased with political funds. The acceptable category is "transportation equipment and related expenses" and an acceptable brief description is "campaign vehicle repairs."

(7) Example: Officeholder X purchases flowers for a constituent. The acceptable category is "gifts/awards/memorials expense" and an acceptable brief description is "flowers for constituent."

(8) Example: Political Committee XYZ makes a political contribution to Candidate X. The acceptable category is "contributions/donations made by candidate/officeholder/political committee" and an acceptable brief description is "campaign contribution."

(9) Example: Candidate X makes an expenditure for a filing fee to get his name on the ballot. The acceptable category is "fees" and an acceptable brief description is "candidate filing fee."

(10) Example: Officeholder X makes an expenditure to attend a seminar related to performing a duty or engaging in an activity in connection with the office. The acceptable category is "fees" and an acceptable brief description is "attend officeholder seminar."

(11) Example: Candidate X makes an expenditure for political advertising to be broadcast by radio. The acceptable category is “advertising expense” and an acceptable brief description is “political advertising.” Similarly, Candidate X makes an expenditure for political advertising to appear in a newspaper. The acceptable category is “advertising expense” and an acceptable brief description is “political advertising.”

(12) Example: Officeholder X makes expenditures for printing and postage to mail a letter to all of her constituents, thanking them for their participation during the legislative session. Acceptable categories are “advertising expense” OR “printing expense” and an acceptable brief description is “letter to constituents.”

(13) Example: Officeholder X makes an expenditure to pay the campaign office electric bill. The acceptable category is “office overhead/rental expense” and an acceptable brief description is “campaign office electric bill.”

(14) Example: Officeholder X makes an expenditure to purchase paper, postage, and other supplies for the campaign office. The acceptable category is “office overhead/rental expense” and an acceptable brief description is “campaign office supplies.”

(15) Example: Officeholder X makes an expenditure to pay the campaign office monthly rent. The acceptable category is “office overhead/rental expense” and an acceptable brief description is “campaign office rent.”

(16) Example: Candidate X hires a consultant for fundraising services. The acceptable category is “consulting expense” and an acceptable brief description is “campaign services.”

(17) Example: Candidate/Officeholder X pays his attorney for legal fees related to either campaign matters or officeholder matters. The acceptable category is “legal services” and an acceptable brief description is “legal fees for campaign” or “for officeholder matters.”

(18) Example: Candidate/Officeholder X makes food and beverage expenditures for a meeting with her constituents. The acceptable category is “food/beverage expense” and an acceptable brief description is “meeting with constituents.”

(19) Example: Candidate X makes food and beverage expenditures for a meeting to discuss candidate issues. The acceptable category is “food/beverage expense” and an acceptable brief description is “meeting to discuss campaign issues.”

(20) Example: Officeholder X makes food and beverage expenditures for a meeting to discuss officeholder issues. The acceptable category is “food/beverage expense” and an acceptable brief description is “meeting to discuss officeholder issues.”

(21) Example: Candidate/Officeholder X makes food and beverage expenditures for a meeting to discuss campaign and officeholder issues. The acceptable category is “food/beverage expense” and an acceptable brief description is “meeting to discuss campaign/officeholder issues.”

EXAMPLES: REPORTING EXPENDITURES FROM PERSONAL FUNDS

This list is for illustrative purposes only. It is intended to provide helpful information and to assist filers in reporting expenditures from personal funds.

If you intend to seek reimbursement of any amount from political contributions for a political expenditure made from your personal funds, you must report the expenditure in one of three ways. Keep in mind that this reporting system is not an accounting system and duplication of expenditures is not uncommon when reporting transactions related to expenditures made from personal funds.

Method #1: Itemize the expenditure on the "Political Expenditures Made from Personal Funds" schedule (Schedule G) and check the box to indicate that you intend to seek reimbursement from political contributions. You may not correct a report to allow reimbursement without subjecting yourself to a possible penalty. When you reimburse yourself, which could be months or years later, report the reimbursement on the "Political Expenditures Made From Political Contributions" schedule (Schedule F1).

> **Example:** On December 1, 2025~0, Candidate A spends $500 of her own personal funds to purchase political advertising signs. She does not use a credit card for this purchase; the purchase is made using cash, check or a debit card. She reports the expenditure to the vendor on Schedule G and checks the box to indicate that reimbursement is intended. One year later, Candidate A reimburses herself from political contributions. She reports the reimbursement on Schedule F1. Candidate A is the payee and the purpose of the expenditure is to reimburse herself for a political expenditure made from personal funds on December 1, 2025.

If you intend to seek reimbursement from political contributions for a political expenditure of any amount made from personal funds, you must itemize the expenditure on Schedule G.

Method #2: Report the political expenditures made from your personal funds as a loan to your campaign on the "Loans" schedule (Schedule E). Next, report the political expenditures made from that loan as if they were made from political funds (report on Schedules F1, F2, F3, F4, or H as appropriate). Do NOT report political expenditures made from the loan on Schedule G.

The amount you report as a loan in a reporting period may NOT exceed the amount you actually spent from personal funds in that reporting period. In other words, do not report a $100,000 loan to your campaign if the amount actually spent from personal funds in the reporting period was $5,000. When you reimburse yourself, which could be months or years later, report the reimbursement on the Schedule F1.

> **Example:** In one reporting period, Candidate B spends $5,000 of his own personal funds to purchase political advertising materials. He spends $3,000 at Business One and $2,000 at Business Two. He reports the expenditures as a $5,000 loan on Schedule E and then itemizes each of the two expenditures as a political expenditure on Schedule F1. A year later, Candidate B reimburses himself from political contributions by disclosing the reimbursement on Schedule F1. He reports the reimbursement on Schedule F1. Candidate B is the payee, the category of the expenditure is "Loan Repayment/Reimbursement," and "political

expenditure made from personal funds reported as a loan" is an acceptable brief description.

Method #3: Deposit personal funds in an account in which your political contributions are maintained and report that amount as a loan on the "Loans" schedule (Schedule E). Next, report the political expenditures made from that loan as if they were made from political funds (report on Schedules F1, F2, F3, or H as appropriate). When you reimburse yourself, which could be months or years later, report the reimbursement on the Schedule F1. The reimbursement may not exceed the amount reported as a loan. Personal funds deposited in an account in which political contributions are held are subject to the personal use restriction.)

Example: In one reporting period, Candidate C opens a campaign bank account and deposits $5,000 of her own personal funds into the account. She makes one $3,000 expenditure for political advertising. Candidate C has no other activity in the reporting period. She reports the $5,000 as a loan on Schedule E, itemizes the $3,000 expenditure for the political advertising on Schedule F1, and includes the remaining $2,000 on her contributions maintained at the end of the reporting period total. A year later, Candidate C reimburses herself from political contributions by disclosing the reimbursement on Schedule F1. Candidate C is the payee, the category of expenditure is "Loan Repayment/Reimbursement," and "political expenditure made from personal funds reported as a loan" is an acceptable brief description.

EXAMPLES: REPORTING STAFF REIMBURSEMENT

This list is for illustrative purposes only. It is intended to provide helpful information and to assist filers in reporting staff reimbursements.

When a staff member makes political payment(s) out of his or her personal funds, how you disclose the payment(s) depends on two things: 1) the aggregate total of those payments in the reporting period; and 2) whether or not you reimburse the staff worker in the same reporting period.

Example #1: The payment out of the staff worker's personal funds does not exceed $5,000 in the reporting period ***and*** you reimburse the staff worker from political funds in the same reporting period – Itemize the payment (if over the $230 itemization threshold) on Schedule F1 as if you made the expenditure directly to the vendor out of your political funds, with the name of the vendor who sold the goods or services as the payee for the expenditure. ***Do not*** disclose as the payee the name of your staff worker.

Example #2: The payment(s) out of the staff worker's personal funds are over $5,000 in the aggregate in the reporting period ***and*** you reimburse the staff worker from political funds in the same reporting period – Use a 3-step process, disclosing everything on the same report: (1) On Schedule E, disclose the total amount paid from the staff worker's personal funds as a loan from the staff worker to your campaign; (2) On Schedule F1, itemize the payments made by your staff worker separately, with the names of the vendors who sold the goods or services to your staff worker as the payees for the expenditures. ***Do not*** disclose as the payee the name of your staff worker; and (3) On Schedule F1, disclose the payment to your staff worker for the reimbursement of the loan.

Example #3: The payment(s) out of the staff worker's personal funds do not exceed $5,000 in the aggregate in the reporting period ***but*** you reimburse the staff worker from political funds in a different reporting period – Use a 3-step process, disclosing steps 1 and 2 on the same report and step 3 later, when the reimbursement occurs: (1) On Schedule E, disclose the total amount paid from the staff worker's personal funds as a loan from the staff worker to your campaign; (2) On Schedule F1, itemize the payments made by your staff worker separately, with the names of the vendors who sold the goods or services to your staff worker as the payees for the expenditures. ***Do not*** disclose as the payee the name of your staff worker; and (3) When you reimburse your staff worker, if ever, disclose on Schedule F1 of the report covering the period in which the reimbursement occurs the payment to your staff worker for the reimbursement of the loan.

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Prescribed by Secretary of State
Section 141.035, Texas Election Code; Section 552.1175, Government Code
1/2026

REQUEST FOR CONFIDENTIALITY FOR CANDIDATES UNDER TEXAS GOVERNMENT CODE

Pursuant to Section 552.1175 of the Texas Government Code, if you are one of the qualifying individuals listed in Step 2 below, you may request that information from your candidate application which identifies your home address, home telephone number, emergency contact information, date of birth, social security number, or whether you have family members be restricted from public access. By completing and submitting this form to the filing authority with whom you filed your candidate application, you are requesting the confidentiality of the information as stated above. You must attach a photocopy of documentation showing that you are eligible for confidentiality. If you want to rescind this confidentiality request, you must do so in writing to the filing authority with whom you filed your candidate application.

STEP 1 Identify Candidate Requesting Confidentiality	Name	Date of Birth (mm/dd/yyyy)
	Residence Address (number and street)	
	City, State, and Zip Code	
	VUID Number (optional)	County of Residence
STEP 2 Qualification (check one)	☐ Current or honorably retired peace officers as defined by Article 2A.001, Code of Criminal Procedure, or special investigators as described by Article 2A.002, Code of Criminal Procedure;	
	☐ Current or honorably retired county jailers as defined by §1701.001, Occupations Code;	
	☐ Current or former employees of the Texas Department of Criminal Justice or of the predecessor in function of the department or any division of the department;	
	☐ Commissioned security officers as defined by §1702.002, Occupations Code;	
	☐ A current or former district attorney, criminal district attorney, or county or municipal attorney whose jurisdiction includes any criminal law or child protective services matters;	
	☐ A current or former employee of a district attorney, criminal district attorney, or county or municipal attorney whose jurisdiction includes any criminal law or child protective services matters;	
	☐ Officers and employees of a community supervision and corrections department established under Chapter 76 who perform a duty described by §76.004(b), Government Code;	
	☐ Criminal investigators of the U.S. as described by Article 2A.002(a), Code of Criminal Procedure;	
	☐ Current or honorably retired police officers and inspectors of the United States Federal Protective Service;	

STEP 2 **Qualification** **(check one)**	☐ Current or former employees of the Office of the Attorney General and a family member of the current or former employee; ☐ Current or former juvenile probation and detention officers certified by the Texas Juvenile Justice Department, or the predecessors in function of the department, under Title 12, Human Resources Code; ☐ Current or former employees of a juvenile justice program or facility, as defined by §261.405, Family Code; ☐ Current or former employees of the Texas Juvenile Justice Department or the predecessors in function of the department; ☐ Current or former employees of the Texas Civil Commitment Office or of the predecessor in function of the office or a division of the office; ☐ Current or former child protective services caseworker, adult protective services caseworker, or investigator for the Department of Family and Protective Services or a current or former employee of a department contractor performing child protective services caseworker, adult protective services caseworker, or investigator functions for the contractor on behalf of the department; ☐ A firefighter, volunteer firefighter, or emergency medical services personnel as defined by Section 773.003, Health and Safety Code; ☐ Current or former member of the United States Army, Navy, Air Force, Coast Guard, or Marine Corps, an auxiliary service of one of those branches of the armed forces, or the Texas military forces as defined by Section 437.001, Government Code; ☐ Current or former United States attorney, assistant United States attorney, federal public defender, deputy federal public defender, or assistant federal public defender, and their spouse or child; ☐ Federal judges and state judges as defined by §1.005, Election Code; ☐ An elected public officer; ☐ Current or former employee of a public defender's office as defined by Article 26.044(a), Code of Criminal Procedure; ☐ Current or former election officials as defined by §1.005, Election Code, or employee, volunteer, or designee of an election official, or an employee of the Secretary of State's office who performs duties relating to elections; ☐ Current members of the governing board of an institution of higher education or a private or independent institution of higher education as defined by §61.003, Education Code;

STEP 2 **Qualification** **(check one)**	☐ Current chancellors or other chief executive officer of a university system as defined by §61.003, Education Code; ☐ Current presidents or other chief executive officer of an institution of higher education or a private or independent institution of higher education as defined by §61.003, Education Code; ☐ A current or former county clerk, district clerk, or county and district clerk, or a current or former employee of the office of a county clerk, district clerk, or county and district clerk or municipal court personnel; ☐ A current or former employee whose duties relate to court administration, including a court clerk, court coordinator, court administrator, juvenile case manager, law clerk, or staff attorney; ☐ A current or former employee of the Office of Court Administration of the Texas Judicial System and entities administratively attached to the office; ☐ A current or former employee or commissioner of the State Commission on Judicial Conduct; or ☐ Family members, as defined under Section 31.006, Finance Code, of the above list of individuals eligible for address confidentiality.
STEP 3 **Evidence of Status**	I have attached a photocopy of documentation showing evidence of my qualification (proof of the qualification claimed above in Step 2).
STEP 4 **Sign and Date**	I certify that the information in this document and any information attached are true and correct to the best of my knowledge and belief. X _____ Signature _____ Date (mm/dd/yyyy) **Making a false statement on this form is a Class A misdemeanor or a state jail felony. [Texas Penal Code §37.10]**
STEP 5 **Return this form**	Return this form to: Candidate Filing Authority _____ _____ or fax/email to _____
For Office Use Only	VUID # _____ Documentation received? Yes ☐ No ☐ Confidentiality Approved? Yes ☐ No ☐ Signature of Filing Authority _____ Date: _____/_____/_____ Comments: _____

PRINT RESET

2-67
Prescrito por el Secretario de Estado
Secciones 141.035, Código Electoral de Texas; 552.1175, Código Gubernamental
1/2026

SOLICITUD DE CONFIDENCIALIDAD PARA CANDIDATOS SEGÚN EL CÓDIGO GUBERNAMENTAL DE TEXAS

Conforme a la Sección 552.1175 del Código Gubernamental de Texas, si usted es uno de los individuos calificados que se enumeran en el Paso 2 a continuación, puede solicitar que se restrinja el acceso público a la información de su solicitud de candidatura que identifique su domicilio, el número de teléfono de su casa, la información de contacto de emergencia, la fecha de nacimiento, el número del seguro social o si tiene familiares. Al completar y enviar este formulario a la autoridad de presentación ante la que presentó su candidatura, usted solicita la confidencialidad de la información arriba indicada. Debe adjuntar una fotocopia de la documentación que demuestre que es elegible para la confidencialidad. Si desea rescindir esta solicitud de confidencialidad, debe hacerlo por escrito a la autoridad de presentación ante la que presentó su candidatura.

PASO 1 **Identificar al candidato que solicita la confidencialidad**	Nombre	Fecha de nacimiento (mm/dd/aaaa)
	Dirección de residencia (número y calle)	
	Ciudad, Estado y Código Postal	
	VUID – Número Único de Identificación de Votante	Condado de residencia
PASO 2 **Calificación (marque uno)**	☐ Agente de paz en servicio activo u honorablemente retirado, según se definen en el Artículo 2A.001 del Código de Procedimiento Penal, o investigador especial según se describe en el Artículo 2A.002 del Código de Procedimiento Penal; ☐ Carcelero del condado en servicio activo u honorablemente retirado, tal y según se define en §1701.001, Código de Ocupaciones; ☐ Empleado actual o anterior del Departamento de Justicia Criminal de Texas o del predecesor en función del departamento o cualquier división del departamento; ☐ Oficial de seguridad comisionado, tal como se define en §1702.002, Código de Ocupaciones; ☐ Un fiscal de distrito actual o anterior, un fiscal de distrito criminal, un fiscal del condado o fiscal municipal cuya jurisdicción incluya cualquier asunto de derecho penal o de servicios de protección infantil; ☐ Un empleado actual o anterior de un fiscal de distrito, fiscal de distrito criminal, fiscal del condado o fiscal municipal cuya jurisdicción incluya cualquier asunto de derecho penal o de servicios de protección infantil; ☐ Funcionario y empleado de un departamento de supervisión y correcciones comunitaria establecido bajo el Capítulo 76 que desempeña un deber descrito por §76.004(b), Código Gubernamental; ☐ Investigadores criminales de los Estados Unidos como se describe en el Artículo 2A.002(a), Código de Procedimiento Penal;	

PASO 2 **Calificación** **(marque uno)**	☐ Oficial de policía actual u honorablemente jubilado e inspectores del Servicio de Protección Federal de los Estados Unidos; ☐ Empleados actuales y anteriores de la Oficina del Fiscal General y familiares de los empleados actuales o anteriores; ☐ Funcionarios actuales o anteriores de libertad condicional y detención de menores certificados por el Departamento de Justicia Juvenil de Texas, o los predecesores en función del departamento, según el Título 12, Código de Recursos Humanos; ☐ Empleados actuales o anteriores de un programa o centro de justicia juvenil, tal como se define en §261.405, Código de Familia; ☐ Empleados actuales o anteriores del Departamento de Justicia Juvenil de Texas o los predecesores en función del departamento; ☐ Empleados actuales o anteriores de la Oficina de Compromiso Civil de Texas o del predecesor en función de la oficina o una división de la oficina; ☐ Trabajadores de casos de los servicios de protección de menores actuales o anteriores, trabajadores de casos de servicios de protección para adultos o investigadores del Departamento de Servicios de Familia y Protección o un empleado actual o anterior de un contratista del departamento que realiza servicios de protección infantil, servicios de protección para adultos, o funciones de investigación para el contratista en nombre del departamento; ☐ Un bombero, bombero voluntario o personal de servicios médicos de emergencia, según se define en la Sección 773.003 del Código de Salud y Seguridad; ☐ Miembro actual o anterior del Ejército de los Estados Unidos, la Armada de los Estados Unidos, la Fuerza Aérea de los Estados Unidos, la Guardia Costera de los Estados Unidos o la Infantería de Marina de los Estados Unidos, un servicio auxiliar de una de esas ramas o las fuerzas militares de Texas, tal como se define en la Sección 437.001, Código Gubernamental; ☐ Fiscal de los Estados Unidos actual o anterior, fiscal adjunto de los Estados Unidos, defensor público federal, defensor público federal adjunto o defensor público federal auxiliar y el cónyuge o hijo; ☐ Jueces federales y jueces estatales tal como se definen en §1.005, Código Electoral; Funcionario público electo; ☐ Empleado actual o anterior de una oficina de defensa pública tal y como se define en el Artículo 26.044(a) del Código de Procedimiento Penal; ☐ Funcionarios electorales actuales o anteriores, tal y como se definen en §1.005 del Código Electoral, o empleados, voluntarios o personas designadas por un funcionario electoral, o empleados de la oficina del Secretario de Estado que desempeñen funciones relacionadas con las elecciones;

PASO 2 **Calificación (marque uno)**	☐ Los miembros actuales del consejo rector de una institución de educación superior o de una institución de educación superior privada o independiente, tal y como se define en §61.003 del Código de Educación; ☐ Los cancilleres actuales u otros directores ejecutivos de un sistema universitario, tal y como se define en §61.003 del Código de Educación; ☐ Los actuales presidentes u otros directores ejecutivos de una institución de educación superior o de una institución de educación superior privada o independiente, tal y como se define en §61.003 del Código de Educación; ☐ Un secretario del condado, secretario de distrito o secretario de condado y distrito, actual o anterior, o un empleado actual o anterior de la oficina de un secretario del condado, secretario de distrito o secretario de condado y distrito, o del personal de los tribunales municipales; ☐ Un empleado actual o anterior cuyas funciones estén relacionadas con la administración de los tribunales, incluyendo un secretario del tribunal, coordinador del tribunal, administrador del tribunal, administrador de casos juveniles, auxiliar jurídico ('law clerk'), o abogado del personal ('staff attorney'); ☐ Un empleado actual o anterior de la Oficina de Administración Judicial del Sistema Judicial de Texas y de las entidades adscritas administrativamente a dicha oficina; ☐ Un empleado actual o anterior o un comisionado de la Comisión Estatal de Conducta Judicial; o ☐ Los familiares según la definición de la Sección 31.006 del Código de Finanzas de las personas incluidas en la lista anterior de individuos elegibles para la confidencialidad de la dirección.
PASO 3 **Evidencia del estatus del candidato**	He adjuntado una fotocopia de la documentación que demuestra evidencia de mi calificación (prueba de la calificación reclamada anteriormente en el Paso 2).
PASO 4 **Firma y fecha**	Certifico que la información contenida en este documento y cualquier información adjunta son verdaderas y correctas a mi mejor saber y entender. X _____ _____ Firma Fecha (mm/dd/aaaa) **Hacer una declaración falsa en este formulario es un delito menor de Clase A o un delito grave de prisión estatal. [Código Penal de Texas §37.10]**

PASO 5 **Devuelva este formulario**	Devuelva este formulario a: Autoridad de Presentación de Candidaturas _____ _____ o envíe un fax a _____
For Office Use Only	VUID # _____ Documentation received? Yes ☐ No ☐ Confidentiality Approved? Yes ☐ No ☐ Signature of Filing Authority _____ Date: _____/_____/_____ Comments: _____

Imprimir Limpiar

First Steps for Candidates Running for a City Office

This quick-start guide for candidates seeking a city office is not intended to provide comprehensive information. For more details, including information on political advertising requirements, fundraising rules, and filing schedules, see the Texas Ethics Commission's (TEC) website at www.ethics.state.tx.us.

1. All candidates must file a Campaign Treasurer Appointment (Form CTA).

All candidates must file Form CTA even if you do not intend to raise or spend any money. Form CTA is required to be filed before you file an application for a place on the ballot, raise or spend any money for your campaign, or announce your candidacy. File Form CTA with the city clerk or city secretary, as applicable.

2. Opposed Candidates: Will you accept or spend more than $1,140* for the election?

- YES:
  - You do not qualify to file on the modified reporting schedule.
  - You are ***required*** to file pre-election campaign finance reports using if you have an opponent on the ballot. Find and its instructions on our "Local Filers Non-Judicial Candidate/Officeholder" webpage.
  - Pre-election reports are due 30 days and 8 days prior to each election. To be timely filed, pre-election reports must be *received* by the city clerk or city secretary no later than the due date.
- NO:
  - You can elect to file on the modified reporting schedule by completing the *Modified Reporting Declaration* on page two of Form CTA. File Form CTA with the city clerk or city secretary.
  - If you elect to file on the modified reporting schedule, you do not have to file pre-election campaign finance reports due 30 days and 8 days prior to the election.
- Exceed $1,140*: If you elect to file on the modified reporting schedule but later exceed $1,140 in either contributions or expenditures, what reports you will be required to file depends upon when you exceed $1,140*.
  - If you exceed $1,140* on or before the 30th day before the election, you are ***required*** to file pre-election campaign finance reports due 30 days and 8 days prior to an election using Form C/OH. To be timely filed, pre-election reports must be *received* by the city clerk or city secretary no later than the due date. Find Form C/OH and its instructions on our "Local Filers Non-Judicial Candidate/Officeholder" webpage.
  - If you exceed $1,140* after the 30th day before the election, you are ***required*** to file an Exceeded Modified Reporting Limit report using Form C/OH. To be timely filed, this report must be filed with the city clerk or city secretary within 48 hours of exceeding $1,140.* You must also file the pre-election report due 8 days prior to an election. Find Form C/OH and its instructions on our "Local Filers Non-Judicial Candidate/Officeholder" webpage. If you exceed $1,140* on or before the 8th day before the election, you are ***required*** to file a pre-election campaign finance report

due 8 days prior to an election using Form C/OH. To be timely filed, the pre-election report must be *received* by the city clerk or city secretary no later than the due date. Find Form C/OH and its instructions on our "Local Filers Non-Judicial Candidate/Officeholder" webpage.

3. Unopposed Candidates.

If you do not have an opponent whose name will appear on the ballot in the election, you are an unopposed candidate and are not required to file pre-election campaign finance reports prior to that election.

4. All candidates must file semiannual campaign finance reports (Form C/OH).

All candidates are ***required*** to file semiannual reports using Form C/OH even if you have no campaign activity or were unsuccessful in the election. Semiannual reports are due on January 15th and July 15th and must be filed with the city clerk or city secretary. To end your filing obligations, you must cease campaign activity and file a Final report using Form C/OH and attaching Form C/OH-FR (Designation of Final Report). Form C/OH-FR is found on the last page of Form C/OH. Find Form C/OH and its instructions on our "Local Filers Non-Judicial Candidate/Officeholder" webpage. For more information, see "Ending Your Campaign" for local filers.

5. All candidates can use the TEC's Filing Application to prepare campaign finance reports (Form C/OH).

You can use the TEC's Filing Application to prepare a PDF version of your campaign finance report (Form C/OH). Select "Local Authority" and follow the steps to set up an account and login to the application. Once you have completed your report, print out a copy, add your treasurer information, get it notarized, and file it with the city clerk or city secretary by the appropriate deadline.

6. Need More Information?

See the Campaign Finance Guide for Candidates and Officeholders Who File With Local Filing Authorities, forms, instructions, examples on how to disclose contributions and expenditures, political advertising and fundraising guides, and other information you may find useful on our website at *www.ethics.state.tx.us* under the "Resources" and "Forms/Instructions" main menu items.

***NOTE:** The $1,140 threshold is specific to transactions made in 2026.*

TEXAS ETHICS COMMISSION

CAMPAIGN FINANCE GUIDE FOR CANDIDATES AND OFFICEHOLDERS WHO FILE WITH LOCAL FILING AUTHORITIES

This guide is for candidates for and officeholders in the following positions:

- **county offices;**
- **precinct offices;**
- **single-county district offices;**
- **city offices; and**
- **offices of other political subdivisions such as school districts**

This guide applies to candidates for and officeholders of justice of the peace. This guide does not apply to candidates for and judges of statutory county courts, statutory probate courts, or district courts. For those candidates and officeholders, the Ethics Commission makes available a CAMPAIGN FINANCE GUIDE FOR JUDICIAL CANDIDATES AND OFFICEHOLDERS.

The Ethics Commission also makes available a CAMPAIGN FINANCE GUIDE FOR CANDIDATES AND OFFICEHOLDERS WHO FILE WITH THE ETHICS COMMISSION, a CAMPAIGN FINANCE GUIDE FOR POLITICAL COMMITTEES, and a CAMPAIGN FINANCE GUIDE FOR POLITICAL PARTIES.

Revised January 1, 2026

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www.ethics.state.tx.us
(512) 463-5800 • TDD (800) 735-2989
Promoting Public Confidence in Government

CAMPAIGN FINANCE GUIDE FOR CANDIDATES AND OFFICEHOLDERS WHO FILE WITH LOCAL FILING AUTHORITIES

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INTRODUCTION

This guide is a summary of reporting requirements and other regulations set out in Title 15 of the Texas Election Code (Chs. 251-259) and in the rules adopted by the Texas Ethics Commission. This guide applies to candidates for and officeholders in most local offices in Texas.

This guide does not apply to candidates for or officeholders of statewide elective offices, the State Legislature, seats on the State Board of Education, or multi-county district offices. Nor does it apply to candidates for or judges of statutory county courts, statutory probate courts, or district courts.

IMPORTANT UPDATES

As directed by section 571.064 of the Texas Government Code, the Commission is required to annually adjust certain reporting thresholds upward to the nearest multiple of $10 in accordance with the percentage increase for the previous year in the Consumer Price Index for Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor.

These changes will be made effective January 1st of each calendar year; the affected numbers and corresponding new thresholds are located in 1 T.A.C. §18.31, which can be found here: https://www.ethics.state.tx.us/rules/. The higher itemization thresholds will be reflected on the paper forms and in these instructions, as applicable.

Verify that you are using the correct thresholds and forms that apply to your filing. For example, if you are filing a campaign finance report or lobby activities report that is due in January of 2025, you must use the forms and instructions that are applicable to the period ending December 31, 2024.

OFFICEHOLDERS

Officeholders as well as candidates are subject to regulation under Title 15. An officeholder who has a campaign treasurer appointment on file with a filing authority is a “candidate” for purposes of Title 15 and is subject to all the regulations applicable to candidates. An officeholder who does not have a campaign treasurer appointment on file is subject only to the regulations applicable to officeholders.

Most of the requirements discussed in this guide apply to both candidates (individuals who have a campaign treasurer appointment on file) and to officeholders who do not have a campaign treasurer appointment on file. The guide will indicate whether a particular requirement applies to individuals who have campaign treasurer appointments on file, to officeholders who do not have campaign treasurer appointments on file, or to both.

JUDICIAL CANDIDATES AND OFFICEHOLDERS

Candidates for and officeholders in most judicial offices are subject to various restrictions that do not apply to other candidates and officeholders. Those candidates and officeholders should review the CAMPAIGN FINANCE GUIDE FOR JUDICIAL CANDIDATES AND OFFICEHOLDERS and the POLITICAL ADVERTISING GUIDE which are available on the commission’s website.

Nonjudicial Officeholder Seeking Judicial Office. Pursuant to Op. Tex. Ethics Comm'n No. 465 (2005), a nonjudicial officeholder who becomes a judicial candidate is required to file two campaign finance reports, one reporting nonjudicial activity and the other reporting judicial activity. Alternatively, a nonjudicial officeholder who becomes a judicial candidate may select to file a single report that includes both candidate and officeholder activity if the activity is clearly and properly reported. *See* the CAMPAIGN FINANCE GUIDE FOR JUDICIAL CANDIDATES AND OFFICEHOLDERS for more information.

FEDERAL OFFICES

This guide does not apply to candidates for federal offices. Candidates for federal offices should contact the Federal Election Commission. The FEC's toll-free number is (800) 424-9530.

FILING AUTHORITIES

Title 15 requires candidates and officeholders to file various documents and reports with the appropriate filing authority.

The filing authority for a local candidate or officeholder depends on the nature of the office sought or held.

County Clerk. The county clerk (or the county elections administrator if the county has an elections administrator, or tax assessor-collector if the county's commissioners court has transferred the filing authority function to the tax assessor-collector and the county clerk and tax assessor-collector have agreed to the transfer) is the appropriate filing authority for a candidate for:

- a county office;
- a precinct office;
- a district office (except for multi-county district offices);
- an office of a political subdivision other than a county if the political subdivision is within the boundaries of a single county and if the governing body of the political subdivision has not been formed; and
- An elected position on the board of directors of an appraisal district.

Other local filing authority. If a candidate is seeking an office of a political subdivision other than a county, the appropriate filing authority is the *clerk or secretary of the governing body* of the political subdivision. If the political subdivision has no clerk or secretary, the appropriate filing authority is the governing body's presiding officer.

Texas Ethics Commission. The Texas Ethics Commission is the appropriate filing authority for candidates for:

- Multi-county district offices. (Reminder: This guide does not apply to multi-county district offices.)

- An office of a political subdivision other than a county if the political subdivision includes areas in more than one county and if the governing body of the political subdivision has not been formed.

POLITICAL COMMITTEES (PACS)

Often a candidate or officeholder chooses to establish a specific-purpose political committee. A political committee is subject to *separate* filing requirements. Establishing a specific-purpose political committee does not relieve a candidate or officeholder of the obligation to file as an individual. For more information about political committees, see the Ethics Commission's CAMPAIGN FINANCE GUIDE FOR POLITICAL COMMITTEES.

FINANCIAL DISCLOSURE STATEMENTS

Some local candidates and officeholders are required to file an annual personal financial statement in accordance with Government Code Chapter 572 or Local Government Code Chapter 159. This statement is not a campaign finance document, and is not addressed in this guide.

FEDERAL INCOME TAX

This pamphlet does not address the federal tax implications of campaign finance. Questions regarding federal tax law should be directed to the Internal Revenue Service.

TEXAS ETHICS COMMISSION

If you have a question about how Title 15 applies to you, you may call the Ethics Commission for assistance or you may request a written advisory opinion.

The Ethics Commission has authority to impose fines for violations of Title 15. If you have evidence that a person has violated Title 15, you may file a sworn complaint with the Ethics Commission.

The Ethics Commission's mailing address is P.O. Box 12070, Austin, Texas 78711. The phone number is (512) 463-5800. The Ethics Commission maintains a website at *www.ethics.state.tx.us*.

APPOINTING A CAMPAIGN TREASURER

If you plan to run for a public office in Texas (except for a federal office), you must file an APPOINTMENT OF A CAMPAIGN TREASURER BY A CANDIDATE (FORM CTA) with the proper filing authority before you become a candidate, even if you do not intend to accept campaign contributions or make campaign expenditures. A "candidate" is a person who knowingly and willingly takes affirmative action for the purpose of gaining nomination or election to public office or for the purpose of satisfying financial obligations incurred by the person in connection with the campaign for nomination or election. Examples of affirmative action include:

(A) the filing of a campaign treasurer appointment, except that the filing does not constitute candidacy or an announcement of candidacy for purposes of the

automatic resignation provisions of Article XVI, Section 65, or Article XI, Section 11, of the Texas Constitution;

(B) the filing of an application for a place on the ballot;

(C) the filing of an application for nomination by convention;

(D) the filing of a declaration of intent to become an independent candidate or a declaration of write-in candidacy;

(E) the making of a public announcement of a definite intent to run for public office in a particular election, regardless of whether the specific office is mentioned in the announcement;

(F) before a public announcement of intent, the making of a statement of definite intent to run for public office and the soliciting of support by letter or other mode of communication;

(G) the soliciting or accepting of a campaign contribution or the making of a campaign expenditure; and

(H) the seeking of the nomination of an executive committee of a political party to fill a vacancy.

NO CAMPAIGN CONTRIBUTIONS OR EXPENDITURES WITHOUT TREASURER APPOINTMENT ON FILE

Additionally, the law provides that you must file a campaign treasurer appointment form with the proper filing authority before you may accept a campaign contribution or make or authorize a campaign expenditure, including an expenditure from your personal funds. A filing fee paid to a filing authority to qualify for a place on a ballot is a campaign expenditure that may not be made before filing a campaign treasurer appointment form with the proper filing authority.

APPOINTING TREASURER TRIGGERS REPORTING DUTIES

After a candidate has filed a form appointing a campaign treasurer, the candidate is responsible for filing periodic reports of contributions and expenditures. Filing reports is the responsibility of the candidate, not the campaign treasurer. Even if a candidate loses an election, he or she must continue filing reports until he or she files a final report. *See* "Ending Filing Obligations" in this guide. (An officeholder who files a final report, and thereby terminates his or her campaign treasurer appointment, may still be required to file semiannual reports of contributions and expenditures as an officeholder.)

QUALIFICATIONS OF CAMPAIGN TREASURER

A person is ineligible for appointment as a campaign treasurer if the person is the campaign treasurer of a political committee that has outstanding filing obligations (including outstanding penalties). This prohibition does not apply if the committee in connection with which the ineligibility arose has not accepted more than $5,000 in political contributions or made more than $5,000 in political expenditures in any semiannual reporting period. A person who violates

this prohibition is liable for a civil penalty not to exceed three times the amount of political contributions accepted or political expenditures made in violation of this provision.

DUTIES OF CAMPAIGN TREASURER

A candidate's campaign treasurer has no legal duties. (**Note:** The campaign treasurer of a *political committee* is legally responsible for filing reports.)

EFFECTIVE DATE OF APPOINTMENT

A campaign treasurer appointment is effective when filed. A hand-delivered appointment takes effect on the date of delivery. A mailed appointment takes effect on the date of the postmark.

CODE OF FAIR CAMPAIGN PRACTICES

A filing authority should provide to each individual who files a campaign treasurer appointment a form containing a Code of Fair Campaign Practices. A candidate may pledge to conduct his or her campaign in accordance with the principles and practices set out in the Code by signing the form and filing it with the appropriate filing authority.

APPOINTMENT BY OFFICEHOLDER

If an officeholder files an appointment of campaign treasurer after a period in which he or she did not have a campaign treasurer appointment on file, the officeholder may have to file a report of contributions and expenditures no later than 15 days after filing the appointment of campaign treasurer. *See* "15th Day After Appointment of Campaign Treasurer by Officeholder" in this guide. An officeholder who *changes* a campaign treasurer is not required to file this report.

Note: An officeholder who has a campaign treasurer appointment on file is a candidate for purposes of Title 15.

FILING FOR A PLACE ON THE BALLOT

Filing a campaign treasurer appointment and filing for a place on the ballot are two completely separate actions. The Secretary of State can provide information about filing for a place on the ballot. Call the Secretary of State at (512) 463-5650 or toll-free at (800) 252-8683.

CHANGING TREASURERS

A candidate may change campaign treasurers at any time by filing an amended appointment of campaign treasurer (FORM ACTA). Filing an appointment of a new treasurer automatically terminates the appointment of the old treasurer.

TRANSFERRING TO A DIFFERENT FILING AUTHORITY

If a candidate has a campaign treasurer appointment on file with one filing authority and wishes to accept campaign contributions or make campaign expenditures in connection with a candidacy for an office that would require reporting to a different filing authority, the candidate must file a new campaign treasurer appointment and a copy of the old campaign treasurer appointment (certified by original authority) with the second filing authority. The candidate should also

provide written notice to the original filing authority that future reports will be filed with another authority. In general, funds accepted in connection with one office may be used in connection with a campaign for a different office, as long as neither of the offices is a judicial office.

TERMINATING A CAMPAIGN TREASURER APPOINTMENT

A candidate may terminate a campaign treasurer appointment by filing an amended appointment of campaign treasurer or by filing a final report.

A campaign treasurer may terminate his or her own appointment by notifying both the candidate and the filing authority in writing. The termination is effective on the date the candidate receives the notice or on the date the filing authority receives the notice, whichever is later.

DECIDING NOT TO RUN

A campaign treasurer appointment does not simply expire. An individual who has a campaign treasurer appointment on file must file reports of contributions and expenditures until he or she files a final report with the filing authority. *See* "Ending Filing Obligations" in this guide.

THINGS TO REMEMBER

- If you plan to run for a public office in Texas (except for a federal office), you must file an APPOINTMENT OF A CAMPAIGN TREASURER BY A CANDIDATE (FORM CTA) with the proper filing authority before you become a candidate, even if you do not intend to accept campaign contributions or make campaign expenditures.

- A person may not accept a campaign contribution or make a campaign expenditure unless the person has a campaign treasurer appointment on file with the proper filing authority.

- Once a person files a form appointing a campaign treasurer, the person is a candidate for disclosure filing purposes and is responsible for filing periodic reports of contributions and expenditures with the proper filing authority until the person files a "final report."

- The candidate, not the campaign treasurer, is responsible for filing periodic reports of contributions and expenditures.

- Filing a campaign treasurer appointment does not automatically "sign you up" for a place on the ballot. The Secretary of State can provide information about getting on the ballot. Call (512) 463-5650 or (800) 252-8683.

POLITICAL CONTRIBUTIONS AND EXPENDITURES

Title 15 regulates political contributions and political expenditures. There are two types of political contributions: campaign contributions and officeholder contributions. Similarly, there are two kinds of political expenditures: campaign expenditures and officeholder expenditures.

CAMPAIGN CONTRIBUTIONS

A person makes a campaign contribution to a candidate if the person provides or promises something of value with the intent that it be used in connection with a campaign. A contribution of goods or services is an "in-kind" campaign contribution. A loan is considered to be a contribution unless it is from an incorporated financial institution that has been in business for more than a year. Candidates must report all loans made for campaign purposes, including loans that are not "contributions."

- Donations to a candidate at a fund-raiser are campaign contributions.
- The provision of office space to a candidate is an "in-kind" campaign contribution.
- A promise to give a candidate money is a campaign contribution.
- An item donated to be auctioned at a fund-raiser is an "in-kind" campaign contribution. The purchase of the item at the auction is also a contribution.
- A campaign volunteer is making a contribution in the form of personal services. (Contributions of personal services are sometimes not required to be reported. See "Contributions of Personal Services" in this guide.)

Note: An individual may not accept a campaign contribution without an appointment of campaign treasurer on file with the proper filing authority.

CAMPAIGN EXPENDITURES

A campaign expenditure is a payment or an agreement to make a payment in connection with a campaign for an elective office.

- Paying a filing fee in connection with an application for a place on a ballot is a campaign expenditure.
- Purchasing stationery for fund-raising letters is a campaign expenditure.
- Renting a field to hold a campaign rally is a campaign expenditure.
- Paying people to put up yard signs in connection with an election is a campaign expenditure.

Note: An individual may not make a campaign expenditure unless he or she has a campaign treasurer appointment on file with the proper filing authority.

OFFICEHOLDER CONTRIBUTIONS

The provision of or a promise to provide goods or services to an officeholder that is intended to defray expenses in connection with an officeholder's duties or activities is an officeholder contribution if the expenses are not reimbursable with public money. A contribution of goods or services is an "in-kind" officeholder contribution.

A loan from an incorporated financial institution that has been in business for more than a year is not considered a contribution, but an officeholder must report any such loans made for officeholder purposes.

An officeholder is not required to have a campaign treasurer appointment on file to accept officeholder contributions. An officeholder who does not have a campaign treasurer on file may not accept *campaign* contributions.

OFFICEHOLDER EXPENDITURES

A payment or agreement to pay certain expenses in connection with an officeholder's duties or activities is an officeholder expenditure if the expenses are not reimbursable with public money.

An officeholder is not required to have a campaign treasurer appointment on file to make officeholder expenditures. An officeholder who does not have a campaign treasurer on file may not make *campaign* expenditures.

CAMPAIGN EXPENDITURES BY OFFICEHOLDER

An officeholder who has a campaign treasurer appointment on file may accept both campaign contributions and officeholder contributions and make both campaign expenditures and officeholder expenditures. On a report, there is no need for an officeholder who is a candidate to distinguish between campaign contributions and officeholder contributions or between campaign expenditures and officeholder expenditures. Both campaign contributions and officeholder contributions are reported as "political contributions" and both campaign expenditures and officeholder expenditures are reported as "political expenditures."

An officeholder who does not have a campaign treasurer on file may accept officeholder contributions and make officeholder expenditures but may not accept campaign contributions or make campaign expenditures.

PERMISSIBLE USE OF POLITICAL CONTRIBUTIONS

An officeholder may use officeholder contributions for campaign purposes if the officeholder has an appointment of campaign treasurer on file. Candidates and officeholders may not convert political contributions to personal use. *See* "Campaign Finance Restrictions" in this guide.

USE OF POLITICAL FUNDS TO RENT OR PURCHASE REAL PROPERTY

A candidate or officeholder is prohibited from using political funds to purchase real property or to pay the interest on or principal of a note for the purchase of real property.

A candidate or officeholder may not knowingly make or authorize a payment from political funds for the rental or purchase of real property from: (1) a person related to the candidate or officeholder within the second degree of consanguinity or affinity as determined under Chapter 573, Government Code; or (2) a business in which the candidate or officeholder (or a person related to the candidate or officeholder within the second degree of consanguinity or affinity) has a participating interest of more than 10 percent, holds a position on the governing body, or serves as an officer. Tex. Elec. Code § 253.038 (a-1). This restriction applies to a payment made from political funds on or after September 1, 2007, without regard to whether the payment was made under a lease or other agreement entered into before that date.

ACCEPTING CONTRIBUTIONS

A candidate or officeholder must report contributions that he or she has *accepted*. Receipt is different from acceptance. A decision to *accept* a contribution must be made by the end of the reporting period during which the contribution is received.

Failure to make a determination about acceptance or refusal. If a candidate or officeholder fails to make a timely determination to accept or refuse a contribution by the deadline, the contribution is considered to have been accepted.

Returning refused contributions. If a candidate or officeholder receives a political contribution but does not accept it, he or she must return the contribution not later than the 30th day after the end of the reporting period in which the contribution was received. Otherwise, the contribution is considered to have been accepted.

REIMBURSEMENT FOR POLITICAL EXPENDITURES FROM PERSONAL FUNDS

If a candidate or officeholder makes political expenditures from personal funds, he or she may use political contributions to reimburse himself or herself if the expenditures are properly reported either on the reporting schedule for loans or on the reporting schedule for political expenditures from personal funds. In order for a candidate or officeholder to use political contributions to reimburse his or her personal funds, the political expenditure from personal funds must be properly reported on the report covering the period in which the expenditures are made. *A filed report may not be later corrected to indicate an intention to reimburse personal funds from political contributions.*

If a candidate or officeholder deposits personal funds in an account in which political contributions are held as permitted by section 253.0351(c) of the Election Code, the deposited amount must be reported as a loan and reimbursements to the candidate or officeholder may not exceed the amount reported as a loan. *See* “Campaign Expenditures from Personal Funds” in this guide for additional information.

SEPARATE ACCOUNT REQUIRED

A candidate or officeholder must keep political contributions in one or more accounts that are separate from any other account maintained by the candidate or officeholder. (There is no requirement to keep campaign contributions in a separate account from officeholder contributions.)

RESTRICTIONS INVOLVING LOBBYING

The 2019 legislature passed House Bill 2677 to amend Chapter 305 of the Government Code and Chapter 253 of the Election Code to enact the following restrictions. Each prohibition begins on September 27, 2019. For the language of the bill, go to https://capitol.texas.gov/tlodocs/86R/billtext/html/HB02677F.htm.

Making Political Contributions and Direct Campaign Expenditures. Unless expressly prohibited, a lobbyist may make political contributions and direct campaign expenditures. The campaign finance law, however, generally prohibits corporations and labor organizations from making political contributions. Tex. Elec. Code § 253.094.

Section 253.006 of the Election Code prohibits a person required to register as a lobbyist under Chapter 305 of the Government Code from making political contributions or direct campaign expenditures from certain sources of funds. A person required to register as a lobbyist is prohibited from making or authorizing a political contribution to another candidate, officeholder, or political committee, or making or authorizing a direct campaign expenditure, from political contributions accepted by:

(1) the lobbyist as a candidate or officeholder;

(2) a specific-purpose committee that supports the lobbyist as a candidate or assists the lobbyist as an officeholder; or

(3) a political committee that accepted a political contribution from (1) or (2), described above, during the two years immediately before the contribution or expenditure was made.

Two-Year Lobbying Prohibition After Making a Political Contribution or Direct Campaign Expenditure. Section 253.007 of the Election Code prohibits lobbying by persons who make political contributions or direct campaign expenditures from certain sources of funds. A person who makes a political contribution to another candidate, officeholder, or political committee, or makes a direct campaign expenditure, from political contributions accepted by the person as a candidate or officeholder is prohibited from engaging in activities that require registration as a lobbyist under Chapter 305 of the Government Code for two years thereafter.

However, an exception to this prohibition allows a person who does not receive compensation other than reimbursement for actual expenses to lobby on behalf of a nonprofit organization, a group of low-income individuals, or a group of individuals with disabilities.

Lobby Expenditures from Political Contributions. Section 305.029 of the Government Code prohibits certain lobby expenditures made from political contributions. A lobbyist registered under Chapter 305 of the Government Code, or a person on behalf of the lobbyist and with the

lobbyist's consent or ratification, is prohibited from making a reportable lobby expenditure from a political contribution accepted by:

(1) the lobbyist as a candidate or officeholder;

(2) a specific-purpose committee that supports the lobbyist as a candidate or assists the lobbyist as an officeholder; or

(3) a political committee that accepted a political contribution from (1) or (2), described above, during the two years immediately before the lobbyist made or authorized the expenditure.

INFORMATION REQUIRED ON REPORTS

CONTRIBUTIONS

A report must disclose the amount of each contribution or the value and nature of any in-kind contribution, as well as the name and address of the individual or political committee making the contribution, and the date of the contribution. (Detailed information about a contributor is not required to be reported if the contributor contributed $110 or less during the reporting period. However, all contributions made electronically must be itemized with this information.)

PLEDGES

Promises to transfer money, goods, services, or other things of value are contributions. If a filer accepts such a promise, he or she must report it (along with the information required for other contributions) on the reporting schedule for "pledges." Once a pledge has been received, it is reported on the appropriate receipts schedule for the reporting period in which the pledge is received. A pledge that is actually received in the same reporting period in which the pledge was accepted shall be reported only on the appropriate receipts schedule.

Note: A pledge is not a contribution unless it has been accepted.

Example 1: In June a supporter promises that he will give Juan Garcia $1,000 in the last week before the November election. Juan accepts his promise. Juan must report the pledge on his July 15 report. Juan must also report a political contribution when the pledge is actually received. (**Note:** If Juan receives the pledge during the July semiannual reporting period then he does not report the pledge and only reports a political contribution. Also, if he never receives the $1,000, he does not amend his report to delete the entry for the pledge.)

Example 2: At a party, an acquaintance says to Juan, "I'd like to give you some money; call me at my office." Juan agrees to call. At this point, Juan has accepted nothing and has nothing to report. Juan has not agreed to accept money; he has merely agreed to call.

LOANS

Loans made for campaign or officeholder purposes are reportable. A filer must report the amount of a loan, the date the loan is made, the interest rate, the maturity date, the type of collateral, and the name and address of the lender. The filer must also report the name, address, principal occupation, and employer of any guarantor and the amount guaranteed by the

guarantor. (Detailed information is not required if a particular lender lent $110 or less during a reporting period.) If a candidate or officeholder deposits personal funds in an account in which political contributions are held as permitted by section 253.0351(c) of the Election Code, the deposited amount must be reported as a loan. *See* "Campaign Expenditures from Personal Funds" in this guide for additional information.

Note: A loan from an incorporated financial institution that has been in business for more than one year is not a contribution. Other loans are considered to be contributions. This distinction is important because of the prohibition on contributions from banks and certain other financial institutions. *See* "Campaign Finance Restrictions" in this guide. All loans are reported on the same schedule, regardless of whether they are contributions. Additionally, the forgiveness of a loan is a reportable in-kind contribution. *See* 1 Tex. Admin. Code § 20.64.

CONTRIBUTIONS OF PERSONAL SERVICES

A political contribution consisting of an individual's personal services is not required to be reported if the individual receives no compensation *from any source* for the services.

CONTRIBUTIONS OF PERSONAL TRAVEL

A political contribution consisting of personal travel expense incurred by an individual is not required to be reported if the individual receives no reimbursement for the expense.

CONTRIBUTIONS FROM OUT-OF-STATE POLITICAL COMMITTEES

There are restrictions on contributions from out-of-state political committees. The fact that a political committee has a mailing address outside of Texas does not mean that the committee is an out-of-state political committee for purposes of these restrictions. A political committee that has a campaign treasurer appointment on file in Texas is not an out-of-state political committee for purposes of these restrictions.

Contributions over $1,140 in a reporting period. Before *accepting* more than $1,140 in a reporting period from an out-of-state committee, a candidate or officeholder must obtain either (1) a written statement, certified by an officer of the out-of-state political committee, listing the full name and address of each person who contributed more than $230 to the out-of-state political committee during the 12 months immediately preceding the contribution, *or* (2) a copy of the out-of-state political committee's statement of organization filed as required by law with the Federal Election Commission and certified by an officer of the out-of-state committee.

This documentation must be included with the report of contributions and expenditures for the period in which the contribution was received.

Contributions of $1,140 or less in a reporting period. For a contribution of $1,140 or less from an out-of-state committee in a reporting period, there is no requirement to obtain documentation *before accepting* the contribution. But there is a requirement to include certain documentation with the report of the contribution. The report must include *either* (1) a copy of the out-of-state political committee's statement of organization filed as required by law with the Federal Election Commission and certified by an officer of the out-of-state committee, *or* (2) the committee's name, address, and phone number; the name of the person appointing the

committee's campaign treasurer; and the name, address, and phone number of the committee's campaign treasurer.

EXPENDITURES

A filer must report any campaign expenditure (regardless of whether it is made from political contributions or from personal funds) and any political expenditure (campaign or officeholder) from political contributions (regardless of whether the expenditure is a political expenditure). A filer must also report unpaid incurred obligations. *See* "Unpaid Incurred Obligations" in this guide. If the total expenditures to a particular payee do not exceed $230 during the reporting period, a filer may report those expenditures as part of a lump sum. Otherwise, a filer must report the date of an expenditure, the name and address of the person to whom the expenditure is made, and the purpose of the expenditure.

UNPAID INCURRED OBLIGATIONS

An expenditure that is not paid during the reporting period in which the obligation to pay the expenditure is incurred shall be reported on the Unpaid Incurred Obligations Schedule for the reporting period in which the obligation to pay is incurred.

The use of political contributions to pay an expenditure previously disclosed on an Unpaid Incurred Obligations Schedule shall be reported on the appropriate disbursements schedule for the reporting period in which the payment is made.

The use of personal funds to pay an expenditure previously disclosed on an Unpaid Incurred Obligations Schedule shall be reported on the Political Expenditure Made from Personal Funds Schedule for the reporting period in which the payment is made.

EXPENDITURES MADE BY CREDIT CARD

An expenditure made by a credit card must be reported on the Expenditures Made to Credit Card Schedule for the reporting period in which the expenditure is made. The report must identify the vendor who receives the payment from the credit card company.

The use of political contributions to make a payment to a credit card company must be reported on the appropriate disbursements schedule for the reporting period in which the payment is made and identify the credit card company receiving the payment.

The use of personal funds to make a payment to a credit card company must be reported on the Political Expenditure Made from Personal Funds Schedule for the reporting period in which the payment is made and identify the credit card company receiving the payment.

CAMPAIGN EXPENDITURES FROM PERSONAL FUNDS

A candidate must report all campaign expenditures, whether made from political contributions or from personal funds. In order to use political contributions to reimburse himself or herself for campaign expenditures from personal funds, the candidate must properly report the expenditures either on the reporting schedule for loans or on the reporting schedule for political expenditures from personal funds. If the candidate does not indicate the intention to seek reimbursement on that report, he or she may not later correct the report to permit reimbursement.

If a candidate or officeholder deposits personal funds in an account in which political contributions are held as permitted by section 253.0351(c) of the Election Code, the deposited amount must be reported as a loan on Schedule E. Political expenditures made from that loan, and any subsequent expenditures to reimburse the candidate or officeholder, must be reported on Schedule F1. The reimbursement may not exceed the amount reported as a loan. Any unexpended funds from such a loan are required to be included in the total amount of political contributions maintained as of the last day of the reporting period. Note: Personal funds deposited in an account in which political contributions are held are subject to the personal use restrictions.

OFFICEHOLDER EXPENDITURES FROM PERSONAL FUNDS

An officeholder is not required to report *officeholder expenditures* made from personal funds unless he or she intends to be reimbursed from political contributions. This rule applies regardless of whether an officeholder has an appointment of campaign treasurer on file.

In order for an officeholder to use political contributions to reimburse an officeholder expenditure from personal funds, the officeholder must properly report the expenditures either on the reporting schedule for loans or on the reporting schedule for political expenditures from personal funds. If the officeholder does not indicate the intention to seek reimbursement, he or she may not later correct the report to permit reimbursement.

If a candidate or officeholder deposits personal funds in an account in which political contributions are held as permitted by section 253.0351(c) of the Election Code, the deposited amount must be reported as a loan on Schedule E. Political expenditures made from that loan, and any subsequent expenditures to reimburse the candidate or officeholder, must be reported on Schedule F1. The reimbursement may not exceed the amount reported as a loan. Any unexpended funds from such a loan are required to be included in the total amount of political contributions maintained as of the last day of the reporting period. Note: Personal funds deposited in an account in which political contributions are held are subject to the personal use restrictions.

DIRECT EXPENDITURES

A direct campaign expenditure is “a campaign expenditure that does not constitute a campaign contribution by the person making the expenditure.” As a practical matter, a direct campaign expenditure is an expenditure to support a candidate incurred without the candidate’s prior consent or approval.

If a candidate or officeholder makes a direct campaign expenditure to support *another* candidate or officeholder, the expenditure must be included on the reporting schedule for political expenditures, and the report must indicate that the expenditure was a direct campaign expenditure.

SUPPORTING POLITICAL COMMITTEES

A political committee that accepts political contributions or makes political contributions on behalf of a candidate or officeholder is required to give the candidate or officeholder notice of

that fact. The candidate or officeholder must report the receipt of such a notice on the report covering the period in which he or she receives the notice.

PAYMENTS TO A BUSINESS OF THE CANDIDATE OR OFFICEHOLDER

A candidate or officeholder is required to report payments from political funds to a business in which the candidate or officeholder has a participating interest of more than 10 percent; a position on the governing body of the business; *or* a position as an officer of a business.

A candidate or officeholder may not make a payment to such a business if the payment is for personal services rendered by the candidate or officeholder or by the spouse or dependent child of the candidate or officeholder. (Nor may a candidate or officeholder use political contributions to pay directly for such personal services.) Other payments to such a business are permissible only if the payment does not exceed the amount necessary to reimburse the business for actual expenditures made by the business. *See generally* Op. Tex. Ethics Comm'n No. 35 (1992).

A candidate or officeholder may not make or authorize a payment from political funds for the rental or purchase of real property from such a business. *See* "Use of Political Funds to Rent or Purchase Real Property" in this guide.

INTEREST EARNED AND OTHER CREDITS/GAINS/REFUNDS

A candidate or officeholder is required to disclose information regarding the following types of activity from political contributions:

- any credit, interest, rebate, refund, reimbursement, or return of a deposit fee resulting from the use of a political contribution or an asset purchased with a political contribution, the amount of which exceeds $140;
- any proceeds of the sale of an asset purchased with a political contribution, the amount of which exceeds $140; and
- any other gain from a political contribution, the amount of which exceeds $140.

A candidate or officeholder must use Schedule K to report such information. Although you are not required to do so, you may also report any credit/gain/refund or interest that does not exceed $140 in the period on this schedule. (Previously, this was an optional schedule because a candidate or officeholder was not required to report this information.) A candidate or officeholder may not use interest and other income from political contributions for personal purposes. Political expenditures made from such income must be reported on the expenditures schedule.

PURCHASE OF INVESTMENTS

A candidate or officeholder must report any investment purchased with a political contribution, the amount of which exceeds $140. This information must be disclosed on Schedule F3 of the campaign finance report.

TOTAL POLITICAL CONTRIBUTIONS MAINTAINED

The law requires you to disclose the total amount of political contributions accepted, including interest or other income on those contributions, maintained in one or more accounts in which political contributions are deposited as of the last day of the reporting period. The "total amount of political contributions maintained" includes: the total amount of political contributions maintained in one or more accounts, including the balance on deposit in banks, savings and loan institutions and other depository institutions; the present value of any investments that can be readily converted to cash, such as certificates of deposit, money market accounts, stocks, bonds, treasury bills, etc.; and the balance of political contributions accepted and held in any online fundraising account over which the filer can exercise control by making a withdrawal, expenditure, or transfer. 1 Tex. Admin. Code § 20.50.

The total amount of political contributions maintained does NOT include personal funds that the filer intends to use for political expenditures, *unless* the personal funds have been disclosed as a loan to your campaign and deposited into an account in which political contributions are held as permitted by section 253.0351(c) of the Election Code. Any unexpended funds from such a loan are required to be included in the total amount of political contributions maintained as of the last day of the reporting period. Note: Personal funds deposited in an account in which political contributions are held are subject to the personal use restrictions.

TIME OF ACCEPTING CONTRIBUTION

A filer must report the date he or she *accepts* a political contribution. The date of receipt may be different from the date of acceptance. *See* "Accepting Contributions" in this guide.

TIME OF MAKING EXPENDITURE

For reporting purposes, an expenditure is made when the amount of the expenditure is readily determinable. An expenditure that is not paid during the reporting period in which the obligation to pay is incurred must be reported on the reporting schedule for "Unpaid Incurred Obligations," and then reported again on the appropriate expenditure schedule when payment is actually made. If a filer cannot determine the amount of an expenditure until a periodic bill, the date of the expenditure is the date the bill is received.

Credit Card Expenditures. For purposes of 30 day and 8 day pre-election reports, the date of an expenditure made by a credit card is the date of the purchase, not the date of the credit card bill. For purposes of other reports, the date of an expenditure made by a credit card is the date of receipt of the credit card statement that includes the expenditure. For additional information regarding how to report expenditures made by credit card, *see* "Expenditures Made by Credit Card" in this guide.

PREPARING REPORTS

FORMS

Reporting forms are available at *http://www.ethics.state.tx.us*. An individual who is both a candidate and an officeholder files one report for each reporting period and is not required to distinguish between campaign activity and officeholder activity.

SIGNATURE REQUIRED

The candidate or officeholder, not the campaign treasurer, must sign reports.

FILING DEADLINES

The next section of this guide explains the types of reports candidates and officeholders are required to file. Annual filing schedules are available at *http://www.ethics.state.tx.us*.

Note: Deadlines for filing reports for special elections or runoff elections will not be listed on the filing schedule. Call the Ethics Commission for specific information in these cases.

PERIODS COVERED BY REPORTS

Each report covers activity during a specific time period. Generally, a report begins where the last report ended. For a candidate's first report, the beginning date will be the date the campaign treasurer appointment was filed. For an officeholder who is appointed to an elective office and who did not have a campaign treasurer appointment on file at the time of the appointment, the beginning date for the first report will be the date the officeholder took office. Generally, there should not be gaps between the periods covered or overlapping time periods. See "Reports" below for information about filing deadlines and periods covered by reports.

DEADLINE ON WEEKEND OR HOLIDAY

If the due date for a report falls on a Saturday, Sunday, or legal holiday, the report is due on the next regular business day.

5 P.M. DEADLINE

The deadline for filing a report is 5 p.m. on the due date.

DELIVERY BY MAIL OR OTHER CARRIER

For most reporting deadlines, a document is considered timely filed if it is properly addressed with postage or handling charges prepaid and bears a postmark or receipt mark of a common or contract carrier indicating a time on or before the deadline.

Pre-Election Reports. A report due 30 days before an election and a report due 8 days before an election must be *received* by the appropriate filing authority no later than the report due date to be considered filed on time.

RETENTION OF RECORDS USED FOR REPORTS

A filer must keep records of all information used to prepare a report of contributions and expenditures, including, for example, receipts or ledgers of contributions and expenditures. A filer must maintain the records for two years after the deadline for the report.

REPORTS

SEMIANNUAL REPORTS

Generally, candidates and officeholders are required to file reports of contributions and expenditures by January 15 and July 15 of each year. The reports filed on these dates are known as semiannual reports. These reports must be filed even if there is no activity to report for the period covered.

However, there is an exception to this requirement for officeholders who file with a local filing authority, do not have a campaign treasurer appointment on file, and do not accept more than $1,140 in officeholder contributions or make more than $1,140 in officeholder expenditures during the period covered by the report.

REPORTS DUE 30 DAYS AND 8 DAYS BEFORE AN ELECTION

An *opposed* candidate in an upcoming election must file reports of contributions and expenditures 30 days and 8 days before the election. Each of these pre-election reports must be *received* by the appropriate filing authority no later than the report due date. (A person who has elected modified reporting and who remains eligible for modified reporting is not required to file these reports. *See* "Modified Reporting" in this guide.)

An opposed candidate is a candidate who has an opponent whose name is printed on the ballot. If a candidate's only opposition is a write-in candidate, that candidate is considered unopposed for filing purposes. (**Note:** A write-in candidate who accepts political contributions or makes political expenditures is subject to the reporting requirements discussed in this guide.)

The report that is due 30 days before the election covers the period that begins on the first day after the period covered by the last required report and ends the 40th day before the election. If this is a filer's first required report, the period covered by the report begins on the day the filer filed a campaign treasurer appointment.

The report that is due 8 days before the election covers the period that begins on the first day after the period covered by the last required report and ends on the 10th day before the election.

REPORT DUE 8 DAYS BEFORE A RUNOFF ELECTION

A candidate in a runoff must file a report 8 days before the runoff election. A runoff report must be *received* by the appropriate filing authority no later than the report due date. (A candidate who has elected modified reporting and who remains eligible for modified reporting is not required to file this report. *See* "Modified Reporting" below.)

This report covers a period that begins either the first day after the period covered by the last required report or the day the filer filed a campaign treasurer appointment (if this is the filer's first report of contributions and expenditures). The period covered by the runoff report ends the 10th day before the runoff election.

MODIFIED REPORTING

On the campaign treasurer appointment form, there is an option to choose modified reporting for the next election cycle. Modified reporting excuses an opposed candidate from filing reports 30 days and 8 days before an election and 8 days before a runoff. An opposed candidate is eligible for modified reporting only if the candidate does not intend to exceed either $1,140 in contributions or $1,140 in expenditures (excluding filing fees) in connection with an election.

If an opposed candidate selects modified reporting but exceeds a threshold before the 30th day before the election, the candidate must file reports 30 days and 8 days before the election.

If an opposed candidate selects modified reporting but exceeds the $1,140 threshold for contributions or expenditures after the 30th day before the election, the filer must file a report within 48 hours of exceeding the threshold. (The filer must meet this deadline even if it falls on a weekend or a holiday.) At that point, the filer is no longer eligible for modified reporting and must file according to the regular filing schedule.

A selection to file on the modified reporting schedule lasts for an entire election cycle. In other words, the selection is valid for a primary, a primary runoff, and a general election (as long as the candidate does not exceed one of the $1,140 thresholds). A candidate must submit an amended campaign treasurer appointment (FORM ACTA) to select modified reporting for a different election cycle.

"15TH DAY AFTER APPOINTMENT OF CAMPAIGN TREASURER BY AN OFFICEHOLDER" REPORT

An officeholder must file a report after filing a campaign treasurer appointment. (A report is not required after a *change* in campaign treasurers.) This report of contributions and expenditures is due no later than 15 days after the campaign treasurer appointment was filed. The report must cover the period that begins the day after the period covered by the last required report. The period ends on the day before the campaign treasurer appointment was filed. (**Note:** A person who is *appointed* to elective office may not have filed any previous reports. In that case, the beginning date for the report due 15 days after the campaign treasurer appointment is the date the officeholder took office.) The report is not required if the officeholder did not accept more than $1,140 in contributions or make more than $1,140 in expenditures by the end of the reporting period.

FINAL REPORT

See "Ending Filing Obligations" below.

ANNUAL REPORT OF UNEXPENDED CONTRIBUTIONS

See "Ending Filing Obligations" below.

FINAL DISPOSITION OF UNEXPENDED CONTRIBUTIONS REPORT

See "Ending Filing Obligations" below.

THINGS TO REMEMBER

- An officeholder must file semiannual reports for any period during which he or she is an officeholder. (There is an exception to this rule for officeholders who do not have a campaign treasurer appointment on file and who do not accept more than $1,140 in political contributions or make more than $1,140 in political expenditures during the period covered by the report.)

- An opposed candidate in an election must file reports of contributions and expenditures 30 days and 8 days before the election, unless the candidate has selected (and remains eligible for) modified reporting. An opposed candidate who has not selected modified reporting must also file a report 8 days before a runoff election. A report due 30 days before an election and a report due 8 days before an election must be received by the appropriate filing authority no later than the report due date.

- An unopposed candidate is not required to file reports 30 days before an election or 8 days before an election but is required to file semiannual reports.

- A candidate who selects modified reporting must file semiannual reports.

A filer who selects modified reporting for one election cycle will be required to file on the regular reporting schedule for the next election cycle unless the filer submits an amended campaign treasurer appointment selecting modified reporting for the next election cycle.

ENDING FILING OBLIGATIONS

FINAL REPORT

If a filer expects to accept no further political contributions and to make no further political expenditures and if the filer expects to take no further action to get elected to a public office, the filer may file a final report. Filing a final report terminates a filer's campaign treasurer appointment and relieves the filer from any additional filing obligations *as a candidate*. (Note: A candidate who does not have a campaign treasurer appointment on file may still be required to file a personal financial statement in accordance with Chapter 572 of the Government Code or Chapter 159 of the Local Government Code.) If the filer is an officeholder, the filer will still be subject to the filing requirements applicable to officeholders. A filer who is not an officeholder at the time of filing a final report *and* who has surplus political funds or assets will be required to file annual reports of unexpended contributions and a report of final disposition of unexpended contributions. *See* "Annual Report of Unexpended Contributions" and "Report of Final Disposition of Unexpended Contributions" below.

A filer who intends to continue accepting contributions to pay campaign debts should *not* terminate his or her campaign treasurer appointment. An individual must have a campaign treasurer appointment on file to accept contributions to offset campaign debts or to pay campaign debts.

Terminating a campaign treasurer appointment does not relieve a filer of responsibility for any delinquent reports or outstanding civil penalties.

ANNUAL REPORT OF UNEXPENDED CONTRIBUTIONS

The following individuals must file annual reports of unexpended contributions:

- a former officeholder who did not have a campaign treasurer appointment on file at the time of leaving office and who retained any of the following after filing his or her last report: political contributions, interest or other income from political contributions, or assets purchased with political contributions or interest or other income from political contributions.

- a former candidate (a person who previously had a campaign treasurer appointment on file) who was not an officeholder at the time of filing a final report and who retained any of the following at the time of filing a final report: political contributions, interest or other income from political contributions, or assets purchased with political contributions.

Annual reports are due not earlier than January 1 and not later than January 15 of each year. An annual report (FORM C/OH-UC) must contain the following information: (1) information about expenditures from or disposition of surplus funds or assets; (2) the amount of interest or other income earned on surplus funds during the previous year; and (3) the total amount of surplus funds and assets at the end of the previous year.

The obligation to file annual reports ends when the former candidate or officeholder files a report of final disposition of unexpended contributions.

REPORT OF FINAL DISPOSITION OF UNEXPENDED CONTRIBUTIONS

A former candidate or former officeholder who has disposed of all surplus funds and assets must file a report of final disposition of unexpended contributions. This report may be filed as soon as all funds have been disposed of.

A former candidate or former officeholder has six years from the date of filing a final report or leaving office (whichever is later) to dispose of surplus funds and assets. The latest possible date for filing a report of unexpended contributions is 30 days after the end of that six-year period.

At the end of the six-year period, a former candidate or officeholder *must* dispose of surplus assets or funds in one of the following ways:

- The former candidate or officeholder may give them to the political party with which he or she was affiliated when last on the ballot;

- The former candidate or officeholder may contribute them to a candidate or a political committee. (This triggers a requirement to file a report of the contribution.);
- The former candidate or officeholder may give them to the comptroller for deposit in the state treasury to be used to finance primary elections;
- The former candidate or officeholder may give them to one or more contributors, but the total returned to any person may not exceed the aggregate amount accepted from that person during the last two years during which the former candidate or officeholder accepted political contributions;
- The former candidate or officeholder may give them to certain charitable organizations; or
- The former candidate or officeholder may give them to a public or private post-secondary educational institution or an institution of higher education as defined by section 61.003(8), Education Code, for the purpose of assisting or creating a scholarship program.

THINGS TO REMEMBER

- Anyone who has an appointment of campaign treasurer on file must file periodic reports of campaign contributions and expenditures.
- An individual who expects no further reportable activity in connection with his or her candidacy, files a final report and thereby terminates his or her campaign treasurer appointment. (Note: A candidate who does not have a campaign treasurer appointment on file may still be required to file a personal financial statement in accordance with Chapter 572 of the Government Code or Chapter 159 of the Local Government Code.)
- An officeholder may be required to file semiannual reports even if he or she does not have a campaign treasurer appointment on file. A local officeholder who has not accepted more than $1,140 in contributions or made more than $1,140 in expenditures in a semiannual period since terminating his or her campaign treasurer appointment is not required to file a semiannual report for that period.

PENALTIES FOR REPORTING VIOLATIONS

Any citizen may file a criminal complaint with the district attorney, a civil complaint with the Ethics Commission, or a civil action against a candidate or officeholder for violations of Title 15. Any penalty stemming from such complaints would be assessed against *the candidate or officeholder*, not the campaign treasurer.

CAMPAIGN FINANCE RESTRICTIONS

Chapter 253 of the Election Code contains a number of restrictions regarding the acceptance and use of political contributions, including the following:

1. An individual may not accept a campaign contribution or make a campaign expenditure (including a campaign expenditure from personal funds) without a campaign treasurer appointment on file. Tex. Elec. Code § 253.031. An officeholder may accept officeholder contributions and make officeholder expenditures regardless of whether he or she has a campaign treasurer appointment on file.

2. Political contributions from labor organizations and from most corporations are prohibited. Tex. Elec. Code § 253.091, *et seq.* Partnerships that include one or more corporate partners are subject to the prohibition.

3. Certain documentation must be obtained in order to accept contributions from an out-of-state political committee. Tex. Elec. Code § 253.032. *See* "Contributions from Out-of-State Political Committees" in this guide.

4. Cash contributions of more than $100 in the aggregate from one contributor in a reporting period are prohibited. (Here "cash" means coins and currency, not checks.) Tex. Elec. Code § 253.033.

5. The use of political contributions to purchase real property is prohibited. There is also a restriction on the use of political funds to rent or purchase real property from a person related to the candidate or officeholder within the second degree of consanguinity or affinity or from a business in which the candidate or officeholder or such a relative has a participating interest of more than 10 percent, holds a position on the governing body, or serves as an officer. Tex. Elec. Code § 253.038.

6. Texas law does not allow anonymous contributions. Also, reports must disclose the actual source of a contribution, not an intermediary. Tex. Elec. Code § 253.001.

7. Personal use of political contributions is prohibited. Tex. Elec. Code § 253.035.

8. A candidate or officeholder may not use political contributions to pay for personal services rendered by the candidate or officeholder or by the spouse, or dependent children of the candidate or officeholder. There are also restrictions of a candidate's or officeholder's use of political contributions to make payments to a business in which the candidate or officeholder holds a participating interest of more than 10 percent, a position on the governing body of the business, or a position as an officer of the business. *See* to Op. Tex. Ethics Comm'n No. 35 (1992) (regarding the combined effect of this prohibition and the prohibition on corporate contributions). Tex. Elec. Code § 253.041.

   There are restrictions on the use of political contributions to reimburse political expenditures from personal funds. See "Reimbursement for Political Expenditures from Personal Funds," in this guide.

9. A candidate, officeholder, or political committee may not accept political contributions in the Capitol, the Capitol Extension, or a courthouse. "Courthouse" means any building owned by the state, a county, or a municipality, or an office or part

of a building leased to the state, a county, or a municipality, in which a justice or judge sits to conduct court proceedings. Tex. Elec. Code § 253.039.

10. A person required to register as a lobbyist is prohibited from making or authorizing a political contribution to another candidate, officeholder, or political committee, or making or authorizing a direct campaign expenditure, from political contributions accepted by: (1) the lobbyist as a candidate or officeholder; (2) a specific-purpose committee that supports or assists the lobbyist as a candidate or officeholder; or (3) a political committee that accepted a political contribution from (1) or (2), described above, during the two years immediately before the contribution or expenditure was made. Tex. Elec. Code § 253.006.

11. A person who makes a political contribution to another candidate, officeholder, or political committee, or makes a direct campaign expenditure, from political contributions accepted by the person as a candidate or officeholder is prohibited from engaging in activities that require registration as a lobbyist for two years thereafter. This does not apply to a person who does not receive compensation other than reimbursement for actual expenses to lobby on behalf of a nonprofit organization, a group of low-income individuals, or a group of individuals with disabilities. Tex. Elec. Code § 253.007.

12. A registered lobbyist, or a person on behalf of the lobbyist and with the lobbyist's consent or ratification, is prohibited from making a reportable lobby expenditure from a political contribution accepted by: (1) the lobbyist as a candidate or officeholder; (2) a specific-purpose committee that supports or assists the lobbyist as a candidate or officeholder; or (3) a political committee that accepted a political contribution from (1) or (2), described above, during the two years immediately before the lobbyist made or authorized the expenditure. Tex. Gov't Code § 305.029.

13. Federal law generally prohibits the acceptance of contributions from foreign sources. Contact the Federal Election Commission for more detailed information.

2025

A GUIDE TO BECOMING A CITY OFFICIAL

TML
TEXAS
MUNICIPAL LEAGUE

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Congratulations on Your Decision to File for City Office

Serving as an effective city elected official requires dedication, knowledge, and a substantial time commitment, and there are countless reasons why people choose to run for public office. While you may have a very specific reason for seeking a place on the city council, you will be involved in a number of other issues that can have a lasting impact on your city's future. For this reason, becoming a city elected official can be one of the most rewarding experiences of your life. An understanding of your role on the city council—as a member of a team—is critical to your success.

This booklet is designed to familiarize you with the responsibilities of city elected office. Use it as a reference guide during your campaign. Don't hesitate to ask your city manager or city secretary questions about your specific city structure. If you are elected, you may want to seek out the many other resources that help to guide newly elected officials in their new roles.

Material contained in this brochure should not be viewed as a substitute for legal advice or specific information applicable to your city. In addition, if you're serious about your candidacy, you should consider other, more detailed information sources available to you, including:

- attending city council or board of aldermen meetings
- examining your charter, if your city is home rule
- reviewing city ordinances
- the *TML Handbook for Mayors and Councilmembers*

For information on elections, you may get additional information from the city clerk or secretary or the Texas Secretary of State's office. You should also consult your own attorney or familiarize yourself with the requirements of election laws.

Leadership Attributes for Councilmembers

Do you have the necessary leadership attributes to be an effective city leader? At a minimum, successful elected officials must devote a significant amount of time and energy to fulfill a position that answers directly to citizens. Some desirable leadership attributes include:

- a general understanding of city government
- willingness to learn about a wide range of topics
- integrity
- consistency
- confidence
- dedication to the interests of citizens and the community as a whole

- strong communication and team-building skills, including being a good listener
- openness to the thoughts and ideas of others
- being approachable and accessible
- willingness to work cooperatively

An Elected Official Wears Many Hats

Local elected officials have many responsibilities—policymaker, legislator, ambassador, and employer.

The office of mayor is the highest elected office in city government. City councilmembers are the city's legislators, and their primary role is policymaking. The way administrative responsibilities are handled depends on your city type, with which you should be familiar.

Policymaker
As policymakers, it is the council's responsibility to identify the needs of the citizens and to formulate a plan to meet those needs. Policymaking is a complicated process but can be simplified if the city council works together as a team and sets goals for the city. It is from the city council's vision that the administrative staff of the city takes direction and goes about its daily work. The goals of the city should be clear. There are many legal, financial, and administrative considerations to implementing the goals of the city, and without clear direction the effectiveness of the city council can be diminished.

Legislator
Citizens look to the city council to exercise authority to preserve and promote their health, safety, and welfare. A city council may enact ordinances and resolutions and use its governmental powers for the public good. Citizens expect their city council to provide leadership in addressing issues. It is important to show respect for your fellow councilmembers and be willing to discuss issues thoroughly to reach a consensus on the best course of action for all citizens, whatever the issue.

Ambassador
As a member of your city council, you will be invited to participate in a variety of civic activities. These events will provide you with opportunities to learn more about what citizens of your city expect from city government. While not everyone likes this type of public spotlight, it is an important part of your role as a councilmember.

Employer

An understanding of your role as an elected official is vital to your relationship with the city staff. Just as in any productive employer-employee relationship, trust and respect are important. You can learn a great deal about the city from city employees. In many cities, councilmembers come and go, but the city staff continues to serve.

Mayors, Councils, and Boards of Aldermen

The mayor and city council or board of aldermen collectively serve as the governing body for a city and normally possess all legislative powers granted by state law. The positions of both councilmember and alderman have been compared to those of the members of the state legislature and the United States Congress. All these positions require elected officials to represent their constituents, to make policy decisions, to budget for the execution of the policies, and to see that their policies are carried out. Unlike their counterparts in state and federal offices, however, city officials are in direct contact with the citizens they serve on an ongoing basis.

Are You Eligible?

To run for office in a general law city in Texas, you must, among other requirements:

- be a citizen of the United States
- be at least 18 years old on the date of the election
- be a registered voter and have lived in the State of Texas for at least 12 consecutive months prior to the filing date for the election, and in your city or ward for at least six months prior to the filing date for the election
- not have been finally convicted of a felony for which you have not been pardoned or otherwise released from the resulting disabilities

Certain offices and certain city types have additional requirements in state law, so you should be sure to check with both the city and the Texas Secretary of State's Elections Division to ensure that you are eligible. A home rule city may set different requirements in its charter, so check with your city clerk or secretary on whether additional or different requirements apply. The Texas Secretary of State website is at www.sos.state.tx.us.

Filing for a Place on the Ballot

To run for city office, you must file an application with the city clerk or secretary. The application includes information required by the Texas Election Code and must be filed according to deadlines set by that code. A candidate may either file for a place on the ballot or as a write-in candidate, but an application must be filed in either case. A home rule city may also have additional requirements and procedures for filing for a place on the ballot. Your city clerk or secretary can inform you of the rules and deadlines.

Texas Ethics Commission Campaign Finance Filings

State law requires the filing of various forms by a candidate for city office. All candidates for city offices must file an "Appointment of a Campaign Treasurer by a Candidate" form with the city secretary before beginning their campaigns.

Candidates who do not intend to accept more than $1,080 in political contributions or make more than $1,080 in political expenditures may file a modified reporting declaration and operate under modified reporting. Under modified reporting, the candidate is not required to file any further forms beyond the final report, which is filed at the end of the campaign. Semiannual reports may still be required in some cases.

Candidates who intend to accept more than $1,080 in political contributions or make more than $1,080 in political expenditures, or who exceed that amount even after filing for modified reporting, must file under regular reporting requirements. Reports due under these requirements must be submitted by January 15 and July 15 of each year. The reports filed on these dates are known as semiannual reports.

An opposed candidate in an upcoming city election who is using regular reporting must also file reports of contributions and expenditures 30 days and 8 days before the election. A candidate in a runoff must file a report 8 days before the runoff election. Candidates filing under regular reporting are also required to file a final report at the end of the campaign.

Detailed information on filing is available on the Texas Ethics Commission's website at www.ethics.state.tx.us.

An Introduction to City Government

Elected city officials should have a basic understanding of city government and the duties, authority, and limitations of an elected body. What follows is a brief introduction to a few basic governance issues.

Of course, there is no better way to understand what elected officials do than to attend council meetings. In addition, most cities and towns have advisory boards that are formed to make or recommend policy or quasi-judicial decisions, such as a planning commission or parks and recreation board. Serving on these and other appointed boards is another excellent way to become informed.

Types of City Government

Texas has more than 1,200 incorporated cities; each of them is either a home rule city or a general law city. Home rule cities are larger cities. A city with a population of more than 5,000 in which the citizens have adopted a home rule charter through an election is a home rule city. A home rule charter is the document that establishes the city's governmental structure and provides for the distribution of powers and duties.

General law cities are usually smaller cities. General law cities don't have charters. Rather, they operate according to specific state statutes. A general law city looks to the state constitution and state statutes to determine what it **may do**. If state law

doesn't grant a general law city the express or implied power to initiate a particular action, none may be taken. There are three categories of general law cities: type A, B, or C. If you are seeking office in a general law city, you should ask your city manager or city secretary to clarify the type in order to understand which state laws apply.

As opposed to general law cities, a home rule city operates according to its charter and looks to the state constitution and state statutes to determine what it **may not do**.

Forms of Government

There are two prevalent forms of city government in Texas:

Mayor-Council Structure

- The mayor is the ceremonial head of government and presides over council or board of aldermen meetings.
- The council or board of aldermen sets meetings.
- The council or board of aldermen sets policy.
- Depending on local charter and/or ordinances, applicable statute, or local practice, broad or limited administrative authority is vested with the mayor, members of the council or board of aldermen, an administrator, or designated department heads appointed by the mayor, council, or board of aldermen.

Council-Manager Structure

- The mayor is the ceremonial head of government and presides over council or board of aldermen meetings.
- The council sets policy and hires and fires the manager.
- The city manager normally has broad administrative authority.

Basic City Services

Services provided by cities vary. However, some typical services may include:

- **Public Safety**—police, fire, and sometimes ambulance service
- **Utilities**—water and sewer, trash collection, electric power, and natural gas
- **Land Use**—planning, zoning, code enforcement, and other regulatory activities
- **Transportation**—street construction and maintenance, traffic safety, and sometimes public transit
- **Recreation/Culture**—parks, recreation, libraries, and sometimes cultural facilities
- **Legal**—ordinances protecting the public health, safety, and welfare of the community

City Finance

In budgeting, the governing body makes important decisions about the operation and priorities of the city. Is a swimming pool more important than storm sewers? Does the city need a new library more than it needs extra police personnel? Should the potholes be filled or the street completely rebuilt? Budgeting is a process by which the governing body determines the city's standard of living—what the citizens need and want, what they are willing to pay, and what services they can expect to receive for their tax dollars.

Cities levy specific taxes to finance city services. In addition, many city services are financed in whole or in part by user fees and charges. The following are the most common taxes and fees levied by Texas cities:

- **Property tax**—levied on the valuation of taxable property located within the city
- **Sales tax**—levied on retail sales of tangible personal property and some specific services
- **Right-of-way rental fees**—levied on non-municipally owned utilities (telecommunications, electric, gas, water, cable television)

Finally, cities receive some revenues from various federal and state grant and allocation programs. TML provides a comprehensive guide to all revenue sources available to cities. The guide is called the *TML Revenue Manual for Texas Cities* and is available at www.tml.org.

Ethics and Conflicts of Interest

Various laws govern the behavior of a city official. A brief overview of the most commonly applicable statutes follows.

Local Government Code Chapter 171 – Conflicts of Interest

Definition of "conflict of interest": A local public official has a conflict of interest in a matter if any action on the matter would involve a business entity or real property in which the official has a substantial interest, and if an action on the matter will result in a special economic effect on the business 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 the action will have a special economic effect on the value of the property, distinguishable from its effect on the public. A local public official is also considered to have a substantial interest if a close relative has such an interest.

General rule: If a local public official has a conflict of interest in regard to a business entity or real property, that official must file an affidavit with the city secretary stating the interest and must abstain from any participation or vote on the

matter.

Exception: If a local public official has a conflict of interest and files an affidavit, the official is not required to abstain from further participation or a vote on the matter if a majority of the members of the governing body also have a conflict of interest and file an affidavit.

Penalties: Penalties for violating the conflict of interest provisions range from having the action voided to the imposition of fines and incarceration.

Local Government Code Chapter 176 – Conflicts Disclosure

Local Government Code Chapter 176 requires that "local government officers"—including mayors, councilmembers, and certain other executive city officers and agents—file a "conflicts disclosure statement" with a city's records administrator within seven days of becoming aware of any of the following situations:

- A city officer or the officer's family member has an employment or business relationship that results in taxable income of more than $2,500 in the preceding 12 months with a person who has contracted with or is considering contracting with the city ("vendor").
- A city officer or the officer's family member receives and accepts one or more gifts with an aggregate value of $100 in the preceding 12 months from a vendor.
- A city officer has a family relationship with a vendor.

The law also requires a vendor to file a "conflict of interest questionnaire" if the vendor has a business relationship with the city and has an employment or other relationship with an officer or officer's family members, has given a gift to either, or has a family relationship with a city officer. The conflicts disclosure statement and the conflict of interest questionnaire are created by the Texas Ethics Commission and are available online at www.ethics.state.tx.us. An officer who knowingly fails to file the statement commits either a class A, B, or C misdemeanor, depending on the amount of the contract.

Government Code Chapter 553 – Conflicts Disclosure

Government Code Chapter 553 requires that city officers and candidates for city office who have a legal or equitable interest in property that is to be acquired with public funds file an affidavit within 10 days before the date on which the property is to be acquired by purchase or condemnation. The affidavit must be filed with: (1) the county clerk of the county in which the officer or candidate resides; and (2) the county clerk of each county in which the property is located.

A person who fails to file the required affidavit is presumed to have committed a Class A misdemeanor offense if the person had actual notice of the acquisition or intended acquisition of the property.

Financial Disclosure for Cities with a Population of 100,000 or More

Chapter 145 of the Texas Local Government Code requires candidates and elected city officials in cities with a population of 100,000 or more to fill out detailed financial statements to be filed with the city secretary or city clerk.

Nepotism

Definition of "nepotism": Nepotism is the appointment or employment of a close relative of a city's "final hiring authority (the city council or city manager, depending on the form of government)" to a paid position with the city.

General rule: A public official, acting alone or as a member of a governing body, generally may not appoint a close relative to a paid position, regardless of the relative's merit. In addition, a person may not continue to be employed by a city if a close relative is elected to the city council, unless he or she falls under an exception.

Exception: If the employee has been continuously employed by the city for a certain period of time, an employee may remain employed by the city if a close relative is elected to city council.

Exception: The nepotism statute does not apply to cities with fewer than 200 people.

Penalties: Penalties for violating the nepotism provisions include a fine and immediate removal from office.

Dual Office-Holding/Incompatibility

Definition of "dual office-holding" and general rule: The Texas Constitution generally prohibits one person from holding more than one paid public office.

Definition of "incompatibility" and general rule: Texas law prohibits one person from holding two public offices, regardless of whether one or both offices are paid, if one position might impose its policies on the other or subject it to control in some other way. There are three types of incompatibility: (1) "self-appointment" incompatibility prohibits a member of a governing body from being appointed to a position over which the governing body has appointment authority; (2) "self-employment" incompatibility prohibits a member of a governing body from being employed in a position over which the governing body has employment authority;

and (3) “conflicting loyalties” incompatibility prohibits one person from holding two public offices in which the duties of one office might negatively affect the duties of the other office.

Penalties: A person who accepts a prohibited second office automatically resigns from the first office.

Open Government

Before assuming public office, you should become familiar with Texas Open Meetings Act (TOMA) and Public Information Act (PIA). These laws apply to political subdivisions in Texas, including cities, and outline what meetings and information must be open and available to the public.

Texas Open Meetings Act (TOMA)

The Texas Open Meetings Act (TOMA) reflects the policy that public bodies are engaged in the public’s business. Consequently, city council or board of aldermen meetings should be open to the public and held only after the public has been properly notified. The TOMA governs how city meetings are conducted. Some general principles follow.

Definition of “meeting”: A meeting occurs any time a quorum of the city council discusses public business that is within the city council’s jurisdiction, regardless of the location or means of communication (e.g., phone, in person, email).

General rule: Every regular, special, or called meeting of the city council and most boards and commissions (depending on membership and authority) must be open to the public.

Exception: TOMA does not apply to purely social gatherings, conventions and workshops, ceremonial events, press conferences, or candidate forums, so long as any discussion of city business is incidental to the purpose of the gathering, and no action is taken.

Exception: A city may use an online message board that is viewable by the public for city councilmembers to discuss city business. The message board must meet several criteria provided for in TOMA.

Exception: Statutorily authorized executive or “closed” sessions, including deliberations concerning: (1) the value or transfer of real property; (2) specific consultations with the council’s attorney; (3) specific personnel matters; (4) economic development; (5) certain security matters; (6) certain information related to emergencies and disasters; (7) a prospective gift or donation; (8) certain competitive matters relating to a city-owned electric or gas utility; or (9) potential items on tests that the council conducts for purposes of licensing individuals to

engage in an activity.
To hold an executive session, the governing body must first convene in open session, identify which issues will be discussed in executive session, and cite the applicable exception. All final actions, decisions, or votes must be made in an open meeting.

Agenda: A governmental body must post an agenda that includes the date, hour, place, and subject of each meeting. The agenda must be posted on a physical or electronic bulletin board at city hall in a place readily accessible to the public at all times at least three business days before the scheduled date of the meeting. In addition, for cities that have an Internet website, the city must post the city council's agenda at least three business days before the scheduled date of the meeting on that website.

In addition, for a meeting at which the governmental body will discuss or adopt its budget, the city's notice must include: (1) a physical copy of the proposed budget unless the proposed budget has been made clearly accessible on its website's homepage; and (2) a taxpayer impact statement containing specific information required by law.

Records of meetings: Cities must keep written minutes or recordings of all open meetings, and a certified agenda or recording of all executive/closed meetings, except for closed consultations with an attorney. The minutes must state the subject and indicate each vote, decision, or other action taken, and a city that has a website must post the approved minutes on that website.

Minutes and recording of an open meeting are public records, while certified agendas and recording of a closed meeting are confidential and cannot be released to the public except by court order.

Penalties: Penalties for violating the TOMA range from having the action voided to the imposition of fines and incarceration. Any action taken in violation is voidable and may be reversed in a civil lawsuit. There are four criminal provisions under the TOMA, including:

1. Knowingly engaging in a series of communications of less than a quorum of members discussing city business that will ultimately be deliberated by a quorum of members;
2. Calling or participating in an impermissible closed meeting;
3. Participating in an executive session without a certified agenda or recording; and
4. Disclosing a certified agenda or recording to a member of the public.

Texas Public Information Act (PIA)

The PIA governs the availability of city records to the public. Some general provisions follow.

Definition of "public information": Public information includes any information

that is collected, assembled, or maintained by or for a governmental entity, regardless of the format. Public information can include city-related emails or texts on a city official's personal devices/accounts.

General rule: Most information held by a city is presumed to be public information and must be released pursuant to a written request.

Exceptions: Specific statutory exceptions to disclosure allow certain types of information to be withheld from the public. Other statutes make certain kinds of information "confidential by law," meaning that a city must withhold that information from the public. Because there are numerous exceptions, city officials should consult with local counsel immediately on receipt of a request.

Procedure: Any member of the public may request information in writing. A city official is prohibited from inquiring into the requestor's motives and is generally limited to: (1) releasing the information as quickly as is practicable, but generally not later than ten business days following the request; or (2) requesting an opinion from the Texas attorney general's office within ten business days of the receipt of the request as to whether the information may be withheld. Recent statutory changes and rulings by the attorney general have granted cities the authority to withhold specified types of confidential information without going through the process of seeking an opinion from the attorney general's office.

Penalties: Penalties for violating the PIA range from a civil lawsuit against the city or a city official to the imposition of fines and incarceration. There are three general criminal provisions under the PIA, including: (1) refusing to provide public information; (2) providing confidential information; and (3) destroying government information improperly.

Open Government Training

Each elected or appointed member of a governmental body must take at least one hour of training in both the Open Meetings Act and the Public Information Act. For more information, please visit the attorney general's website at www.texasattorneygeneral.gov.

A Basic Glossary of City Government

Budgeting: Crafting, passing, and following a city budget are among the most important tasks you will perform as a councilmember. Cities cannot make expenditures except in strict accordance with a budget, and they can levy taxes only in accordance with the budget.

Conflicts of Interest: As a councilmember, you are prohibited from voting or deliberating on agenda items that affect your own business, financial interests, or

real property. You'll be required to file an affidavit with the city secretary disclosing the details of your conflict, and that affidavit becomes a public record. Also, you are required to disclose in writing the receipt of any gifts or income from any vendor that does business with the city.

Dual Office-Holding/Incompatibility: Councilmembers cannot hold other paid public offices; in many cases, they cannot hold other unpaid public offices, either. Further, councilmembers can't take paid jobs with their own city, nor can they appoint themselves to other posts or positions. Finally, think twice about announcing to run for another public office while you're still a councilmember—you may automatically resign your council seat when you do. Check with your city attorney or the Texas Municipal League before considering any other position or job that might be a problem.

Employment Policies: In general law cities, the final authority on employment decisions typically rests with the council as a whole. In home rule cities, the charter usually determines who makes employment decisions. As a member of the council, you should familiarize yourself with the city's employment policies and periodically consult with your city attorney to ensure the policies are kept up to date.

Government Transparency: The Texas Public Information Act and the Open Meetings Act require access to records and meetings. After a city receives a written request for information under the Public Information Act, it must promptly provide copies or access to information, with limited exceptions. The Texas attorney general generally determines whether information is excepted from disclosure to the public. City councils are required to conduct their meetings in accordance with the Open Meetings Act. City officials are required by law to attend training in both Acts.

Gifts and Donations: Cities are prohibited by the Texas Constitution from giving money or anything of value to a private individual, association, or corporation. The exception to this doctrine is when the city council determines that a donation will serve a public purpose of the city. The decision as to what constitutes a public purpose is left to the discretion of the city council but may be overturned by a court. State law also places strict requirements on what gifts an elected official or candidate may receive. Officials and candidates should review these rules before giving or accepting any gift.

Holdover: The Texas Constitution includes a provision that allows an elected official who is no longer qualified for office to continue to serve until his or her vacancy is filled by a qualified individual. This provision allows a city to continue to conduct business even when it loses one or more councilmembers. However, some disqualifications may prevent the disqualified councilmember from continuing to serve as a holdover, and this issue should be reviewed upon the vacancy being created.

Liability: Councilmembers will generally be held personally liable only for actions taken outside the scope of their duties and responsibilities as members of the

governing body. However, the city itself will be potentially liable for actions taken by its councilmembers within the scope of their official duties. (See Tort Claims Act below.)

Meeting: Almost everyone intuitively knows what a meeting is. For example, a regular meeting of a city council, where agenda items are discussed and formal action is taken, is clearly a meeting. However, according to the Texas Open Meetings Act, other gatherings of the members of a governmental body may constitute a meeting. Generally, any time a quorum is present and city business is discussed, all of the Open Meetings Act requirements, including posting of a notice and preparation of minutes, must be followed.

Quorum: A city council must have a quorum to call a meeting to order and conduct business. The number of councilmembers required to establish a quorum varies by city. A quorum in a general law city is determined by state law, and a quorum in a home rule city is spelled out in the city's charter.

Tort Claims Act: The Texas Tort Claims Act limits governmental liability and provides for damage caps for governmental entities. The Act provides that liability for engaging in 36 specifically enumerated "governmental functions" (such as provision of police and fire protection, maintaining city parks, and other activities one expects of a local government) is limited by statute to $250,000 for personal injury claims and $100,000 for property damage claims. The Tort Claims Act does not generally provide for private causes of action against individual councilmembers for the actions of the city government.

Votes by Council: When a council votes on an ordinance or resolution, all that is typically needed to pass the item is a majority of those present and voting. While a quorum is the number needed to conduct a meeting, it is not necessary that a quorum actually vote on each agenda item. Local practices may vary from city to city, however.

Good Luck

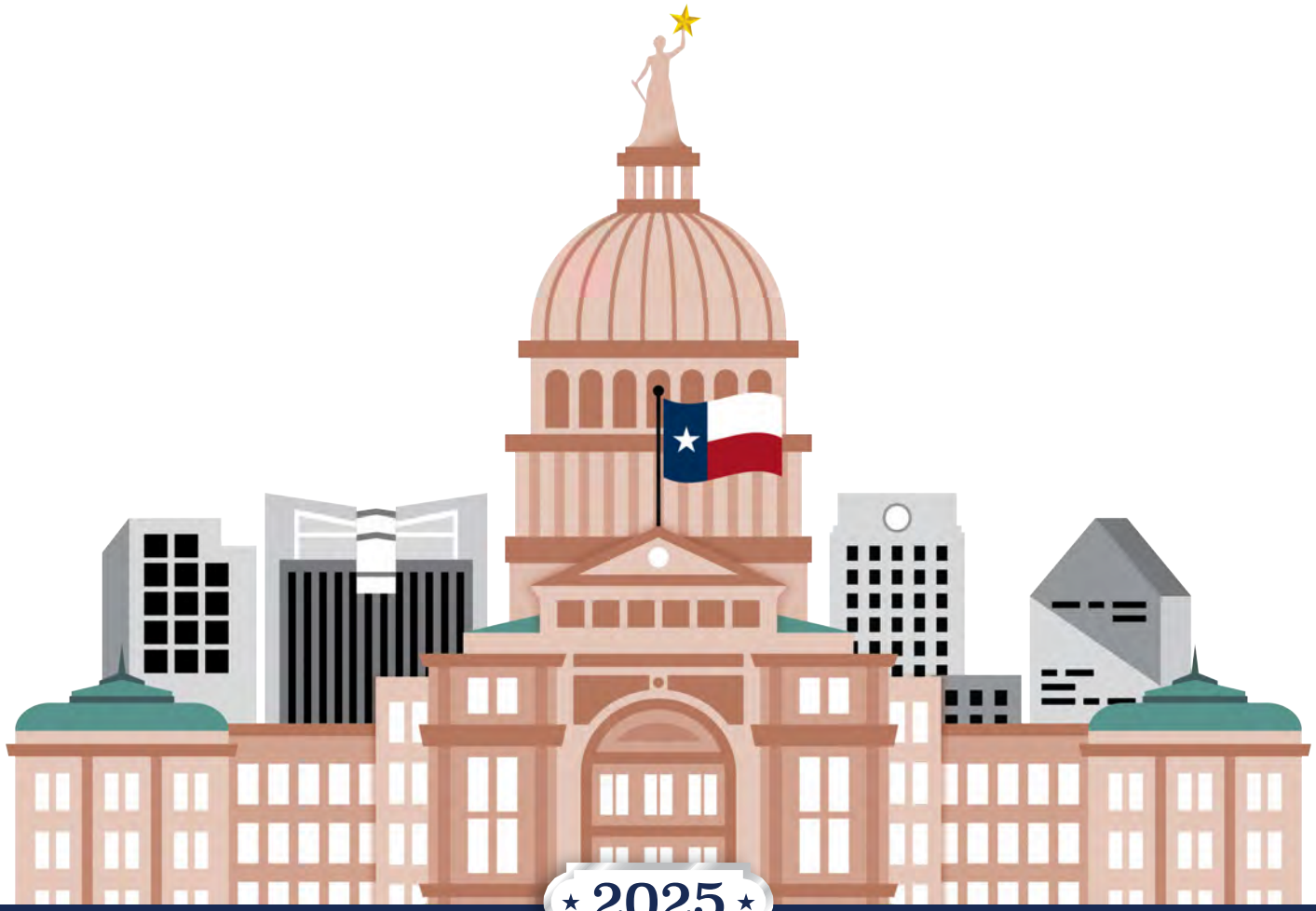
We wish you luck in the election. No matter the outcome, you will find the process rewarding and should be proud that you made the decision to offer your time and commitment to the citizens of your city. If you are elected, the Texas Municipal League is here to assist you. Contact us at 512-231-7400 or www.tml.org.

Who Belongs to TML?
Membership in the League is voluntary and is open to any city in Texas. From the original 14 members, TML's membership has grown to more than 1,170 cities. Over 16,000 mayors, councilmembers, city managers, city attorneys, and department heads are member officials of the League by virtue of their cities' participation. Associate memberships are available to private sector organizations and companies that strive to provide quality services to municipal government.

TML Service Statement

In serving its member cities, the League will:

- Represent municipal interests before legislative and administrative bodies.
- Conduct original research in any area of concern to member cities and provide the results of that research to member cities and other interested parties.
- Serve as a repository of literature, analyses, research, and other data related to all aspects of municipal operations and make that material available to members.
- Sponsor and conduct conferences, seminars, meetings, and workshops for the purpose of studying and exchanging information regarding municipal government.
- Make available an official magazine and other publications, reports, or newsletters of interest to members.
- Secure the assistance of educational institutions for the purpose of gathering, analyzing, and publishing municipal government information, and conducting training and professional development in the field of municipal administration.
- Strive to secure harmonious actions among Texas cities, other governments, and other groups in all matters which affect the rights and duties of the cities of Texas.
- Provide any additional services for which individual members, acting alone, may not have adequate resources.
- Promote the interests of the League's affiliates by providing organizational and technical assistance.
- Promote constructive and cooperative intergovernmental relations by maintaining mutually supportive relationships with groups representing local, state, and regional governments.



HANDBOOK FOR MAYORS AND COUNCILMEMBERS

TML
TEXAS
MUNICIPAL LEAGUE

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2025 Handbook for Mayors and Councilmembers

Foreword

Serving as a local elected official is one of the most demanding—and often thankless—tasks a citizen can perform. Municipal officials can be called upon day and night. They are subject to constant criticism, and almost everything they do will be wrong in someone's opinion. Many spend their own money to campaign for election; most receive little, if any, pay for the job.

But serving in local office can also be rewarding and productive. For many, it is more important than being in Congress or the state legislature because the city is the real world where municipal officials can make good things happen for their fellow city residents.

We hope this handbook will offer a few suggestions that will make your job easier. While this guide cannot touch upon every relevant subject, it does include what we think are the most important topics. Throughout, however, it should be recognized that this handbook is only a guide and that there is no substitute for competent legal advice regarding interpretations of the law and other questions that might arise in specific situations.

If you don't find the answers to your questions about the part of city government you are covering or the issues facing cities today, we're ready to assist you in any way we can. Just give us a call at 512-231-7400, email us at legalinfo@tml.orgmailto:, or visit our website at www.tml.org.

We wish you great success.

Bennett Sandlin
TML Executive Director

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About the Texas Municipal League

In the summer of 1913, Professor Herman G. James, director of the Bureau of Municipal Research and Reference at the University of Texas at Austin, and A.P. Woolridge, then the mayor of Austin, formed the League of Texas Municipalities.

The two men invited representatives from all Texas cities to come to Austin on November 4, 1913, for an organizational meeting. Fourteen cities sent representatives to Austin. At that first meeting, a modest membership fee was approved along with a constitution to govern the association.

Since that time, the League has grown into one of the largest and most respected organizations of its kind in the nation. From the original 14 members, TML's membership has grown to over 1,170 cities. Membership is voluntary and open to any city in Texas. More than 16,000 mayors, councilmembers, city managers, city attorneys, and department heads are member officials of the League by virtue of their cities' participation. Guided by its purpose statement – *Empowering Texas cities to serve their citizens* – TML exists to provide support and services to city governments in Texas.

League services to its member cities include legal information on municipal legal matters, legislative representation on the state and federal levels, information and research, publication of a monthly magazine, conferences and training seminars on municipal issues, and professional development of member city officials.

Introduction

How to Use This Handbook

In the past, the League has prepared two separate handbooks for city officials: one for those in general law cities, and one for those in home rule cities. In the interest of efficiency, those books have been combined to form this *Handbook for Mayors and Councilmembers*. Most of the information is relevant to all cities. But a fundamental understanding of the fact that there are two types of cities in Texas will help the reader recognize those areas where a distinction is made.

The two types of cities in Texas are general law and home rule. Most smaller cities (those with 5,000 or fewer inhabitants) are general law cities. A general law city operates exactly as its name implies: it can do only what state law expressly authorizes. The most important part of that authorization is the form of government of a general law city. State law defines the composition of the governing body and various items that go with that (such as filling vacancies on the governing body). Chapter two describes in detail the roles and responsibilities of officers in general law cities: Type A, Type B, and Type C. The main differences in the powers of the different types of cities are largely of historical interest, but the state law directing the makeup of the governing body is still very important.

When a general law city reaches 5,000 inhabitants, it may follow procedures in state law to draft a home rule charter. The draft is then submitted to the voters of the city at an election. If the voters approve the charter at the election, the city becomes a home rule city. A home rule city is governed by its charter (see chapter three for the roles and responsibilities of officers in home rule cities) and looks to state law for limitations on its power. The state legislature has frequently passed laws that limit the authority of home rule cities, and state law also frequently imposes certain procedures that must be followed by any type of city.

This handbook is meant to be a broad and general overview of cities in Texas. Many of the topics are covered in much more detail in various papers and memos available from the League. City officials with questions about items in this book or anything relating to the governance or authority of their city should visit the TML website at www.tml.org and/or contact the League's legal services department at legalinfo@tml.org. The information in this handbook or other information obtained from the League should never be substituted for the advice of local legal counsel.

Chapter One:
Local Government in Texas

Understanding city government requires some knowledge of all local governments. This chapter briefly discusses counties, school districts, council of governments, and types of city governments.

Units of Local Government

According to 2022 Census of Government figures, Texas has 1,225 cities, 254 counties, 1,070 school districts, and 2,984 special districts. During the past 20 years, the number of special districts has steadily increased, due mainly to the rapid creation of water districts in unincorporated areas. Conversely, the number of school districts has steadily declined as smaller systems have consolidated with larger ones. The number of counties has remained constant for 100 years, while the number of cities typically increases by one or two new cities per year.

In 2025, the United States Census Bureau recognized that Texas had seven of the 15 fastest-growing cities in the nation by percentage — Princeton, Fulshear, Celina, Anna, Fate, Melissa, and Hutto.

Counties

Counties are known as "general purpose" governments due to the many different functions they perform. Counties serve the dual purposes of providing governmental services for the benefit of their residents and administrative services on behalf of the state. Major governmental services include road construction and maintenance, jails and courts, welfare, health, and law enforcement. Administrative services performed by counties as agents of the state include voter registration and motor vehicle licensing.

Special Districts

Schools and the many types of special districts are known as "single-purpose" governments, since they usually perform just one function, such as education, water supply, or hospital care. Most special districts serve a limited geographical area and were created because of the inability of general purpose local governments to provide a particular service.

Councils of Governments

Councils of governments (COGs) are also known as "regional planning commissions." COGs are defined as "political subdivisions of the state" under Texas law. However, COGs differ considerably from cities, counties, and other conventional local governments because they cannot levy taxes nor incur debt.

COGs are voluntary, area-wide associations of local governments. Their function is to foster local cooperation among localities by serving as forums for intergovernmental problem-solving and by planning governmental programs and facilities on a regional basis. Though they do not have broad power to execute projects, many of the state's COGs provide direct services on a limited basis.

Each COG operates under the supervision of a governing body composed of elected officials representing participating local governments.

Financing is provided by a combination of dues paid by member governments and federal and state funds.

Cities

Among all the different types of local governments, cities perform the greatest number of functions, both governmental and proprietary.

State law specifically defines and lists certain activities as either governmental or proprietary functions in the Texas Tort Claims Act. The law lists 36 functions that are governmental. Included among them are police and fire protection, health and sanitation services, street construction and design, transportation systems, establishment and maintenance of jails, and enforcement of land use restrictions. Three functions are listed as proprietary: the operation and maintenance of a public utility, amusements owned and operated by a city, and any activity that is abnormally dangerous or ultra-hazardous. Functions that are listed as governmental are not included as proprietary functions.

There are two categories of cities in Texas: home rule and general law.

Home rule cities are larger cities with more than 5,000 inhabitants in which the residents of the city have adopted a home rule charter. A charter is a document that establishes the city's governmental structure and provides for the distribution of powers and duties among the various branches of government.

The legal position of home rule cities is the reverse of general law cities. Rather than looking to state law to determine what they may do, as general law cities must, home rule cites look to the state constitution and state statutes to determine what they may not do. Thus, if a proposed home rule city action has not been prohibited, limited, or preempted by the state, the city generally can proceed.

General law cities are smaller cities, most of which are less than 5,000 in population. All general law cities operate according to specific state statutes prescribing their powers and duties. General law cities are limited to doing what the state authorizes or permits them to do. If state law does not grant general law cities the express or implied power to initiate a particular action, none may be taken.

Approximately seventy-five percent of all Texas cities operate under the general laws; the remainder are home rule cities. "General law" is a term used to describe all of the state laws applicable to a particular class of things. A general law city, therefore, is one that is subject to all of the state laws applicable to such cities, many of which are found in the Local Government Code.

General law city officials occasionally call the Texas Municipal League office to request a copy of their "city charters." Unlike home rule cities, general law cities do not have charters. The creation of a general law city is documented in its incorporation papers, filed at the county courthouse, which describe when the city was established and its original boundaries.

Categories of General Law Cities

There are three categories of general law cities: Type A, Type B, and Type C. Although it is sometimes difficult to distinguish between the types, it is necessary to know the difference in order to determine which state laws apply.

Type B General Law Cities

Most new cities begin as Type B general law cities under a state law that permits the incorporation of any area containing 201 to 10,000 inhabitants. Later, as the population of a city grows to 600 or more, it can make a transition to Type A.

In a Type B general law city with the aldermanic form of government, the governing body is known as the "board of aldermen" and includes six members (a mayor and five aldermen), all of whom are elected at-large. At its discretion, the board of aldermen may provide by ordinance for the appointment or election of such additional officers as are needed to conduct the business of the city.

A Type B general law city has the same powers and duties as a Type A general law city, except where specifically provided otherwise. In other words, a Type B general law city has the authority of a Type A general law city in a particular issue where the law governing a Type B city is silent on the particular issue.

Type A General Law Cities

Type A general law cities are usually the larger general law cities. Most were incorporated under Type B status and then switched to Type A status when their population increased to 600 or more, or when they had at least one manufacturing establishment.

The governing body of a city operating as a Type A general law city is technically known as the board of aldermen, although many cities refer to it as the "city council." The governing body varies in size depending on whether the city has been divided into wards. If the city has been divided into wards, the council consists of a mayor and two councilmembers from each ward—whatever the number. If the city has not been divided into wards, the governing body always consists of a mayor and five councilmembers.

In addition to the city council, other municipal officers include a marshal, treasurer, tax assessor-collector, city secretary, city attorney, and engineer. Whether these offices are elective or appointive depends on the method selected by the city council for filling them. Moreover, the city council may provide by ordinance for the appointment or election of such other municipal officers as it deems necessary.

Type C General Law Cities

A Type C general law city operates with the commission form of government. The governing body is known as the "board of commissioners" and always consists of a mayor and two commissioners. No other elective officers are required; however, the board of commissioners must appoint a city clerk, and may provide by ordinance for the election or appointment of such other officers as are required.

In a Type C general law city of 500 or less population, the board of commissioners must follow the requirements applicable to a Type B general law city—that is, the board of commissioners has the same powers and duties as the board of aldermen in a Type B general law city, except where specifically provided otherwise. In a city of over 500 population, the board of commissioners must follow the requirements of a Type A general law city, except where specifically provided otherwise.

Any city operating under the commission form of government can change over to the aldermanic form of government, and vice versa. The commission form of government in a general law city should not be confused with the commission plan adopted by the City of Galveston at the turn of the century. Under the Galveston plan, each member of the municipal governing body—the city commission—simultaneously served as legislators and heads of the city's administrative departments. Thus, one member of the governing body served as "police commissioner,'' another served as "fire commissioner," and so on, with each commissioner exercising day-to-day supervisory authority over a particular department.

General law cities operating under the commission form of government are not authorized to adopt the Galveston plan.

In a general law city, one commissioner, alderman or councilmember, acting alone, has no individual power; only the commission, board of alderman or city council, acting collectively, exercises power.

City Manager Plan

The city manager plan can be adopted in any general law city under the provisions of Chapter 25 of the Local Government Code:

1) Upon presentation of a petition signed by at least 20 percent of the total number of qualified voters voting for mayor in the last preceding city election, the mayor must call an election on the question of adopting the city manager plan within 10 days after the date the petition is filed.
2) If a majority of the votes cast at the election favor adoption of the city manager plan, the council must, within 60 days after the election, appoint a city manager and fix his or her salary by ordinance.
3) The administration of the city is to be placed in the hands of the city manager, who serves at the pleasure of the city council.
4) In any city where the city manager plan has been approved, all officers of the city, except members of the governing body, thereafter shall be appointed as may be provided by ordinance.
5) Procedures for repealing the city manager plan are essentially the same as for adopting it.

The basic structure of the city manager plan is similar to that of a private corporation, in which the stockholders elect a board of directors which then hires a president to run the company. Under the city manager plan, the voters elect a city council which, in turn, hires a city manager to administer the city's day-to-day affairs.

Under the city manager plan, the council serves as the legislative body. The council sets policy, it approves the budget and sets the tax rate, and it determines the size of the payroll and the extent and cost of municipal services. In short, the council is the final authority on all of the many policy decisions that determine the scope and functions of the city government.

The mayor and councilmembers have no administrative duties under the city manager plan. These are vested in the city manager, who is responsible for directing the workforce

and programs of the city in accordance with ordinances, rules, and regulations adopted by the council.

The typical city manager in Texas is appointed for an indefinite term and is subject to dismissal by the council at any time except as otherwise prohibited by law. He or she is designated as the chief executive and administrative officer of the city and is accountable to the council for the proper conduct of all municipal operations. The manager has the unilateral authority to hire, discipline, and fire the department heads under the manager's control. In some cases, however, certain employees, such as the city attorney or municipal judge, are directly hired and/or supervised by the council rather than the manager. Although the manager's role varies from one city to another, the primary function is to implement the policies established by the council and ensure that the city is operated in an economical and responsible manner. Specific duties of the manager may include the following:

1) Enforcing all city ordinances, rules, and regulations.
2) Supervising all municipal employees and programs.
3) Preparing and executing the city's annual budget pursuant to the revenue and expenditure plans adopted by the council.
4) Managing the city's funds and preparing periodic reports that advise the council and the general public of the city's financial condition.
5) Providing information to the council to facilitate its ability to make informed decisions in the best interests of the city.
6) Preparing council meeting agendas and attending all such meetings to serve as a resource to the council and the public.
7) Drawing the council's attention to community needs and recommending alternatives by which the council can respond to those needs.

Adopting the city manager plan does not change the basic governmental framework of a general law city. Rather, it is an administrative mechanism added to the basic structure.

Legislation passed in 2003 clarifies that city councils of cities that have not adopted a city manager plan under chapter 25 of the Local Government Code are free to delegate by ordinance management duties to a city administrator.

The Home Rule Concept

Although scholars have used a variety of flowery phrases to describe the concept of home rule, the principle is simple: home rule is the right of citizens at the grassroots level to manage their own affairs with minimum interference from the state. Home rule assumes that governmental problems should be solved at the lowest possible level, closest to the people.

As mentioned earlier, home rule cities look to the state to tell them what they are prohibited from doing, rather than for specific grants of authority to undertake particular functions. In *Forwood v. City of Taylor*, the Texas Supreme Court summarized Texas' home rule doctrine as follows:

> *It was the purpose of the Home-Rule Amendment ... to bestow upon accepting cities and towns of more than 5,000 population full power of self-*

> *government, that is, full authority to do anything the legislature could theretofore have authorized them to do. The result is that now it is necessary to look to the acts of the legislature not for grants of power to such cities but only for limitations on their powers.*

As a result of the *Forwood* case and other court decisions upholding their broad powers, home rule cities have the inherent authority to do just about anything that qualifies as a "public purpose" and is not contrary to the constitution or laws of the state.

Inherent Powers of Home Rule Cities

An "inherent power" is one that is possessed by a city without its having been specifically granted by the state. It is the right to perform an act without having received that right from the Texas Constitution or the state legislature.

Home rule cities have many inherent powers. A discussion of some of the inherent powers of major significance may explain why so many cities have chosen to adopt home rule charters.

Municipal Organization

In contrast to counties or general law cities, whose organization is fixed by state law, the governmental structure of a home rule city is left entirely to the discretion of local voters. The residents of a home rule city are free to decide their form of municipal government (mayor-council, council-manager, and so on); choose between a large or small city council; provide for the election of the city council at-large, by single-member district, or by place; fix the terms of office for councilmembers at two, three, or four years; or establish overlapping terms of office. Moreover, they can decide whether the mayor is to be elected directly by the voters, selected from among members of the council, or chosen by some other method.

The residents of a home rule city also have total discretion over the city's administrative structure. Subject only to local preferences, the charter can establish a simple administrative framework or a complex one, provide for the appointment or election of major administrative officials, and so on. And finally, the charter can provide for the creation of any boards or commissions that local voters decide are necessary to make the city function effectively.

Annexation

From 1912-2019, the inherent power of a city to unilaterally annex adjoining areas was one of the most important home rule prerogatives. To annex "unilaterally" means that the city can bring an adjacent, unincorporated area into the city without the permission of the persons residing in that area.

In 2019, the legislature passed H.B. 347, which drastically altered the annexation landscape for all cities. Now a city generally may only annex:

1) Land at the request of the landowner;
2) An area with a population of less than 200 only if the following conditions are met, as applicable: (a) the city obtains consent to annex the area through a petition signed by more than 50 percent of the registered voters of the area; and (b) if the registered voters of the area do not own more than 50

percent of the land in the area, the petition described by (1) is signed by more than 50 percent of the owners of land in the area;

3) An area with a population of 200 or more only if the following conditions are met, as applicable: (a) the city holds an election in the area proposed to be annexed at which the qualified voters of the area may vote on the question of the annexation and a majority of the votes received at the election approve the annexation; and (b) if the registered voters of the area do not own more than 50 percent of the land in the area, the city obtains consent to annex the area through a petition signed by more than 50 percent of the owners of land in the area; and
4) A very limited subset of properties without owner consent, including certain city-owned property and certain roads and rights-of-way.

Initiative, Referendum, and Recall

Initiative, referendum, and recall are inherent home rule powers that are reserved for exclusive use by local voters to provide direct remedies in unusual situations. There is no constitutional or statutory authority for initiative, referendum, or recall. These powers are unique to home rule cities, and they are not available to voters at any other level of government, including the state.

Initiative is a procedure under which local voters directly propose (initiate) legislation. Lawmaking through the initiative process allows local voters to circumvent the city council by direct ballot box action on new ordinances that have wide support in the community, but which the council refuses to enact.

The initiative process begins with the circulation of a petition setting forth the text of the desired ordinance. Then, petitioners must obtain the number of voter signatures needed to force the city council to submit the ordinance to the people at a citywide election. Petition signature requirements vary from charter to charter. Some are based on a percentage of the number of qualified voters in the city, while others are expressed as a ratio of the number of votes cast at the last general city election.

After a completed petition is filed, the city secretary checks it to make sure that all of those who signed are qualified voters. If the petition complies with the requirements of the charter and the Election Code, the city council has two options: (1) it can adopt the proposed ordinance; or (2) it must call an election on the ordinance. If, at the election on the proposed ordinance, a majority of those voting favor its adoption, the ordinance is put into effect.

Referendum is a procedure under which local voters can repeal unpopular, existing ordinances the council refuses to rescind by its own action. The procedures for forcing the city council to call a referendum election are usually the same as for initiative elections. Petitions calling for an election to repeal “Ordinance X” are circulated. When the required number of signatures is obtained, the petition is submitted to the city council, which can either repeal the ordinance by its own action or call an election at which the residents can vote to repeal it. If, at such an election, a majority favors retaining the ordinance, it is left on the books. If a majority favors its repeal, it is rescinded when the council canvasses the election returns.

Recall is a process by which local voters can oust members of the city council before the expiration of the members' terms. Under most charters, a recall election begins with the filing of an affidavit stating the name of the member of council whose removal is sought and the grounds for removal. The city clerk or secretary then furnishes the person filing the affidavit with petition forms that must be completed and returned within a prescribed time.

Most city charters impose two further limitations on recall efforts. First, they prohibit more than one recall election per member per term. Secondly, they forbid recall elections for any member during the early stages of his or her term—as, for example, prohibiting an election to recall a member within 60 days of the date he or she was sworn into office, or prohibiting recall elections for members whose terms will expire within 60 days. The following language is typical of charter recall provisions:

> *The people of the city reserve the power to recall any member of the council and may exercise such power by filing with the city clerk a petition, signed by qualified voters of the city equal in number to at least ten percent of the qualified voters of the city, demanding the removal of a member.*

Charter Amendments

In addition to initiative and referendum, direct lawmaking by local voters can be accomplished through amendments to the charter document itself. Under Section 9.004 of the Local Government Code, citizens can force the city council to call an election on a proposed charter amendment by simply filing a petition signed by five percent of the qualified voters or 20,000, whichever is less. Voter-initiated charter amendments, if adopted, can change most aspects of the city government.

Limitations on Home Rule Powers

Although the powers of a home rule city are broader than that of a general law city, they remain subject to all the limitations imposed by state and federal law. Some of these are briefly summarized below.

Every city must comply with the federal and state constitution and statutory requirements. Examples include state statutes that require every city to pay unemployment taxes, that require cities with 10,000 or more in population to pay longevity compensation to its police officers and firefighters or prohibit conducting regular city elections on any day except on those days prescribed by the Election Code.

Though certain limitations are imposed on home rule cities by the state, some can be further narrowed by local action. For example, the Texas Constitution authorizes any city with more than 5,000 inhabitants to levy property taxes at a maximum rate of $2.50 per $100 assessed valuation. But a home rule charter may set a local ceiling lower than that. If a city's charter limits the city tax rate to $1.70 per $100 of assessed valuation, this provision has the same effect as state law. The city council is bound by it even though the state constitution permits a higher rate.

Additionally, the governing body of a home rule city cannot act on any matter which has been preempted by the state. A clear example of preemption by state law can be found in the Texas Alcoholic Beverage Code. In this code, the state sets the business hours of retail liquor stores. Therefore, an ordinance

requiring liquor stores to open or close at times other than those prescribed by state law may not be enacted. Another example of clear preemption is recent legislation that prohibits cities from adopting or enforcing an order, ordinance, or other measure that imposes a curfew on juveniles.

Some areas of preemption are much less clear now. In 2023, the Legislature adopted H.B. 2127, also known as the "Texas Regulatory Consistency Act," which curbed city authority.

H.B. 2127 expressly preempts a city from adopting or enforcing five types of regulations:

- Regulations of employment leave, hiring practices, breaks, employment benefits, scheduling practices, and any other terms of employment that exceed or conflict with federal or state law for non-city employers;
- New or amended predatory lending regulations;
- Regulations impeding a business involving the breeding, care, treatment, or sale of animals or animal products, including a veterinary practice, or the business's transactions if the person operating the business holds a state or federal license to perform such actions or services;
- New or amended regulations relating to the retail sale of dogs or cats; and
- Regulations involving evictions.

Most notably, H.B. 2127 among other things, prohibits a city from adopting or enforcing an ordinance in a field of regulation occupied by state law in eight specific statutory codes (Agriculture Code, Business & Commerce Code, Finance Code, Insurance Code, Labor Code, Natural Resources Code, Occupations Code, and Property Code), unless expressly authorized by another statute. Exactly what "fields of regulation occupied by state law" means remains unclear. This is a legal question that the courts must decide on a case-by-case basis.

H.B. 2127 appears to potentially contradict the long-standing constitutional interpretation of home rule authority in Texas. The bill adds Section 51.002 of the Local Government Code to provide as follows: "Notwithstanding Section 51.001, the governing body of a municipality may adopt, enforce, or maintain an ordinance or rule only if the ordinance or rule is consistent with the laws of this state." That provision raises even more questions about the scope of the bill. If state law is silent in a certain area, it is unclear if a home rule city may regulate in that area. One might argue yes, because the Texas Constitution gives home rule cities the full power of self-government. But the bill certainly calls home rule authority in question in several areas. Given the language, a court could determine Section 51.002 of the Local Government Code eliminates city regulatory authority in the absence of state regulation, which would create a direct conflict between the statute and the Texas Constitution.

In August 2023, a Travis County district judge declared that H.B. 2127 is unconstitutional, lending credence to cities' arguments during the 2023 Legislative Session that the bill was ambiguous and on questionable legal footing. The ruling came after the City of Houston—later joined by the cities of San Antonio and El Paso as intervenors—filed a lawsuit against the state challenging the constitutionality of H.B. 2127.

In July of 2025, the Third Court of Appeals reversed the trial court's ruling on procedural grounds and granted the State's motion to dismiss. The court of appeals opinion marks just the beginning of the legal wrangling over the new law.

The Charter Document

Although all municipal governments are subject to an abundance of federal and state laws, the charter remains the most important document for a home rule city. Members of the council should read the charter immediately upon their election to office; annual reviews also can be useful.

Most charters include the following components:

- Provisions establishing the city's form of government (mayor-council, council-manager, and so on) and its legislative and judicial machinery;
- Organizational provisions establishing the administrative structure of the city government and the means for financing its operations;
- Provisions governing the procedures of the city council and advisory boards and commissions, and procedures for granting franchises, and assessing and collecting taxes; and,
- Popular controls over the city government, such as elections, referenda, initiative, and recall.

Forms of Home Rule City Government

Every home rule city in the state operates under one of two forms of government: mayor-council or council-manager. Among Texas' approximately 385 home rule cities, the vast majority have the council-manager form.

Mayor-Council Government

The mayor-council plan has two variants: strong-mayor and weak-mayor. Under the strong-mayor system, most key administrative and appointive powers are concentrated in the hands of a full-time mayor who also presides over meetings of the city council. The mayor usually has: (1) the power to appoint and remove department heads and the members of most major boards and commissions; (2) the prerogative to prepare the city budget and, following its adoption by the council, to execute the budget; (3) a high enough salary to enable the officeholder to devote their full time to being mayor, as well as an office budget sufficient to hire an adequate staff; and (4) the power to veto actions by the city council. In a strong-mayor city, councilmembers have no administrative duties. Their role is to enact ordinances, adopt policies governing the operations of the city, and otherwise function as the legislative branch of the city government.

Under the weak-mayor system, the powers of the mayor are limited. First, the mayor may be selected by the council rather than being directly elected by the people, which dilutes his or her political influence. Secondly, the mayor's pay is usually minimal and few, if any, funds are provided for staff. Third, department heads often are appointed and removed by majority vote of the city council, which diffuses administrative authority. And finally, few weak mayors have either the authority to veto actions of the council or the exclusive power to develop and execute the budget, since these powers are collectively exercised by the council.

Very few home rule cities in Texas use the weak-mayor form of government.

Council-Manager Plan

The basic structure of the council-manager form of government is like that of a private corporation where the stockholders elect a board of directors which then hires a president to run the company. Under the council-manager plan, the voters elect a city council which, in turn, hires a city manager to administer the city's day-to-day affairs.

In a council-manager city, as in any other form of city government, the council serves as the legislative body. The council sets policy, approves the budget, sets the tax rate, determines the size of the payroll, and the extent and cost of municipal services. In short, the council is the final authority on all the many policy decisions that determine the scope and functions of the city government.

Under the council-manager plan, the mayor and councilmembers have no administrative duties. These are vested in the city manager, who is responsible for directing the workforce and programs of the city in accordance with ordinances, rules, and regulations adopted by the council. The typical city manager in Texas is appointed for an indefinite term and is subject to dismissal by the council at any time except as otherwise prohibited by law. He or she is designated, either by charter or ordinance, as the chief executive and administrative officer of the city and is accountable to the council for the proper conduct of all municipal operations. The manager has the unilateral authority to hire, discipline, and fire the department heads.

Although the manager's role varies from one city to another, the manager's primary function is to implement the policies established by the council and ensure that the city is operated in an economical and responsible manner. Specific duties of the manager may include the following:

1) Enforcing all city ordinances, rules, and regulations.
2) Supervising all municipal employees and programs.
3) Preparing and executing the city's annual budget pursuant to the revenue and expenditure plans adopted by the council.
4) Managing the city's funds and preparing periodic reports that advise the council and the general public of the city's financial condition.
5) Providing information to the council to facilitate its ability to make informed decisions in the best interests of the community.
6) Preparing council meeting agendas and attending all such meetings to serve as a resource to the council and the public.
7) Drawing the council's attention to community needs and recommending alternatives by which the council can respond to those needs.

In larger cities, city managers spend comparatively little time on citizen contacts, personnel problems, and other routine matters. Managers in these cities usually have a sizable staff capable of handling day-to-day problems, thus allowing the manager to concentrate on communicating with the council, policy issues, planning activities, and work sessions with department heads.

On the other hand, the managers of medium-sized and smaller cities frequently operate with limited resources and a small staff. The manager must, by necessity, be personally involved in the details of providing police, fire, solid waste, and other services.

Chapter Two:
Roles and Responsibilities of Officers in General Law Cities

All members of the city council play unique roles in making the city government operate effectively in a general law city. Many of their functions are set by law, while others are established as a matter of local custom or policy.

Office of the Mayor

The mayor occupies the highest elective office in the municipal government. As political head of the city, the mayor is expected to provide the leadership necessary to keep it moving in the proper direction.

Except under the city manager plan of government, the mayor is the city's chief executive officer. The mayor presides over council meetings and is generally recognized as the ceremonial and governmental head of the city for most purposes.

Most of the powers exercised by the mayor are created through ordinances and resolutions adopted by the city council. Very few mayoral powers are prescribed by state law.

Legislative Responsibilities

The mayor's most important duty is to carry out the legislative responsibilities he or she shares with other members of the council—identifying the needs of the city, developing programs to satisfy those needs, and evaluating the extent to which municipal services satisfactorily reflect the policy goals of the council.

Under the law, the mayor is the presiding officer of the city council. In this capacity as presiding officer, the mayor's actual powers in legislative matters can be greater than those of other councilmembers. For example, the mayor can influence the flow of debate through the power to recognize councilmembers for motions or statements.

Also, the mayor rules on questions of procedure at council meetings, and those rulings are binding unless successfully challenged by a majority of the governing body. Finally, the mayor of a Type A general law city can formally object to ordinances and other resolutions passed by the council. If the mayor objects to an ordinance or resolution before the fourth day after it is placed in the city secretary's office, it must be reconsidered by the governing body. If approved, it becomes effective (Local Government Code Section 52.003).

Appointive Powers

Appointive powers represent another area in which the mayor's powers often outrank those of councilmembers, especially when the mayor is authorized by ordinance to appoint department heads and advisory board members. In Chapter 25 council-manager cities, the mayor's appointive powers are more limited, because the city manager may appoint all or most administrative employees. Although most of the mayor's appointive

powers are established by ordinances enacted by the city council, some are established by state law, such as the power to appoint commissioners of a housing authority (Local Government Code Section 392.031).

Law Enforcement and Related Duties of the Mayor

The office of the mayor involves a variety of law enforcement responsibilities. The mayor is specifically obligated by law to "actively ensure that the laws and ordinances of the city are properly carried out," and "in the event of a riot or unlawful assembly or to preserve the peace," the mayor may order the closing of certain public places.

Under extreme circumstances, as in the case of a riot, the mayor of a Type A general law city can summon a special police force into service (Local Government Code Section 341.011) or call for assistance from the Texas National Guard. Also, if the city has used the provisions of Sections 362.001 et seq., Local Government Code, to enter into a mutual law enforcement pact with other nearby cities or the county, the mayor can call on those localities for help in dealing with civil disorders and other emergencies. Additionally, most local emergency management plans authorize the mayor to exercise supreme powers in case of a public calamity, after the mayor has declared a local disaster or asked the governor to declare a state of emergency. State law also permits a mayor to require a mandatory evacuation order and control who can access an area during a phased reentry (Government Code Chapters 418 and 433).

Judge of the Municipal Court

In every general law city where no separate office of judge of the municipal court exists by ordinance, the mayor is ex officio judge of the court (Government Code Section 29.004). A mayor serving as the ex officio municipal judge must still receive the annual training required of all municipal judges.

Signatory Duties

As signatory for the city, the mayor may be required to sign a variety of documents to give them official legal effect. The mayor's signature is required on all bonds, certificates of obligation, warrants, and other evidence of debt, as well as may be required on ordinances, resolutions, advertisements for bids on public works projects, contracts, and similar legal paperwork. The mayor is also responsible for signing proclamations recognizing special events and personal achievements.

Ceremonial Duties

The mayor's participation in local ceremonial events is a never-ending responsibility. The mayor is expected on a daily basis to cut ribbons at ceremonies opening new businesses; break the ground to begin the construction of new city facilities; and regularly appear at fairs, parades, pageants, and other community celebrations.

The mayor also issues proclamations for a variety of purposes, whether to honor visiting dignitaries or declare "Support Your Local School Week." And as a featured speaker before professional clubs, school assemblies, and neighborhood groups, the mayor can expect to be interviewed, photographed, and otherwise placed on extensive public display by the media.

Administrative Duties

Except in Chapter 25 council-manager cities, the mayor serves in the dual roles of administrator and political head of the city, going to city hall on a regular basis, working with department heads on matters that need attention each day, and performing the ceremonial duties that go with the office. In some cases, ordinances approved by the council give the mayor wide latitude to deal with the many problems that arise each day. Also, an administrative staff is sometimes available to help the mayor, but the office still involves considerably more effort—and power—than its counterpart in cities operating under the city manager plan.

Limitations on the Mayor's Powers

The broad powers of the mayor can be offset by several methods, including ordinance requirements that the council ratify mayoral appointments and other key actions.

Limiting the mayor's power at the council table is another way of imposing restraints. In Type A general law cities, for instance, the mayor is allowed to vote only in the event of a tie (Local Government Code Section 22.037). As state law is unclear on the mayor's ability to vote in Type B general law cities, those cities should consult with their local legal counsel with questions.

The mayor's prerogatives can also be restricted by the structure of the city government. Under the Chapter 25 council-manager plan, for example, the mayor has no administrative powers and will probably be in city hall on a less frequent basis. The ordinances of most council-manager cities also make it clear that decision-making is to be shared by the full council, and that the mayor is to be considered the same as any other member of the governing body for policy purposes. This is accomplished by concentrating administrative powers in the hands of a city manager, who acts under the direction of the full council.

Qualifications of Office

In Type A general law cities, every candidate for the office of mayor must meet the following qualifications:

1) Be a United States citizen;
2) Have been a resident of Texas for at least 12 months, as of the deadline for filing for the office;
3) Have resided in the city for at least 12 months preceding election day;
4) Be a registered voter;
5) Be 18 years of age or older upon the commencement of the term to be filled at the election;
6) Not have been convicted of a felony for which he or she has not been pardoned or otherwise released from the resulting disabilities; and
7) Not have been deemed mentally incompetent by a final judgment of a court.

(Election Code Section 141.001; Local Government Code Section 22.032).

In Type B and Type C general law cities, every candidate for mayor must meet the qualifications listed above, except that he or she must have resided in the city for six months, rather than twelve, preceding election day (Election Code Section 141.001; Local Government Code Section 23.024).

Terms of Office

In a Type A general law city, the term of the mayor and members of the city council or board of aldermen is two years (Local Government Code Section 22.035). In a Type B general law city operating under the aldermanic form of government, the mayor's term of office is one year, unless the board of aldermen has enacted an ordinance providing a two-year term for the mayor and two-year overlapping terms for aldermen (Local Government Code Section 23.026). In a Type C general law city, the mayor's term of office is two years (Local Government Code Section 24.023).

In any city, the term of office for members of the governing body can be extended to three or four years upon approval of a majority of the voters voting at an election on the question (Texas Constitution, Article XI, Section 11).

Vacancies

When the mayor is temporarily unable to perform his or her duties because of illness, out-of-town travel, or similar reasons, the mayor pro tem assumes the responsibilities of the office on an interim basis (please see discussion of mayor pro tem on the next page). But if a permanent vacancy occurs in the office of mayor as a result of death, disability, resignation, or some other reason, the vacancy should be filled according to prescribed procedures.

In a Type A general law city operating under the aldermanic form of government, the vacancy can be filled either by appointment by the city council or by a special election if the mayor's office is the only one vacant. However, if another vacancy exists on the board of aldermen when the mayor's office is vacant, both vacancies must be filled at a special election. When a vacancy is filled by appointment, the term of the person appointed expires at the next general municipal election. When a vacancy is filled by special election, the person elected serves out the remainder of the unexpired term of the vacancy being filled (Local Government Code Section 22.010).

In a Type B general law city operating under the aldermanic form of government, a mayoral vacancy must be filled by appointment by the board of aldermen. The term of the person appointed expires at the same time that the term of the person who vacated the office would have expired if he or she had remained in office (Local Government Code Section 23.002).
In a Type C city operating under the commission form of government, a vacancy in the office of mayor must be filled by appointment by the two remaining members of the board of commissioners. But if there are two vacancies on the board of commissioners, the vacancies must be filled at a special election called by the county judge, and the persons elected serve out the remainder of the unexpired terms of the vacancies being filled (Local Government Code Section 24.026).

If the terms of office in a city have been changed to three or four years, appointment to fill a vacancy is no longer an option. Any vacancy must be filled by special election (Texas Constitution, Article XI, Section 11).

Absences

Under Section 22.041 of the Local Government Code, "if a member of the governing body is absent for three regular consecutive meetings, the member's office is considered vacant

unless the member is sick or has first obtained a leave of absence at a regular meeting."

Removal

Procedures for removing the mayor or a councilmember from office are set forth in Chapter 21 of the Local Government Code. Under the law, a member of the governing body is subject to removal for incompetence, official misconduct, or intoxication. A petition for removal must be filed with a district court, may be filed by any resident of the city, and must state the alleged grounds for removal. The judge may decide to issue a citation to the member in question or may decline to do so. If the judge declines to issue a citation, the petition is dismissed at the cost of the petitioner. If the judge issues a citation to the member, the member must appear before the judge to answer the petition and may request a trial by jury. The petitioner must execute a bond in an amount fixed by the judge. The bond shall be used to pay damages and costs to the member if the alleged grounds for removal are found to be insufficient or untrue. The final judgment on the issue may be appealed by either party. Conviction of the member for any felony or for a misdemeanor involving official misconduct will result in immediate removal, and the removed member is ineligible for reelection for two years.

There is no such thing in a general law city as "recall," which is a procedure citizens can use to vote an incumbent mayor or councilmember out of office before the expiration of his or her term. The power of recall is limited to voters in home rule cities in which the charter provides for the procedure.

Compensation

In Type C cities, the board of commissioners may, by ordinance, fix the mayor's compensation at a maximum of $5 for each regular commission meeting and $3 for each special meeting. Alternatively, the board of commissioners in a city of less than 2,000 can pay the mayor a salary of up to $600 per year, while the board of commissioners in a city of 2,000 or greater population can pay the mayor up to $1,200 per year (Local Government Code Section 141.003).

In Type A and B general law cities, no maximum salary amount is fixed for the mayor. The governing body can set the mayor's compensation at any level it chooses (Local Government Code Sections 141.001 and 141.002). Only one limitation exists: an elected officer cannot receive a pay increase that was approved during the term for which he or she is elected. Such an increase will become effective only after the next general municipal election at which the office is filled (Local Government Code Section 141.001).

Expense Reimbursement

It is commonplace for the city to reimburse the mayor for travel and other expenses incurred on official city business trips, such as meetings of the Texas Municipal League and similar organizations. Most city travel policies are established by ordinance or resolution.

Office of the Mayor Pro Tem

The mayor pro tempore is a member of the council who performs the mayor's duties during the mayor's incapacity or absence. The mayor pro tem is selected by majority vote of the council from among its own membership. The mayor pro tem's term is one year. The mayor pro tem retains the right to vote on all matters before the council while performing

the duties of the mayor (Local Government Code Sections 22.037 and 23.027).

Office of Councilmember

Councilmembers are the city's legislators. Their primary duty is policymaking, which includes identifying the needs of local residents, formulating programs to meet the changing requirements of the community, and measuring the effectiveness of ongoing municipal services.

Unless restricted by state law, each councilmember is entitled to vote or abstain on every question decided at a council meeting and has full parliamentary privileges in council meetings—including the right to speak and make motions when recognized by the chair and the right to introduce new ordinances and amendments to existing ones.

Though foremost in importance, lawmaking is just one of many functions councilmembers perform. They also wear several other hats, which one writer describes as follows:

- Regulator—The council exercises regulatory powers over the conduct and property of its citizens. It has the power to declare certain conduct to be criminal, to require that certain businesses and activities be licensed, and to tell property owners how and for what purposes they may use their property.
- Financier—The council may levy taxes, assess fees and charges, and sell bonds in order to finance the many functions of the city government. The council also has to budget the expenditure of the city's funds, and then explain to the people why municipal government is a bargain compared to the price of rampant crime, fires, disease, and all of the other problems that would flourish without proper city services.
- Employer—The council is responsible for all the city's employees and must see that they are adequately paid and provided with decent working conditions and fringe benefits.
- Buyer—The council is one of the biggest purchasers in the community and must see to it that the city gets the best value possible for dollars spent.

This is not even a complete description of all the challenges that confront councilmembers.

The real task is in providing leadership and direction for the city, in deciding what needs to be done, and in helping plan what the city will be for future generations.

Qualifications

In general law cities, the qualifications for the office of councilmember are:

1) Be a United States citizen;
2) Have been a resident of Texas for at least 12 months as of the deadline for filing for the office;
3) Have resided in the city for at least six months preceding election day;
4) Be a registered voter;
5) Be 18 years of age or older upon the commencement of the term to be filled at the election;
6) Not have been convicted of a felony for which he or she has not been pardoned or otherwise released from the resulting disabilities; and

7) Not have been deemed mentally incompetent by a final judgment of a court.

(Election Code Section 141.001; Local Government Code Sections 22.032 and 23.024).

One additional requirement: if a Type A general law city has been divided into wards, every council candidate must, at the time of his or her election, be a resident of the ward he or she proposes to represent if elected (Local Government Code Section 22.032).

Terms of Office

In a Type A general law city, the term of office for members of the city council is two years (overlapping terms) (Local Government Code Section 22.035). In a Type B general law city, the term of office for aldermen is one year, unless the board of aldermen has enacted an ordinance providing a two-year term for the mayor and two-year overlapping terms for aldermen (Local Government Code Section 23.026).

In any city, the term of office of members of the governing body can be extended to three years or four years upon approval of a majority of the voters voting at an election called on the question (Texas Constitution, Article XI, Section 11).

Vacancies

In a Type A general law city operating under the aldermanic form of government, when there is only one vacancy on the governing body, the vacancy can be filled either by appointment of the city council or by means of a special election. However, if there are two or more vacancies on the governing body, such vacancies must be filled at a special election (Local Government Code Section 22.010).

In a Type B general law city operating under the aldermanic form of government, vacancies on the board of aldermen— whatever the number of vacancies—must be filled by appointment by the remaining members of the board (Local Government Code Section 23.002).

In a Type C general law city, a single vacancy must be filled by appointment by the two remaining members of the board of commissioners. But if there are two vacancies on the board, they must be filled at a special election called by the county judge (Local Government Code Section 24.026).

Absences

Under Section 22.038 of the Local Government Code, an illness of an alderman or someone in his or her family is the only reason for absence from council meetings in a Type A general law city without a fine. Unexcused absences are punishable by a fine of $3 for each council meeting missed. If an alderman is absent for three consecutive regular meetings—unless because of sickness or the alderman has obtained a leave of absence at a regular meeting—his or her office shall be vacant. (Local Government Code Section 22.041).

There is no law applicable to absences by aldermen in Type B general law cities or members of the board of commissioners in cities operating under the commission form of government (Type C general law cities). However, in cities over 500 population, which operate under the commission form of

government, Sections 51.035 and 51.051 (the "borrowing provisions") of the Local Government Code (relating to the application of laws to cities with the commission form) would probably make Sections 22.038 and 22.041 of the Local Government Code (relating to absences) applicable to such cities. Type B general law cities should contact their local legal counsel to discuss this issue, as state law is unclear.

Removal

Procedures for removing a councilmember from office in a general law city are the same as for the mayor and are governed by Chapter 21 of the Local Government Code.

Compensation

In Type C cities, the board of commissioners may, by ordinance, fix commissioners' compensation at a maximum of $5 for each regular commission meeting and $3 for each special meeting. Alternatively, the board of commissioners in a city of 2,000 or greater population can provide for paying commissioners up to $600 per year (Local Government Code Section 141.003).

In Type A and B general law cities, no maximum salary amount is fixed for aldermen. Therefore, the governing body can set councilmember compensation at any level it decides. Only one limitation exists: an alderman cannot receive the benefit of a pay increase adopted during the term for which he or she is elected. Such increase will become effective only after the next general municipal election at which the office of the alderman serving at the time of the pay increase is filled (Local Government Code Chapter 141).

Expense Reimbursement

It is commonplace for cities to reimburse councilmembers for travel and other expenses incurred on official city business trips to meetings of the Texas Municipal League, a council of governments, and similar organizations. Most travel policies are established by ordinance or resolution.

Chapter Three:
Roles and Responsibilities of Officers in Home Rule Cities

All members of the city council play unique roles in making the city government operate effectively in a home rule city. Many of their functions are set by law, while others are established as a matter of local custom or policy. While the information in this chapter is broadly applicable to cities across the state, each home rule charter is distinct. To ascertain the scope of a particular official's role in a specific city, one would need to consult that city's charter.

Office of the Mayor

The mayor occupies the highest elective office in the municipal government. As political head of the city, the mayor is expected to provide the leadership necessary to keep it moving in the proper direction.

Except under the city manager plan of government, the mayor is the city's chief executive officer, just as the governor serves as chief executive of the state. The mayor presides over council meetings, is the signatory for the city, and is generally recognized as the ceremonial and governmental head of the city for most purposes.

Most of the powers exercised by the mayor are created either by provisions in the charter or through ordinances and resolutions adopted by the city council. State law prescribes very few mayoral powers.

Legislative Responsibilities

The mayor's most important duty is to carry out the legislative responsibilities he or she shares with other members of the council—identifying the needs of the city, developing programs to satisfy those needs, and evaluating the extent to which municipal services satisfactorily reflect the policy goals of the council.

Most charters designate the mayor as presiding officer of the city council so his or her actual powers in legislative matters can be greater than those of other councilmembers. For example, as presiding officer of the council, the mayor can influence the flow of debate through the power to recognize councilmembers for motions or statements.

Also, the mayor rules on questions of procedure at council meetings, and those rulings are binding unless successfully challenged by a majority of the governing body. Finally, the charters of some cities authorize the mayor to veto ordinances and other enactments approved by the city council.

Appointive Powers

Appointive powers represent another area in which the mayor's powers often outrank those of councilmembers, especially in mayor-council cities where the mayor is authorized to appoint department heads and advisory board members. In council-manager cities, however, the mayor's appointive powers are usually more limited, since the city manager appoints

all or most administrative employees, and the full council often appoints the members of advisory boards and commissions.

Signatory Duties

As signatory for the city, the mayor must sign a variety of documents to give them official legal effect. The mayor must sign all bonds, certificates of obligation, warrants, and other evidence of debt, as well as ordinances, resolutions, advertisements for bids on public works projects, contracts, and similar legal paperwork. The mayor is also responsible for signing proclamations recognizing special events and personal achievements.

Ceremonial Duties

The mayor's participation in local ceremonial events is a never-ending responsibility. The mayor is expected on an almost daily basis to cut ribbons at ceremonies opening new businesses; break the ground to begin the construction of new city facilities; and regularly appear at fairs, parades, city events, and other community celebrations.

The mayor also issues proclamations for a variety of purposes, whether to honor visiting dignitaries, recognize exceptional achievements, or declare "Support Your Local School Week." And as a featured speaker before professional clubs, school assemblies, and neighborhood groups, the mayor can expect to be interviewed, photographed, and otherwise placed on extensive public display by the media.

Powers of the Mayor in Council-Manager Home Rule Cities

Under the council-manager form of government, the mayor has no day-to-day administrative duties; rather, these are vested in a city manager who is responsible for implementing policies established by the council. In most council-manager cities, the mayor is in city hall on an irregular basis and is involved very little in routine operational matters.

The charters of most council-manager cities make it clear that the full council exercises the decision-making and that the mayor is considered the same as any other member of the council for policy-making purposes. This is accomplished by concentrating administrative powers in the hands of the city manager and by requiring action by the whole council—not just the mayor—to appoint key board and commission members.

And finally, a number of state laws further ensure that the full council shares appointive powers. Several examples can be found in the Local Government Code. Chapter 211 mandates that the city's governing body appoints the members of the city's zoning commission as well as the members of the zoning board of adjustment. Additionally, Chapters 504 and 505 authorize the governing body to appoint the directors of Type A and Type B economic development corporations.

Powers of the Mayor in Mayor-Council Home Rule Cities

The Mayor-Council setup, sometimes referred to as the "Strong Mayor" form of government, allows the mayor in home rule cities to serve in the dual roles of administrator and political head of the city. Even though this form of local government is allowable in home rule cities in Texas, it remains relatively uncommon. When adopted, the mayor is in city hall on a continuing basis, working with department heads on routine items that need to be

addressed each day, handling emergencies, and performing all of the ceremonial duties that go with the office. Depending on the city, the charter may give the mayor broad authority to deal with the many problems that arise each day. A skilled administrative staff usually is available to help the mayor carry the day-to-day load. In some cities, the charter gives the mayor the power to veto actions of the council.

The broad powers of the mayor in mayor-council cities usually are offset by charter provisions that require the council to ratify mayoral appointments and other key actions. For example, council approval of the budget provides councilmembers with an effective method of slowing down a zealous mayor by reducing or abolishing expenditures.

Further checks can be created by distributing governmental powers in a certain way. For instance, under the Houston charter, an elected city controller is responsible for supervising the expenditure of municipal funds independent of both the mayor and council.

Limitations on the Mayor's Powers

As noted above, the powers of the mayor in both mayor-council and council-manager home rule cities can be limited by requiring full council approval of the budget, board and commission appointments, and by distributing governmental powers among a variety of city officials rather than concentrating them in the office of mayor. Another way to impose restraints on the mayor is to limit his or her power at the council table. For example, some charters in home rule cities do not allow the mayor to initiate motions at council meetings, while some charters forbid the mayor from voting except to break a tie.

Office of the Mayor Pro Tem

The mayor pro tempore is a member of the council who performs the mayor's duties if the mayor's is incapacitated or absent. The mayor pro tem is usually selected by a majority vote of the council. The term of service as a mayor pro tem can vary from city to city. For example, in most cities the term of the mayor pro tem is often the same as that of a councilmember. In another city, for example, each councilmember serves a three-month term as mayor pro tem on a rotating basis.

Office of Councilmember

Councilmembers are the city's legislators. Their primary duty is policymaking, which includes identifying the needs of local residents, formulating programs to meet the changing requirements of the community, and measuring the effectiveness of ongoing municipal services.

Unless restricted by state law, each councilmember is entitled to vote on every question presented at a council meeting. And each councilmember has full parliamentary privileges in council meetings—including the right to speak and make motions when recognized by the chair and the right to introduce new ordinances and amendments to existing ones.

Though foremost in importance, lawmaking is just one of the many functions councilmembers perform. They also wear several other hats, which one writer describes as follows:

- Regulator—The council exercises regulatory powers over the conduct and property of its citizens. It has the

power to declare certain conduct to be criminal, to require that certain businesses and activities be licensed, and to tell property owners how and for what purposes they may use their property.

- Financier—The council must levy taxes, assess fees and charges, and sell bonds in order to finance the many functions of the city government. The council also has to budget the expenditure of the city's funds, and then explain to the people why city government is a bargain compared to the price of rampant crime, fires, disease, and all of the other problems that would flourish without proper city services.
- Employer—The council is responsible for all the city's employees and must see that they are adequately paid and provided with decent working conditions and fringe benefits.
- Buyer—The council is one of the biggest purchasers in the community and must see to it that the city gets the best value possible for dollars spent.

In addition to these everyday duties, councilmembers spend considerable time representing the city in a wide circle of external relationships. Examples include:

- Serving on committees of the Texas Municipal League and other statewide local government organizations.
- Working with state legislators on city-related bills.
- Working with the National League of Cities, the U.S. Conference of Mayors, and other national public interest groups on municipal issues pending before Congress or federal regulatory agencies.
- Supporting efforts of the chamber of commerce, industrial foundations, and other organizations to foster the city's economic development.

Size of the Council

There is no state law requiring the city council of a home rule city to be any particular size. As is true in so many other areas of home rule, the size of the governing body is determined by the city's charter.

Terms of Office

The terms of office for mayors and councilmembers range from two to four years and are set by the city's charter. More than ninety percent of all home rule charters provide continuity on the governing body by staggering councilmembers' terms, thus preventing wholesale changeovers on the council at any one election. Under staggered term procedures, the terms of approximately half of the members of the council expire at one municipal election, and the other half expire at the next election. For instance, in the case of a seven-member city council with two-year terms, the terms of three members might expire during each odd-numbered year, while the other four terms would expire during each even-numbered year. Some home rule charters limit the number of terms a councilmember may serve.

Method of Electing the Council

Council members in cities with two-year terms may be elected by winning a plurality of votes cast; however, Article XI, Section 11 of the Texas Constitution stipulates that in cities with terms longer than two years, members of the governing body must be elected by a majority

vote. This requirement can occasionally lead to the need for runoff elections to ensure a majority vote is achieved. There are four basic methods of electing home rule city councils in Texas. The first is the pure at-large system, under which candidates are elected citywide without regard to where they live.

The second is the at-large place system of electing the council, under which candidates run citywide, but each must file for a designated seat or "place" on the council.

Under an at-large/from-districts system, candidates are elected citywide, but councilmembers must reside in designated geographical areas of the city.

Under a single-member district electoral system, all candidates for the council (not including the mayor) must live in designated districts of the city and are voted upon only by the voters residing in those districts.

Additionally, a number of cities use hybrid electoral systems that combine various features of the plans described above. Mixed systems include those in which some members of the council are elected at-large and the remaining councilmembers are elected from single-member districts, or where some members of the council are elected at-large and the balance are elected from districts at-large.

Qualifications

Every candidate for the office of mayor or councilmember must meet the qualifications prescribed by the Texas Election Code, which requires that a candidate:

1. Be a United States citizen;
2. Be 18 years of age or older upon the commencement of the term to be filled at the election;
3. Has been a resident of Texas for at least 12 months as of the deadline for filing for the office;
4. Has resided in the city for at least 6 months as of the deadline for filing for the office;
5. Has not been convicted of a felony for which he or she has not been pardoned or otherwise released from the resulting disabilities;
6. Has not been found mentally incompetent by a final judgment of a court; and
7. Be a registered voter in the city.

(Election Code Section 141.001).

The Election Code authorizes home rule cities to establish two exceptions to these six criteria. First, the charter can require council candidates to be up to 21 years old, rather than 18, upon the commencement of the term to be filled at the election. Second, the charter can require candidates to be residents of the city for 12 months, rather than 6 months, as of the deadline for filing for office (Election Code Section 141.003).

Vacancies

Vacancies on the council can result from a failure to qualify for office, resignation, death, disability, recall, or failure of a member of council to meet the requirements of the charter. In some instances, a vacancy can occur if a member of the council announces for another elective office. For example, under Article XI, Section 11, of the Texas Constitution, in cities where the term of office

for councilmembers is three or four years, any councilmember who announces for another elective office automatically resigns from the council if more than one year and 30 days remains in his or her term at the time of such announcement.

Also, some city charters provide that any councilmember who runs for another office automatically vacates his or her seat on the council. For example, a city charter may provide that:

If any officer of the city shall file as a candidate for nomination or election to any public office, except to some office under this charter, they shall immediately forfeit their office.

Procedures for filling vacancies vary from charter to charter. In some instances, charters require that vacancies on the governing body be filled by appointment of the council in every case, regardless of whether a regular city election is imminent. The charters of others require the council to fill a single vacancy by appointment, but if two or more vacancies exist, they must be filled at a special election. Under Article XI, Section 11, of the Texas Constitution, cities with three- or four-year terms must fill all vacancies by election unless: (a) there is 12 months or less left in the member's term; and (b) the charter provides for appointment. Finally, some charters require that all council vacancies be filled by special election. Among these cities, the common practice is not to require special elections in cases where a regular city election is imminent (for example, within sixty to ninety days of the time the vacancy occurred).

Compensation

State law generally provides that the city council in a home rule city may set the amount of compensation for each officer of the city. The council and mayor's compensation can be governed by the charter or set by local policy if the charter is silent.

Salaries

In most of the cities operating under the mayor-council form of government, the mayor may receive a substantial salary for his or her full-time administrative services. In council-manager cities, the charter generally treats councilmembers as part-time legislators, providing them with minimum compensation.

Most charters fix the dollar amount of the salary or fees to be paid to members of the governing body. A few permit the council to set its own compensation.

Expense Reimbursement

It is commonplace for cities to reimburse members of council for travel, lodging, and other expenses incurred on official city business trips to meetings of the Texas Municipal League, National League of Cities, and similar organizations. Only a small number of charters make any mention whatsoever of members' expense reimbursement. Most travel policies are established by ordinance or resolution.

Other Benefits

A final category of benefits for councilmembers includes staff and office facilities. Again, there is no consistency among cities: benefits range from providing part-time clerical help to full-time secretaries and administrative assistants.

As with so many other issues, the question of what—if any—staff and facilities should be provided to councilmembers must be decided locally.

Chapter Four:
Powers and Duties of Cities

Both home rule and general law cities have the authority to deal with many issues. General law cities must look to state law for the authority to act, while home rule cities may have more latitude in certain areas although the state legislature has seen fit to limit home rule authority in many ways (See Chapter One for a discussion on H.B. 2127). Below is a discussion of some of the basic powers given to cities.

Administrative Oversight in General Law Cities

The Mayor as Chief Executive Officer

In a general law city, a mayor's duties and authority come first from the Local Government Code and other state law and then may be expanded by the city council. See Local Government Code Sections 22.037, 22.042, and 23.027.

Through an express delegation of authority, the city council in some cities may delegate to the mayor the authority to supervise the city's employees, procure supplies, ensure that the streets are cleaned and repaired, or oversee the multitude of other items that need attention each day. The council may delegate the authority for department heads to report directly to the mayor, who then meets with them from time to time to check on their problems. Most of the mayors who assume these extensive responsibilities usually do so in addition to their regular jobs.

The degree of flexibility the council permits the mayor to exercise in administrative matters varies from one city to another. In some cities, the council expects the mayor to make routine decisions only as specifically authorized by ordinances enacted by the governing body. In others, the mayor is given free rein over the city's administration. It is important to note that while the city council can delegate these authorities, they also retain the power to rescind or modify such delegations as circumstances or preferences change.

Placing the lead responsibility for administration in the hands of the mayor enables citizens and the city council to go to one central point for solutions to particular problems. Also, this arrangement can help focus accountability and keep the city's business moving ahead smoothly and efficiently. At the same time, this system can easily go awry if the mayor does not get along with the council, encounters political difficulty, or when council meetings deteriorate into haggling sessions over whether the mayor has the legal authority to do something.

The City Council as Administrative Board

In addition to their legislative duties, some city councils supervise local operations on a continuing basis. Under this approach, the full council approves all purchases and other administrative details, and department heads report directly to the council at every regular meeting.

This arrangement provides the council with maximum control over the city's operations and does not put power in a single individual. If a department is not functioning properly, the

council can go directly to the source of the problem and take corrective action.

The downside is that because councils meet just once or twice a month, they may not be able to deal in a timely manner with problems as they arise. Delays can occur if a department is unable to proceed with a project because of snags that only the council can overcome, or if critical items are left off council meeting agendas. This arrangement tends to be inefficient unless some method is established for coordinating the operations of various departments on a regular basis between council meetings, without violating open meetings laws.

City Manager or Administrator

Many city councils have found it advantageous to delegate administrative powers and responsibilities to a single appointive officer or employee. Often this official has the title "city manager" or "city administrator," who is the chief administrative officer of the city. In other cases, the lead administrative role is assumed by the city clerk or secretary, the utility manager, or another department head who serves as "first among equals." Whatever the title, the official the city has delegated administrative functions to, by ordinance or city policy, is responsible for overseeing all the city's operations on a continuing basis and for reporting to the council on behalf of the various departments. All administrative actions by the council are taken through the official, and any questions the council may have concerning the enforcement of ordinances or performance of city programs are directed to that individual.

Centralizing authority and accountability in one appointed officer or employee can simplify the council's job. The council will be relieved of attending to minor details and will have more time for the important task of setting policy. With proper guidance from the council, a skillful administrator can create an efficient management team capable of running itself.

Conversely, concentrating too much authority in the hands of an appointed officer or employee may put a barrier between citizens and their elected representatives. Also, allowing a single person to control information concerning the city's internal administrative operations can lead to a situation in which councilmembers are isolated from the real-world problems the community is experiencing with the city government.

The residents in general law cities have an additional option for choosing their city's form of administrative oversight through an election. Chapter 25 of the Local Government Code allows for the creation of the city manager position pursuant to an election, with the duties established by state law. This form of government is rare and has different characteristics from other forms where a manager or administrator position is created solely by ordinance at the city council's discretion.

Council Committees

Most smaller cities are faced with the problem of limited resources, and there simply are not enough staff members to handle the many demands imposed on the city organization. One method of dealing with this problem is to subdivide the council into administrative committees, each responsible for a different area of the city government.

Council committees usually are organized by service or function: police, fire, health, budget,

and so on. “Standing committees” are permanent panels that meet regularly and have assigned areas in which there is always work to be done. On the other hand, “ad hoc” or “special” committees serve on a temporary basis and deal with short-term items that cannot be handled by a standing committee. At the option of the city council, either the full council can designate the councilmembers who chair or serve as members of the various committees or the council can delegate this authority to the mayor.

Commonly, council committees serve as the liaison between the governing body and individual city departments. They communicate with department heads, ensure that the full council is kept apprised of departmental problems, and, as necessary, conduct departmental evaluations and report their findings to the council.

The most common temptation for members of council committees is to overstep the bounds of their authority. Although they can be vested with substantial authority—such as the authority to conduct investigations or take employment action—council committees do not possess legislative powers and should never attempt to act as if they are the city council.

One cautionary note: care should be taken to avoid violations of the Texas Open Meeting Act, which requires that notices of meetings of all governmental bodies be posted in advance and meetings be open to the public, unless an exception applies. If there is some question about whether meetings of a council committee are subject to the Open Meetings Act, the best practice usually is to assume that they are (see Texas attorney general opinions numbers H-3, and JM-1072; and JC-60) and consult with the city attorney for guidance.

Administrative Oversight in Home Rule Cities

While the same general policy-making functions are shared by city councils everywhere, administrative responsibilities differ according to the particular city government organization. For example, if the city operates under a city manager or city administrator plan, or if the mayor serves as an administrative head of the city, the council exercises control in a more indirect way by setting broad policies that are left to the mayor, manager, or administrator for execution.

Regardless of the administrative structure used, every city council should operate based on written policies that set out the specific powers and duties of all the city’s departments and officials. And some method should be established for ensuring that those policies are carried out. Policy decisions are not implemented automatically, and no matter how much careful thought may go into their preparation, there is always a management job to be done. Someone must assume the responsibility for organizing and controlling the city’s administrative machinery.

The city’s charter, along with local ordinances and policies, outline the administrative procedures in a home rule city.

The Police Power

Cities have the power to regulate a wide range of activities in order to promote the general welfare of the city’s residents. This is known as the city’s “police power,” and it encompasses

all governmental powers exercised for the public good.

More particularly, the police power is defined as the city's authority to preserve and promote the health, safety, morals, and welfare of local residents. It is based on the supremacy of the rights of the general public over individual rights. Some of the more common methods by which city police powers are exercised are described below.

To preserve the peace, the city council has the power to create a police department to maintain order, enact ordinances controlling noise and other disturbances, and require animals to be leashed. The council also can declare certain activities to be public nuisances and penalize persons who create them.

With regard to public health and safety, the council has the power to take all actions and make all regulations that may be necessary or expedient for the promotion of health or the suppression of disease. A city's authority to protect the health of the public is generally broader than other city police powers.

The regulation of dogs and other animals, the regulation of unwholesome business practices, and the regulation of slaughterhouses are just a few of the powers the city council may exercise to protect the health of its citizens. The council also has the power to enact quarantine regulations, regulate cemeteries, and regulate weeds and stagnant water. The authority for these regulations can be found in the Local Government Code, the Government Code, the Health and Safety Code, and other statutes.

Additionally, a city can enact a zoning ordinance to regulate land, improvements on the land, and the uses of the land. Zoning regulations can include the height and size of buildings, the size of lots and density of population, and the location and use of buildings (Local Government Code Chapter 211). The city council also has the authority to prescribe some standards for the construction of buildings within the city, regulate the condition of buildings, and condemn unsafe buildings.

Planning, Subdivision Controls, and Annexation

The city council has the power to spend city funds to compile statistics, conduct studies, and make plans for the orderly growth of the city and the welfare of its residents. The council can create a planning commission to develop and maintain a city plan, and can establish a planning department to implement the plan.

The council can establish rules and regulations governing the subdivision and development of land within the city. The city also can extend its subdivision controls to land located within the city's area of extraterritorial jurisdiction in order to ensure the orderly development of outlying areas (Local Government Code Chapters 212 and 213).

As annexation authority stands today, except in certain specific circumstances, both home-rule and general law cities may annex property only on request of the landowners, or by following the procedures below:

1. A city may annex an area with a population of less than 200 only if the following conditions are met, as applicable: (1) the city obtains consent to annex the area through a petition

signed by more than 50 percent of the registered voters of the area; and (2) if the registered voters of the area do not own more than 50 percent of the land in the area, the petition described by (1) is signed by more than 50 percent of the owners of land in the area.

2. A city may annex an area with a population of 200 or more only if the following conditions are met, as applicable: (1) the city holds an election in the area proposed to be annexed at which the qualified voters of the area may vote on the question of the annexation and a majority of the votes received at the election approve the annexation; and (2) if the registered voters of the area do not own more than 50 percent of the land in the area, the city obtains consent to annex the area through a petition signed by more than 50 percent of the owners of land in the area.

Cities also may annex a very limited subset of properties without owner consent, including certain city-owned property and certain roads and rights-of-way.

Regulation of Streets and Other Public Places

The city council has supervisory powers over all streets, alleys, sidewalks, bridges, parks, and other public ways and places within the city. The council has the power to: (1) regulate the use of streets and other public ways, provide for cleaning and lighting, prevent and remove encroachments, and direct and regulate the planting of trees; (2) regulate openings for laying out gas, water, and other mains and pipes; (3) regulate the use of sidewalks and require the owners or occupants of abutting premises to keep their sidewalks free from obstructions; (4) prevent activities that would result in damage to streets, alleys, or other public grounds; (5) regulate crosswalks, curbs, and gutters; (6) regulate and prevent the posting of signposts, handbills, and similar items on streets or sidewalks; (7) regulate traffic and sales on streets, sidewalks, and other public spaces; (8) control weedy lots and junked vehicles; (9) regulate the location of manufactured housing; and (10) regulate the location of sexually oriented businesses and establishments that sell alcoholic beverages.

Construction of Public Facilities

In addition to its regulatory powers, the council has the authority to erect, construct, and maintain a wide variety of facilities for public use, including water and sewage systems, airports, hospitals, parks, libraries, transit systems, electric and gas systems, streets, bridges, culverts, sidewalks, street lights, and many other kinds of facilities.

A city may construct or maintain certain public facilities using either traditional competitive bidding or an alternative procurement and delivery method (such as design-build, construction management, a job order contract, or competitive sealed proposals) that provides the “best value” to the city (Local Government Code Chapter 252 and Government Code Chapter 2267).

Donations of City Funds

The Texas Constitution prohibits the donation of city funds to private individuals, corporations, or associations (such

as garden clubs or The Scouts), no matter how worthy the cause. The purpose of this prohibition is to prevent a city council from appropriating public money for private purposes (Texas Constitution, art. III, §52, and art. XI, §3).

Expenditures that serve a "public purpose" (for example, contributions to a local volunteer fire department) may fall outside of the constitutional prohibition against donations.

If the city council wishes to make these expenditures, it must determine whether the expenditure accomplishes a public purpose, among other things. The determination is subject to review by the courts. Written contracts with formal control over use of a city expenditure or payment are usually necessary for the council to ensure that the city receives some sort of payment or value for its expenditure—the accomplishment of the public purpose.

The constitutional prohibition does not apply to expenditures made in connection with contracts for services provided by engineers, architects, and other professionals, nor to the payment of dues to the Texas Municipal League, councils of governments, or similar organizations.

A city may establish and implement programs to promote state or local economic development and to stimulate business and commercial activity within the city. These programs may include provisions for making loans and grants of public money and for utilizing the city's personnel and services for the purpose of economic development (Local Government Code Chapter 380).

Payment of Bonuses to City Employees

The Texas Constitution (Article III, Sections 52 and 53) prohibits the payment of bonuses to city employees. If, for example, when December arrives, it is found that the city has some extra funds and it is decided that it would be nice to reward the city's employees with a Christmas bonus, that distribution of public funds would be illegal. However, if the payment is part of the employee's overall compensation, and is included in the budget, it can be a legitimate expenditure.

Public Purchasing

Chapter 252 of the Local Government Code requires that any city purchase requiring the payment of more than $100,000 be awarded pursuant to certain competitive bidding or sealed proposal procedures. The statute mandates that the city either accept the lowest responsible bid under the traditional competitive bidding process, accept the bid or proposal that provides goods or services at the best value for the city, use an Internet-based reverse auction procedure, or participate in a cooperative purchasing program.

Certain cities that choose to use traditional competitive bidding when purchasing real or personal property may give preference to a local bidder if certain procedures are followed and the local bid is within a certain percentage of the lowest bid from a non-local bidder. In some cases, local preference is allowed only if the purchase is for less than $100,000.

Cities making an expenditure of more than $3,000 but less than $100,000 must contact at least two historically underutilized businesses

(HUBs) from a list provided by the Texas Facilities Commission through the state comptroller's office. If the list does not identify a HUB in the county in which the city is situated, the city is exempt from this requirement.

The above procedures do not apply to some purchases, including: (1) the purchase of land or rights-of-way; (2) personal or professional services, such as engineering, architectural, or planning services; (3) property bought at an auction; (4) property bought at a going-out-of-business sale; (5) property bought from another political subdivision or the state or federal government; and (6) advertising, other than legal notices.

And the city can waive the requirement for bids in—for example—the following instances: (1) in the case of public calamity, where it becomes necessary to act at once to provide relief for local citizens or to preserve or protect the public health; or (2) in the case of unforeseen damage to public property, machinery, or equipment, where immediate repair is necessary.

A city may use a competitive sealed proposal procedure for the purchase of goods, services, and high technology items. If a city makes a contract without compliance with competitive procurement laws, it is void, and the performance of the contract, including the payment of any money under the contract, may be enjoined by: (1) any property tax-paying resident of the city; or (2) a person who submitted a bid for a contract to which the competitive sealed bidding requirement applies, regardless of residency, if the contract is for the construction of public works.

City Depository

Under chapter 105 of the Local Government Code, the city council is authorized to designate a bank as the official depository of the city's funds. The city attorney should be consulted as to the manner of designating the depository, as well as procedures the city must follow after designation has been made.

Uniform Election Dates

The Texas Election Code prescribes certain days for holding municipal elections for officers. Any municipal election for officers held on a day other than one of those prescribed is void, with a few exceptions. Currently, the uniform election dates for city elections are the first Saturday in May and the first Tuesday after the first Monday in November.

Official Newspaper

At the beginning of each fiscal year, the council is required to designate the official newspaper of the city by ordinance or resolution. In the official newspaper, the city must publish the captions of penal ordinances, notifications of public hearings, and other required public notices (Local Government Code Sections 52.004 and 52.011). Type B general law cities must, before enforcing an ordinance, publish the ordinance (or simply the caption and penalty for violations of the ordinance) enacted by the governing body by either posting it in three public places or by publication in the newspaper (Local Government Code chapter 52). Many home rule charters have similar provisions.

Federal Voting Rights Act

On June 25, 2013, the United States Supreme Court issued its opinion in *Shelby County v. Holder*. In the case, Shelby County, Alabama, alleged that the basis for applying the federal Voting Rights Act to certain states is unconstitutional. The Court agreed. It concluded that Section 4 of the Act is unconstitutional, but the holding also affects other portions of the law, including the requirement that any voting change made by a city be "precleared" by submitting it to the United States Department of Justice or a federal court for a determination that it is not discriminatory.

In response to the opinion, the United States Department of Justice is providing a written response to jurisdictions that submit proposed changes to the Attorney General that advises that no determination will be made under Section 5 of the Voting Rights Act on the specified change.

Based on the United States Department of Justice's response, the Texas Municipal League advises that Section 5 preclearance submissions to the Department of Justice are no longer required. However, each city should heed the advice of its attorney to make the determination on whether or not preclearance is required, as pending litigation may impact other sections of the Voting Rights Act.

Delegation of Legislative Powers

The city council is prohibited from delegating its legislative powers. As a practical matter, this means that the council may not authorize any person, committee, board, or commission to make policy decisions on its behalf. City council can assign the job of ensuring that the council's policies are carried out to the mayor, city manager, or some other city official. But the ultimate responsibility for establishing policy rests with the council.

Chapter Five:
The City Council at Work: Open Government

It is imperative that every meeting of the city council be conducted in an orderly and legal manner. If the council's conduct is improper, the legality of its actions may be successfully challenged in court. If its meetings are slovenly and disorganized, the council cannot expect to command public respect.

Legal Requirements

State law prescribes several specific requirements for council meetings, including: (1) that meetings be scheduled at a fixed time and place; (2) that notice of a meetings be posted within a specific time frame; (3) that a quorum of the council be present (either in person or, in certain cases, by video conference) for the transaction of business; and (4) that any question before the council be decided by majority vote of the members present and voting, except where the law requires otherwise.

Texas Open Meetings Act

Every meeting of the city council must be conducted in accordance with Chapter 551 of the Government Code, the Texas Open Meetings Act. Among all the state laws affecting city officials, this is the one most likely to be unintentionally violated because of lack of knowledge.

To help educate government officials on the Act's requirements, each elected or appointed member of a governmental body must take at least one hour of training in the Open Meetings Act. The training must be completed not later than 90 days after the member takes the oath of office or assumes the responsibilities of the office.

The attorney general's office allows the training requirement to be met in at least two ways: (1) viewing a video that is available to borrow or online; and (2) receiving training from certified entities, such as TML. Please visit the attorney general's website or call TML for more information on the training.

The Open Meetings Act requires that written notice of the date, hour, location, and subject of every council meeting be posted at least three business days in advance of such meeting on a bulletin board in city hall accessible to the public day and night. Cities that maintain a website must also concurrently post the notice of the city council meeting and the meeting agenda on the city's website. Also, the minutes of the city council's meetings must be posted on the city's website when approved. The validity of an Internet posting of the notice and agenda by a city that is made in good faith to comply with the requirements of the law is not affected by the failure to comply due to technical problems beyond the control of the city. Additionally, if the city makes a good-faith attempt to continuously post the notice of the meeting on the Internet during the prescribed period, the notice physically posted at city hall must be readily accessible to the general public only during normal business

hours. There are some special requirements, including additional notice requirements, if a meeting is to be held by videoconference call. And when a city holds a meeting to discuss the city's budget, the notice must also include the proposed budget and a taxpayer impact statement.

There are three exceptions to the three-business-day posting requirement:

1) At least one hour advance notice is required for a special meeting called in the case of "emergency or urgent public necessity," the nature of which must be stated in the notice.
2) Emergency or urgent public necessity items may be added to an agenda of a meeting for which three business days' notice has already been posted if a supplemental notice listing such items is posted at least one hour prior to the meeting stating the emergency that requires action on the additional items.
3) Pursuant to a general posting of items of "community interest," the following need not specifically appear on the posted notice: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; honorary recognitions of city officials, employees, or other citizens; reminders about upcoming events sponsored by the city or other entity that is scheduled to be attended by a city official or employee; and announcements involving imminent threats to the public health and safety of the city.

The Act also requires that all council meetings, with narrow exceptions, be open to the public. Closed meetings (also referred to as "executive sessions") are permitted for the discussion of items that legitimately fall within the exceptions stated in the law. Exceptions from the open meeting requirement are provided for the following:

1) Private consultations between the city council and its lawyers to discuss pending or contemplated litigation, settlement offers, and other legal matters that implicate the attorney-client privilege. The city's attorney must be present (either in person if the attorney is a city employee, or in person or by telephone, video conference call, or Internet communications if the attorney is an independent contractor) at any closed meeting held under this exception.
2) Discussions regarding the purchase, exchange, lease, or value of real property, or negotiated contracts for prospective gifts or donations to the city, when a discussion of these items in public would have a detrimental effect on the city's negotiating position.
3) Deliberations involving the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a city officer or employee, or to hear complaints or charges against such officer or employee, unless such officer or employee requests a public hearing.
4) Discussions regarding the deployment or implementation of security personnel or devices, or a security audit. Also, security assessments or deployment relating to information research technology.
5) Discussions regarding commercial information received from a business prospect and/or the nature of any

incentives being considered by the city for economic development purposes.

6) Deliberations regarding a test item or information relating to a test that the city administers to individuals who seek to obtain or renew a license or certificate necessary to engage in an activity.
7) Electric or gas service discussions in very limited circumstances.
8) Discussions regarding various critical infrastructure and homeland security information, including: (a) staffing requirements of an emergency response provider; (b) tactical plans; (c) infrastructure vulnerability assessments and other reports prepared for the federal government; (d) the location of dangerous materials that may be used for weapons; (e) computer passwords; and (f) information regarding security systems that protect property from terrorism or related criminal activity.

Before an executive session can take place, the council must first convene in open session, the presiding officer must announce that a closed meeting will take place, and he or she then must identify the section of the Open Meetings Act that authorizes the closed session.

The law requires that a certified agenda or a recording must be made of all meetings that are closed to the public, except executive sessions held for the purpose of consulting with an attorney under the provisions of the law. For an executive session to discuss critical infrastructure or homeland security matters, a recording is mandatory. The law does not define the term “certified agenda,” but it does provide that the certified agenda shall state the subject matter of each deliberation and include a record of any further action taken. It also must include a record of the date and time of the beginning and end of the meeting. The presiding officer must certify that the agenda is a true and correct record of the proceedings. In lieu of the certified agenda, the city may make a recording of the closed meeting, including an announcement made by the presiding officer at the beginning and end of the meeting indicating the date and start and end times.

The certified agenda or the recording must be maintained for a period of two years after the date of the meeting. However, if a lawsuit is filed during this two-year period, the certified agenda or recording must be preserved pending the outcome of the action. The certified agenda or recording is not a public record, and it is a criminal offense to make either available to the public without lawful authority, but either may be reviewed by a current member of the city council. It is advisable that the certified agenda or the recording be placed in a sealed envelope identifying the contents and then placed in secured storage. The certified agenda and tape recording are available for inspection by a judge if litigation has been initiated involving an alleged violation of the open meetings law. The judge may order that the recording or certified agenda be made available to the public if the closed meeting was not authorized.

Although a certification of the posted notice may have been the intent of the legislature, the fact that a certified agenda or recording is to be made available to members of the public only upon court order may indicate that the contents of the certified agenda consist of a more descriptive agenda item than might be placed on the posted notice. For example, while the posted notice may state that an

executive session is being held for the purpose of discussing "Land Acquisition for an Electric Substation," the certified agenda may read "Land Acquisition—Discuss acquisition of land for a new electric substation to serve The Oaks subdivision." Although the statute requires the certified agenda to include a record of any further action taken, the open meetings law expressly provides that no final action, decision, or vote can be made except in a meeting that is open to the public. The "further action" which must be noted on the certified agenda may be, for instance, no action, a directive to place the item on an open meeting agenda for final action, or a request that additional information be gathered for discussion on another date.

One of the most difficult aspects of the Open Meetings Act results from the fact that communications between a quorum of a city council about public business, no matter the forum or the time, constitute a "meeting" to which the Open Meetings Act applies. As a result, members of council have generally been advised to avoid commenting, for instance, on social media sites related to city business if the discussion will ultimately involve a quorum.

However, a written communication between members of council about public business or public policy over which the council has supervision or control does not constitute a meeting if the following conditions are met: (1) the communication is posted to a city-owned or controlled online message board that is viewable and searchable by the public, (2) the communication is displayed in real time and displayed on the message board for no less than 30 days after the communication is first posted, and (3) the message board is prominently displayed on the city's primary internet webpage and not more than one click away from the city's primary internet webpage. A city may not have more than one online message board used for these purposes.

Additionally, the online message board may only be used by members of council or city employees who have received authorization from the council. If a city employee posts on the message board, the employee must include his or her name and title with the communication. Moreover, the council may not vote or take action by posting on the city's online message board, and if the city removes a posted message, the city must retain the posting for six years as it is considered public information.

Stiff penalties are provided for violations of the Open Meetings Act. A member of council who participates in an illegal closed meeting can be punished by a fine of $100 to $500, confinement in the county jail for one to six months, or both. The same penalty applies to a member of council who engages in a prohibited series of communications. For instance, using the telephone or email to poll other members of council or meeting with them individually to deliberate over some matter of city business that will be deliberated among a quorum of members could violate the Act.

The actions taken by a city council in an illegal meeting are voidable, and a court may assess costs of litigation and reasonable attorney's fees incurred by a party who substantially prevails in an action brought under the open meetings law.

Public Information Act

Chapter 552 of the Government Code requires that most city records, including those in the possession of members of council, be open to public inspection.

As with the Open Meetings Act, each elected or appointed member of the city council must take at least one hour of training in the Public Information Act or designate a public information coordinator to take the training on his or her behalf.

The training or designation must be completed not later than 90 days after the member takes the oath of office or assumes the responsibilities of the office. Again, note that a public official (for example, a member of a city council) may designate a public information coordinator to satisfy the open records training requirement.

"Public information" is defined as information that is written, produced, collected, assembled, or maintained under a law or ordinance or in connection with the transaction of official business: (1) by a governmental body; (2) for a governmental body and the governmental body: (a) owns the information; (c) has a right of access to the information; or (d) spends or contributes public money for the purpose of writing, producing, collecting, assembling, or maintaining the information; or (3) by an individual officer or employee of a governmental body in the officer's or employee's official capacity and the information pertains to official business of the governmental body. Information is in connection with the transaction of official business if the information is created by, transmitted to, received by, or maintained by an officer or employee of the governmental body in the officer's or employee's official capacity, or a person or entity performing official business or a governmental function on behalf of a governmental body, and pertains to official business of the governmental body.

"Public information" includes any electronic communication created, transmitted, received, or maintained on any device if the communication is in connection with the transaction of official business. "Official business" is defined as any matter over which a governmental body has any authority, administrative duties, or advisory duties. This means, for instance, that the Public Information Act now expressly provides that communications on the privately-owned computer or cell phone of a member of council, if made in connection with the transaction of official business, are public information.

Members of council are considered "temporary custodians" of the public information on their privately-owned devices. A "temporary custodian" is an officer or employee of a city, including a former officer or employee, who, in transaction of official business, creates or receives public information that the officer or employee has not provided to the city's officer for public information or the officer's agent. As a temporary custodian, the member of council must either preserve the public information in its original form in a backup or archive and on the privately-owned device for the required record retention period, or transfer the public information to the city or the city server. Also, as a temporary custodian, a member of council is required to surrender public information in a privately-owned device and that is the subject of public information request to the public information coordinator not later than the tenth day after receiving a request from the public information coordinator. Failure to surrender the information could be grounds for disciplinary action by the city council, as well as,

other penalties being brought against the temporary custodian.

The media on which public information is recorded may include paper; film; a magnetic, optical, or solid state or other device that can store an electronic signal; tape; mylar; and any physical material on which information may be recorded, including linen, silk, and vellum. The general forms in which the media containing public information exist may include a book, paper, letter, document, email, Internet posting, text message, instant message, other electronic communication, printout, photograph, film, tape, microfiche, microfilm, photostat, sound recording, map, and drawing and a voice, data, or video representation held in computer memory.

Certain information is specifically excluded from the requirements of the law. While the list of exempt materials is too long to recite here, it includes such information as working papers being used to draft ordinances or resolutions; certain personnel records; certain law enforcement records; information that would, if released, give an advantage to bidders; documents protected because of attorney-client relationships; documents relating to pending litigation; and various types of critical infrastructure and homeland security information, including information that relates to: (1) staffing requirements of an emergency response provider; (2) tactical plans; (3) infrastructure vulnerability assessments and other reports prepared for the federal government; (4) the location of dangerous materials that may be used for weapons; (5) computer passwords; and (6) information regarding security systems that protect property from terrorism or related criminal activity.

Despite the narrow exemptions established in the law, its net effect is to require that most public information, upon request, must be made promptly available, to members of the public. A city that receives a written request for information that it wishes to withhold from public disclosure and that it considers to be within one of the exceptions to disclosure under the Public Information Act, must, with some exceptions, ask for a decision from the Texas attorney general. If an attorney general decision is required, the city must request the decision and state the exceptions that apply not later than the 10th business day after receiving the written request. Not later than the 15th business day after receiving the request, the city must submit to the attorney general the reasons that the exceptions apply, a copy of the request for information, and a copy of the information requested or representative samples labeled to indicate which exceptions apply to which parts of the information. Cities, other than those with fewer than 16 full-time employees or that are located in a county with a population of less than 150,000, are required to submit all requests for an attorney general ruling and certain related documents through the attorney general's electronic filing system.

Formal Meetings of the Council/ The Agenda

A well-organized agenda is an indispensable part of every orderly council meeting. The agenda establishes a calendar of activities for the council to follow in the course of its meeting. It lists all the items of business that will be considered. By putting members of council on notice as to what will be discussed,

each of them is enabled to arrive at the meeting prepared and ready to conduct business.

The following illustrates a typical agenda format:

1) Call to Order—The presiding officer calls the meeting to order and determines whether a quorum is present.
2) Invocation—Optional.
3) Roll Call—Although most city councils are small enough to readily determine who is present by simply looking around the council table, a formal roll call lends an air of dignity to the proceedings.
4) Approve Minutes of the Previous Meeting—Unless a majority of the council desires that the minutes of the previous council meeting be read, the minutes can be approved as submitted or corrected.
5) Consent Items—"Consent" items are noncontroversial items that can be considered and voted upon as a block.
6) Public Comment Session—Scheduling this agenda item early in the meeting permits members of the public to complete their business with the council in a timely manner and then leave if they wish.
7) Public Hearings.
8) Old Business—Final passage of ordinances, and other business pending from previous council meetings.
9) New Business—New ordinances or resolutions (or amendments to existing ones) or policies that councilmembers or city staff wish to have the council consider. Under the Open Meetings Act, each item to be considered must be specifically described in the agenda. It is not sufficient just to put the words "New Business" or "Old Business" on the agenda, and then allow the consideration at the council meeting of any or all items that might be brought up.
10) Reports of Advisory Boards and Commissions—Each board or commission must be listed, together with a description of each report that will be presented at the council meeting.
11) Items from Council—This part of the agenda is provided for members of council to present matters other than ordinances, resolutions, and other matters requiring formal action. The attorney general has opined that matters raised by members of council or city staff must be specifically described on the agenda (other than items of "community interest," as previously explained in this chapter). Examples would include a councilmember's request that the staff take action on a particular problem, as described in the agenda.
12) Staff Reports—This agenda item includes reports from the mayor and/or city administrator on the status of various projects, problems that are developing in particular neighborhoods, and so on. Under the open meetings law, each of these reports must be listed and specifically described in the agenda.
13) Announcements.
14) Adjournment—If there is no further business, the mayor can adjourn the meeting. If all of the items listed in the agenda have not been considered and disposed of, a majority vote usually is required to adjourn.

The amount of detail included in the agenda is a matter for the council to decide. Oftentimes, the agenda is used as the notice of the meeting. In that case, the legal rule applicable to the format of an agenda is found in the open meetings law, which requires that every agenda item be specifically described in the meeting notice. In practice, this means that broad categories, such as “Old Business” or “New Business,” cannot be included in the agenda without listing each of the specific items that will be discussed. The Open Meetings Act requires that each subject in a meeting be fully disclosed in the notice.

The city council is specifically required to keep minutes or a recording of each of its open meetings. The minutes must state the subject matter of each deliberation and must indicate each vote, other decision, or other action taken by the council. The minutes or recording are public records and may be examined or copied by members of the public. This requirement must be met for all open meetings of the council, including meetings where formal actions or votes do not occur. For example, a city council or board that meets to discuss formulation or development of a policy or ordinance that will be voted on at a later date must keep a formal record of the proceedings, even though no final vote or action is taken. As mentioned above, a closed meeting requires either a certified agenda or an audio recording.

Rules of Order and Procedure

Recognizing that every legislative body needs a systematic way of conducting its business, many city councils operate according to formal rules of order and procedure. Rules of order and procedure prevent confusion by establishing an organized process for conducting council meetings. Properly followed, they save time for all participants, while protecting the individual member’s right to participate fully.

The following provisions usually are included in rules of order and procedure:

- Designation of the time and location of regular meetings of the council, together with a description of procedures for calling special meetings;
- Procedures for placing items on a meeting agenda;
- Methods for compelling members of council to attend meetings;
- A description of the duties of the presiding officer at council meetings;
- A description of the parliamentary rules under which the council will operate;
- Procedures for introducing and voting on ordinances, resolutions, and other items;
- The order of business the council will follow at each meeting; and
- A ranking of motions by order or precedence, which motions may or may not be debated, and so on.

Although most city councils use *Robert’s Rules of Order* to conduct their meetings, some have adopted their own local rules. *Robert’s Rules of Order* may be appropriate for some cities, but is often too cumbersome for others. State law is silent with regard to what procedural rules apply; so, unless your city charter provides otherwise, any standard rules that are reasonable and consistently followed are acceptable.

The following two sections briefly describe motions and debate rules that are fairly common.

Motions

A motion is simply a vehicle for initiating action on a proposal. Some types of motions can be brought up and voted on at any time, while others are out of order at certain times. Certain motions outrank others. Some motions require a second; others do not. Knowing the difference between the various types of motions and when to use them is a first step in taking an active part in passing or defeating measures before the council.
A main motion is used to initiate the consideration of a new item of business. After being seconded, a main motion is subject to being debated, amended, tabled, or withdrawn before a final vote is taken.

Any councilmember making a main motion may, prior to receiving a second, withdraw or change it. If the motion has been seconded, approval of the person who seconded it is required in order for the maker of the motion to change or withdraw it, unless another councilmember objects, in which case the change or withdrawal must be voted upon.

A new main motion cannot be brought up for consideration while another main motion is being debated. Each main motion must be disposed of before another is made.
A secondary motion is used to propose an action on a main motion being debated by the council. Examples of secondary motions include the following:

1) Motion to table the main motion; that is, lay it aside and go on to the next item on the agenda.
2) Motion to request that discussion cease and that the main motion be voted upon; that is, moving the previous question.
3) Motion to limit discussion to a fixed amount of time.
4) Motion to postpone action on the proposal until some definite time in the future.
5) Motion to refer the proposal to a committee.
6) Motion to amend the main motion.
7) Motion to postpone action on the proposal to an indefinite future time.

These examples of secondary motions are listed in the order of their rank. Therefore, if the council is debating Councilmember X's motion that the item under consideration be referred to a committee, and Councilmember Y moves to table the main motion, debate would cease until Councilmember Y's higher-ranking motion is voted upon.

A privileged motion is used to bring procedural questions before the council, such as whether the council should recess or adjourn. Unlike other motions, privileged motions do not require a second in order to be considered.

A privileged motion can be offered at any time, without regard to any other motion pending before the council and must be decided before the council returns to the other business under discussion. Therefore, a motion to adjourn, if made while a main motion is before the council, must be decided before the main motion is considered any further.

Some privileged motions are more privileged than others. This is the usual order of their importance:

1) Motion to set the time and place of the next meeting.
2) Motion to fix the time of adjournment.

3) Motion to adjourn.
4) Motion to recess.
5) Motions on questions of privilege.
6) Motion to keep the meeting to the agreed order of business.

Thus, during consideration of a main motion, a privileged motion might be made to adjourn. But before the question is called on the motion to adjourn, another higher-ranking privileged motion might be made to set the time and place of the next meeting.

Debate

Motions are usually classified three ways: (l) undebatable motions; (2) privileged motions upon which limited debate is permitted; and (3) fully debatable motions.

Undebatable motions involve procedural questions that can be resolved without discussion, such as tabling a main motion, moving the previous question, restricting further discussion of a main motion to a fixed number of minutes, postponing action, or referring an item under discussion to a committee. [See items (1) through (7) under "secondary motions."] After an undebatable motion is offered, the presiding officer must immediately take a vote, without discussion.

Privileged motions upon which limited debate is permitted include setting the time of the next meeting and others listed among items (1) through (6) under "privileged motions." Any discussion of a privileged motion must be addressed to the motion itself. A motion to fix the time for adjourning the council meeting, for example, might require limited debate as to the advisability of such a decision, but other points of discussion would be out of order.

Fully debatable motions are subject to unlimited discussion prior to a decision.

One of the most important principles of debate is that councilmembers' statements be directly relevant to the item under consideration. Councilmembers recognized by the mayor are given the floor only for the purpose of discussing the item then pending, and they are out of order if they depart from that item.

"Debate" can easily evolve into statements of personal philosophy. Interesting though they may seem to the speaker, such departures do not belong in a council meeting. Meandering can be controlled by limiting councilmembers to one speech per agenda item or by restricting the length of their speeches. (Robert's Rules of Order sets an arbitrary limit of 10 minutes for each such speech.) A more difficult alternative is to impose limits on the total number of minutes that will be allotted for a given agenda item.

Role of the Mayor as Presiding Officer

The mayor, as presiding officer, has the primary responsibility for ensuring that the council's rules of procedure are followed and for maintaining the dignity of council meetings. The mayor calls the meeting to order and confines the discussion to the agreed order of business. He or she recognizes councilmembers for motions and statements and allows participation from the public at appropriate times. The mayor sees to it that speakers limit their remarks to the item being considered and, as necessary, calls down people who are out of order.

Proper performance of these functions requires that the mayor know parliamentary procedure and how to apply it. The mayor

must recognize that parliamentary procedure is a tool, not a bludgeon—that is used to ensure that the will of the majority prevails while the right of the minority to be heard is protected.

In addition to fulfilling the duties of the presiding officer, the mayor should be familiar with legal requirements imposed by state law. This involves knowing which actions are required on ordinances, when extraordinary council votes are required, and when a time element—such as the deadline for giving notice of a city election—is important. The city attorney can help with these matters, but if the mayor knows the basics, time can be saved and illegal or incomplete actions prevented.

Presiding effectively at a council meeting is an art that no book can fully teach. The tactful presiding officer knows how to courteously discourage councilmembers who talk too much or too often, and how to encourage shy councilmembers who are hesitant to speak at all.

Councilmembers' remarks should always be directed to the chair. Even when responding to questions asked by another councilmember, he or she should begin by saying, "Mayor, if you will permit me. . ." and wait for recognition from the chair before proceeding. This helps avoid the spectacle of two councilmembers haggling over an issue that is of little interest to their council colleagues.

In addition to maintaining order and decorum at council meetings, the mayor must see to it that all motions are properly dealt with as they arise. The mayor must recognize the councilmember offering the motion, restate the motion, present it to the council for consideration, call for the vote, announce the vote, give the results of the effect of the vote, and then announce the next order of business.

In some cases, the mayor might refuse to allow a councilmember to offer a motion, even though it is in order, either because of unfamiliarity with parliamentary procedure or because of personal opposition to the proposed action. The mayor's refusal to allow a motion to be considered is subject to appeal, as are all of the mayor's decisions regarding procedures. A simple majority vote is all that is required to overrule the mayor's decision on procedural issues. If the decision of the chair is sustained, no further action is taken; but if the decision of the chair is overruled by the council, the council goes forward with the discussion of the motion or other matters before it.

On rare occasions, the mayor, in the heat of the moment, may rule that an appeal is out of order, or even declare the meeting adjourned. Both rulings are improper. A meeting cannot be summarily adjourned by the mayor. If an appeal from the decision of the chair is made immediately following the ruling, it is not out of order. If the mayor refuses to honor the appeal, the person making the appeal could then state the question, suggest limited debate, and then put the question to a vote.

Streamlining Council Meetings

Even the best planned council meetings can deteriorate into endurance contests. These are not necessarily the exceptional meetings, with long public hearings or battles over controversial ordinances. As often as not, these are regularly-scheduled meetings which drone on until the entire council is thoroughly exhausted.

Regulating Talk

Too much talking is the most common cause of lengthy meetings. Talking can assume a variety of forms—bickering or tiresome exchanges of personal opinions among councilmembers, endless speeches by citizens appearing before the council, or unnecessarily long and detailed reports by staff.

Nearly all these problems can be overcome by tactful action on the part of the presiding officer. If citizens addressing the council ramble on and on, the mayor may have no choice but to tell them to confine their remarks to the subject at hand and conclude as quickly as possible. If the problem is created by a talkative councilmember, a simple statement to the effect that "it's getting late and we must move along" usually will suffice, though private visits by the mayor may be needed to handle chronic talkers.

Shortening the Agenda

Having too many items on the agenda is another frequent cause of lengthy council meetings. This is not an easy problem to solve, and several evaluation sessions may be needed to correct the situation.

Perhaps the agenda is loaded down with detailed items that are included for reasons of custom, rather than necessity, and many of these could be handled by staff without council action. If too much meeting time is needed to explain the various items on the agenda, perhaps a requirement that the more complex ones be explained in writing in advance of the meeting would help.

In some cases, it may be discovered that lengthy council meetings are the result of complexities that simply cannot be overcome. In these instances, the only answer may be more frequent meetings.

Handling "Consent" Agenda Items

Agendas tend to be cluttered with uncontroversial, recurring items that are of little interest to most councilmembers but must be included because they require formal council approval. Examples include council approval of the minutes of previous meetings, routine purchases, and minor fund transfers between accounts. Most of these items generate no discussion, but each uses up time by requiring a separate motion to approve, a second, and a vote.

This problem can be overcome by establishing a "consent" agenda category that encompasses routine items that are approved by a single motion and a vote, without debate. ("Councilmember Smith moves the approval of items 3a, b, c, d, e, f, and g.")

If a councilmember objects to a consent item, it is removed from the list and added to the regular agenda at the appropriate spot. If a councilmember questions a consent item, but not so strongly as to require that it be removed from the list, his or her "no" vote or abstention can be entered in the minutes when the consent vote is taken.

The number of consent items can range from a handful to 25 or 30 or more, depending on the council's workload and preferences. Whatever the size, the consent agenda can be a real time-saver. One city reported that using a consent agenda had slashed the length of the average council meeting by 50 percent.

Administrative Improvements

Some council meetings are unnecessarily long because of deficiencies in the city's administrative procedures. For example, residents who can't get their problems solved at city hall during normal business hours are likely to show up at council meetings to demand assistance. The fact that most of these complaints should have been handled through administrative action does not relieve the council of the duty to spend time listening to them.

Councilmembers who sense that too much formal meeting time is being devoted to hearing gripes from residents about administrative inaction usually come to the conclusion that the way to get frustrated residents off the agenda and into proper channels is to establish a system for receiving and processing complaints. The system can be simple, such as assigning one or two employees to process complaints on a part-time basis, or it can be a more sophisticated office operated by a full-time staff. In any event, it is usually advisable to have at least one staff member responsible for this function attend council meetings to be available to head off complaints.

Mechanical Aids

The time needed to explain an agenda item can be reduced by using photographs, flipcharts, and other graphic arts to supplement or replace written reports. Graphics and visual presentations needn't be expensive. In most cases, using a simple map to show the location of a project, flow charts to illustrate a particular procedure or process, photographs to point out the physical characteristics of the matter being discussed, or a PowerPoint presentation can provide the extra perspective that written words or oral discussions sometimes fail to convey.

Council Work Sessions

Informal work sessions (sometimes called "workshops") of the council may be needed from time to time to study certain matters in detail. These are most often held in conjunction with budget review since regular council meetings do not provide enough time to consider the budget in detail. Work sessions are also useful when major policy questions must be decided or when a complicated ordinance, such as a building code, comes before the council.

The Texas Open Meetings Act applies to all council meetings, including workshops. The notice of a workshop meeting therefore should be posted in the same manner as a notice of regular council meeting. Also, minutes or a recording must be made of the meeting.

Public Participation

Many members of the public form their opinions of the city government on the basis of having attended just one council meeting. For some, it will be the only one they attend in their lifetime. This is the time to impress citizens favorably, and to show them that the council is capable of doing its job.

The "public participation" period, also known as "public comment" or "public session," is a time slot set aside on the agenda for the public to address the council. Members of the public are entitled to speak on an agenda item either before or during the council's consideration of the item. The council can adopt reasonable rules regarding the right of the public to address the council. This includes limiting the amount of time that the public may address

the council on a given item. If the citizen addressing the council on an item on the agenda speaks a foreign language and needs an interpreter, then the council must allow the non-English speaker at least double the time allowed for English speakers to address the council. Though members of council are expected to be polite to members of the public appearing before them, they may not prevent the public from publicly criticizing the council or its actions during the public comment period.

The presiding officer should inform members of the public of the place on the agenda at which time they will be recognized to speak. And if an exceptionally controversial item has drawn a large crowd, it is generally wise to state the approximate time the item is likely to come up for discussion.

To guard against filibusters by members of the public, some councils limit the length of time any one member may speak to three or four minutes, and permit this to be extended only by a two-thirds vote of the council. This kind of limitation is often necessary to keep talkative speakers from infringing on the rights of others who may wish to speak.

A city council may also allow the public to speak on items that are not listed on the agenda during a public comment session. If the city council allows the public to do so, it may apply reasonable rules regarding the number, frequency, and length of presentation, but it cannot discriminate against speakers. In such instances, limited verbal interchanges between members of the public and members of council are allowed. When a member of the public makes an inquiry about a subject which is not on the agenda, a member of council may respond with a statement of factual information or recite existing policy.

Because the city council cannot take action on an item unless it has been posted on the agenda in accordance with the Open Meetings Act, if a citizen brings an item before the council that needs to be acted upon, the city council should request that it be placed on the agenda for the next meeting. The attorney general has also stated that if a city knows or reasonably should know the subject matter of a citizen's presentation, it should place the matter on the agenda.

Public Hearings

The purpose of a public hearing is to present evidence on both sides of an issue. Some public hearings are required by state law, as in the case of the Uniform Budget Law (Sections 102.001 et seq., Local Government Code), which requires a public hearing on the city budget prior to its adoption. Others are voluntarily conducted by the council to obtain a full range of citizen opinion on important matters, such as a proposed bond issue. The difference between a public hearing and a public comment session is that a public hearing is required by law for particular topics with specific notice requirements set out by law.

The proper conduct of a public hearing is no less important than for a regular council meeting. Each should begin promptly and be conducted in an orderly manner in conformance with established rules of procedure.

At the start of the hearing, the presiding officer should clearly state the subject to be discussed. If, for instance, it is a rezoning public hearing, the proposed ordinance should

be read and its purpose explained. If the subject is controversial, the following order can be adhered to: proponents' presentation, opponents' presentation, proponents' rebuttal, opponents' rebuttal, questions from council.

One cardinal rule to remember is that numbers don't always count. There are some topics that naturally draw large, highly biased crowds. Vocal minorities often swamp public hearings to show that their side has widespread support. Such items as little league ballparks, school crosswalks, water rates, and taxes can attract crowds, but the size of the turnout does not necessarily indicate that their cause is just. The council is elected to serve all the citizens, and the council must look at the overall picture—not just the view presented by one especially active group.

The council is responsible for weighing the evidence presented at the hearing and, after due consideration, reaching a decision. Obviously, this cannot always be done at the same meeting as the public hearing. In fairness to those who have taken the time to attend, the presiding officer should indicate whether a decision will be made immediately after the hearing and announce the final result. Otherwise, the chair should describe the reason that no decision will be made at that time, then state the probable time at which a final determination will be reached. Sometimes state law requires action at the conclusion of a public hearing, such as a public hearing for the city's budget. But that action can be to postpone the item.

When a decision is announced on an issue that involves a public hearing, the presiding officer may, with the assistance of legal counsel, give the reasons why the decision was reached. Even a brief explanation will help prevent observers from feeling that the outcome of the hearing was decided in advance, and that they wasted their time by attending.

Chapter Six:
Financial Administration

Financial administration, simply stated, is matching dollars with needs. Financial administration is the small-town mayor who notices that city hall has a leaky roof and makes a mental note to have it replaced when the money is available. Financial administration is a million-dollar capital improvements program, a bond election preceded by a barrage of information disseminated through the news media, a bond sale, and a report to the taxpayers through the newspaper—all of this is part of financial administration.

Financial administration involves an understanding of the extent and limits of the economic resources of the city and the methods of tapping them to meet residents' needs for city services. It begins with a thorough knowledge of revenue sources and ends with a proper accounting of all the funds expended by the city. Much lies in between; it is all financial administration.

Revenue Sources

City revenues come from many sources, including utility systems, property taxes, sales taxes, user fees, federal grants, and street rentals. (The Texas Municipal League publishes a comprehensive Revenue Manual for Texas Cities.)

Utility Revenues

Most Texas cities own water and sewer systems, while comparatively few operate electric or gas systems. Among those that own water or sewer systems, the revenue produced by utility billings accounts for a substantial portion of all money taken in at city hall. This percentage is considerably higher among cities that own electric or gas systems.

Property Taxes

Municipal property tax revenue is growing each year, both in total dollars and on a per-capita basis. In many cases, however, the demands on city budgets have increased at a much greater rate than have property tax collections.

Maximum Property Tax Rates

The Texas Constitution establishes the maximum permissible property tax rate for cities at the following levels: (1) for Type B and small Type C general law cities—25¢ per $100 assessed valuation; (2) for other general law cities with a population of 5,000 or less—$1.50 per $100 assessed valuation; and (3) for cities with 5,001 or greater population—$2.50 per $100 assessed valuation.

Administrative Procedures

Over the years, the Texas system of property tax administration has undergone significant change.

Prior to 1980, the appraisal of property for tax purposes was fragmented among more than 3,000 cities and other local jurisdictions, and there were no uniform statewide standards

governing the administration of local taxes. In 1979, however, the Texas Legislature changed this situation radically when it enacted a new State Property Tax Code that established uniform appraisal policies and procedures.

Under the code, county-wide appraisal districts are now responsible for preparing a unitary tax roll that encompasses all property within the county. Although cities and other jurisdictions retain the authority to set their own tax rates and collect their own taxes, they must use the tax roll prepared by the central appraisal district for all tax-related purposes.

The basic procedures for administering property taxes include the following:

1) Appraisal: The taxable value of all property in the county is determined by the central appraisal district.
2) Protest: Any property owner dissatisfied by the value fixed by the central appraisal district can appeal to the appraisal review board. Upon a convincing demonstration that the appraisal district's determination was erroneous, the review board has the authority to correct the error, including but not limited to ordering a reduction of the taxable value of the appellant's property.
3) Assessment of Taxes: The tax roll prepared by the central appraisal district is furnished to cities and other taxing entities within the county; those entities use it as the basis for levying taxes for the coming fiscal year.

   State law imposes limits on the process by which cities adopt their tax rates. Generally speaking, if taxes that fund maintenance and operations expenses increase more than 3.5 percent, the city must hold an election on the November uniform election date for voters to approve the rate. (Note: There are exceptions to this general process for cities under 30,000 population, under certain circumstances.) A city may not adopt a tax rate exceeding the lower of the voter-approved tax rate or the no-new-revenue tax rate until it publishes notice and holds a public hearing. Cities must take various other actions to promote transparency in the tax-rate-setting process, including posting certain information on their websites, and incorporating tax rate information into a database maintained by their appraisal districts.
4) Collection: After the council has set the property tax rate for the coming fiscal year, the tax assessor-collector mails tax notices to all property owners in the city and initiates the collection of taxes.

The procedures for assessing and collecting property taxes are prescribed by the Tax Code and Local Government Code. Complete details regarding state requirements are available from the Property Tax Division of the Texas State Comptroller of Public Accounts.

Delinquent Property Taxes

For obvious reasons, it is to the city's advantage to collect as much as possible of the amount of property taxes owed. In this regard, financial analysts are inclined to criticize cities that fail to consistently collect at least 95 percent of the taxes levied. In many Texas cities, a 98-percent collection rate is the norm.

The more successful city tax offices are assisted by an attorney who is skilled in

collecting delinquent taxes. In some cases, this may be the city attorney, but the more common practice is for the city to hire a lawyer who specializes in the delinquent tax field. Most outside lawyers charge a fee that is paid by the delinquent taxpayers on the basis of a percentage of the delinquent taxes they owed.

City Sales Tax

As a result of legislation initiated by the Texas Municipal League, the general city sales tax became available to Texas cities in 1968 and has become almost universal, with virtually all cities in the state having adopted it.

Most cities in which the combined local sales tax (city, county, special district) has not reached two percent can consider the imposition of certain additional sales taxes for purposes that include economic development, crime control, property tax relief, and street maintenance. Additional information regarding the sales tax for economic development is available from the Texas Municipal League and the League's *Economic Development Handbook.*

User Fees

Charges for the use of city services are an increasingly popular method of generating revenues. In addition to charging for solid waste collection and water and sewer services, cities impose fees for the use of a variety of facilities, including swimming pools, golf courses, and airports.

Federal Grants

Despite cutbacks in recent years, federal aid is still an important part of the municipal revenue picture. For individual cities, federal aid as a proportion of all revenues fluctuates widely, with "distressed" cities receiving large amounts of federal money, and the more prosperous cities receiving comparatively little.

Street Rentals

A portion of an average city's revenue is produced by rental charges collected from private firms—such as cable TV companies, telecommunications providers, and gas and electric utilities—in return for allowing them to use streets and other public rights-of-way. Municipal street rental charges for electric, gas, and water utilities are authorized under the state Tax Code, which allows cities to impose such charges on utility and transportation enterprises in return for the privilege of using the city's streets and alleys to string lines, bury pipes, and otherwise use public property to conduct business. The provisions for collecting compensation from telecommunications providers are contained in Chapter 283 of the Local Government Code, and those relating to cable and video providers are in Chapter 66 of the Utilities Code. Chapter 284 of the Local Government Code contains right-of-way compensation provisions for small cellular network nodes.

Fines

Under state law, a city may assess a fine of up to $2,000 per day for violations of ordinances dealing with fire safety, zoning, or public health-related matters. A city may assess a fine of up to $4,000 per day for violation of an ordinance governing the dumping of refuse. For ordinances dealing with other violations, the maximum fine is $500 per day.

The amount of revenue from fines as a proportion of city revenues usually varies in direct proportion to city size. In larger cities, fines generate a comparatively small

proportion of total revenues; in most small cities, fine revenues play a much more important role in the city budget.
State law limits the amount of revenue that a city under 5,000 population may derive from fines for violations of traffic laws.

License and Permit Fees

Under their police powers, cities regulate a wide variety of activities to promote the health, safety, and welfare of local citizens. Permit and license fees provide the revenues necessary to finance the administrative costs of these regulatory programs. Examples of permit fees include those charged for examining subdivision plats and plumbing installations. Examples of license fees include those for registering dogs. The amount of a permit or license fee must bear a reasonable relationship to the cost of the particular regulatory program. Under the law, excessive fees may not be imposed to create "profits." Also, the city may not assess a fee or require a permit for which no bona fide regulatory function is performed.

Hotel-Motel Tax

Chapter 351 of the Tax Code authorizes most cities to levy an occupancy tax of up to seven percent on the price of a hotel or motel room. Other cities, depending on population, may levy an even higher tax. For purposes of imposition of a hotel occupancy tax, a short-term rental (STR) is considered a hotel under state law. Under the law, proceeds from hotel occupancy tax must be earmarked for certain specified purposes, including the advertising and promotion of the city and its vicinity to attract tourism, arts and cultural activities, historical restoration and preservation activities, registration of convention delegates, operation of visitor information centers, the construction of civic centers and auditoriums, certain sporting events, signage, and tourist buses. Cities must maintain a written list of all projects funded by the hotel-motel tax. Cities must also annually report to the comptroller their hotel occupancy tax rates, the amount of revenue collected from hotel occupancy taxes during the year, the amount of revenue collected in any preceding fiscal year that has not yet been spent and the amount of that revenue remaining in the city's possession, and the amounts and percentages allocated to specific uses during the year.

Taxes on Alcoholic Beverages

Under the Texas Alcoholic Beverage Code, the state levies both a gross receipts tax and a separate tax on the sale of all mixed drinks served in clubs, saloons, and restaurants. Some of the state's total collections are remitted back to the cities on a pro rata basis.

Additionally, cities are authorized by state law to levy fees not to exceed one-half of the state fee for a variety of alcoholic beverage-related permits, including permits for package stores, distributors, brewers, and others issued within the city.

Occupation Taxes

Cities are authorized to levy an occupation tax on certain businesses and professions, such as operators of pinball machines and other coin-operated devices. The rate of the city tax may not exceed an amount set by law and may not exceed 50 percent of the rate of the occupation tax levied by the state on the same businesses if no statutory amount is set. A city may not levy a tax on a business or profession not subject to state occupation taxation.

Special Assessments

A "special assessment" is a charge imposed by the city on a limited group of properties to finance public improvements that specifically benefit those properties and enhance their value. Special assessments are most frequently used to finance the construction of sidewalks or reconstruction of streets. The cost of improvements is apportioned among all the owners of property abutting the improvement according to relative benefit. Costs are divided between property owners and the city according to the state law applicable to the particular type of improvement.

Miscellaneous Revenues

Miscellaneous income is derived from many different sources, such as rental charges for the use of city property, the sale of city property, the sale of water and other utility services to other jurisdictions, and interest income on idle city funds.

Budgeting

For many members of council, budgeting represents the most wretched and tiresome aspect of city government. Budgeting begins amid cries from some citizens for "tax relief" and demands from others that their "essential" programs be funded. Upon its adoption, the budget is dismissed with a sigh: "Now that that dreadful chore is behind us, we can get on with the 'fun' part of the city's business."

Financial management is indeed unglamorous, and budgets are poor leisure reading. However, it is also true that among all the functions performed by the city council, budgeting is the most important.

In its simplest definition, budgeting is a plan for utilizing the city's available funds during a fiscal year to accomplish established goals and objectives. Within a broader context, the budget also serves to:

1) Provide the public with an understandable financial plan that plainly describes activities that will be undertaken during the next fiscal year and the extent and specific types of services that will be performed.
2) Establish priorities among city programs, particularly new or expanded programs.
3) Define the financial framework that will be used to periodically check the status of city operations.
4) Determine the level of taxation necessary to finance city programs.

Budgeting is the forum for making the most of the council's key decisions about the future of the city. It is a process for determining the community's standard of living—what local residents need and want, what they are willing and able to pay for, and what services they can expect to receive for their tax dollars.

The council can use the budget to restore an ailing city government to financial health, or misuse it to drive a healthy government to insolvency. It can be used to nurture community development or freeze growth. The budget is everything. It is, in the words of one mayor, "the World Series of municipal government."

Statutory Requirements

The budgeting process in every Texas city, regardless of size, must comply with the requirements in Chapter 102 of the Local

Government Code. Under the statute:

1) The city council must adopt an annual budget and conduct the financial affairs of the city in strict conformance with the budget.
2) The budget for each fiscal year must be adopted prior to the first day of such fiscal year. In most Texas cities, the fiscal year begins on October 1; therefore, the budget must be adopted by September 30 or earlier.
3) The city's budget officer must prepare a proposed budget for the consideration of the city council. In most cities, the law requires that the mayor serve as budget officer; in cities that have adopted the city manager form of government, the city manager is the budget officer.
4) Copies of the proposed budget compiled by the budget officer must be filed with the city clerk/secretary and made available for public inspection. The initially proposed budget must be filed no later than 30 days prior to the date upon which the city council sets the property tax rate for the next fiscal year.
5) If the budget will raise more total property taxes than in the prior year, it must contain a cover page giving notice of that fact. A budget calling for such a property tax increase must be posted on the city's website if it operates one.
6) The city council must hold a public hearing on the budget after the 15th day that the budget has been filed with the city clerk or secretary. Notice of the public hearing must be given in a newspaper of general circulation in the county not less than ten nor more than 30 days prior to the hearing. The notice must identify a proposed property tax increase. The regular Open Meetings Act notice for this hearing must include both a copy of the proposed budget and a taxpayer impact statement, detailing hypothetical tax bills on the median value homestead in the city for the proposed tax rate and the no-new-revenue rate, both for the current year and the preceding year.
7) Upon adoption of the final budget by majority vote of the council, copies must be filed with the county clerk and city clerk/secretary and made available for public inspection. A budget that raises total property taxes requires a separate ratification vote. The adopted budget must contain a cover page that includes property tax information as well as the record vote of each councilmember on the budget. The adopted budget and cover page must be posted on the city's website if it operates one.
8) After the new fiscal year has begun and the budget has been put into effect, no expenditure "shall thereafter be made except in strict compliance with such adopted budget," and council may not amend the budget to authorize new or additional expenditures except for reasons of "grave public necessity" requiring "emergency expenditures to meet unusual and unforeseen conditions, which could not, by reasonable diligent thought and attention, have been included in the original budget..." However, council may make changes to the budget that do not increase the total expenditure in the original budget (for example, moving amounts from one budget line item to another line item) without a finding of "grave public necessity.

9) The budget and any amendments to it must be filed with the county clerk.
10) The governing body of the city may levy taxes only in accordance with the budget.

Because the budget is required to "cover the proposed expenditures" of the city, Chapter 102 of the Local Government Code is generally interpreted to prohibit deficit financing— that is, budgeting expenditures for which no offsetting revenues are provided.

Many charters also prescribe the format of the budget, including requirements that it contain a message describing the budget officer's proposed fiscal plan for the city and significant features of the budget for the forthcoming fiscal year; a general summary, with supporting data, which shows proposed expenditures and anticipated revenues for the next fiscal year and their relationships to corresponding data for the current budget year; and details of proposed expenditures and anticipated revenues.

Basic Budget Information

Adoption of a plan of city services for the next fiscal year begins with a budget document containing certain basic information. The budget document should identify all services currently provided and proposed to be provided (or terminated) during the coming fiscal year. For each service, the following information should be furnished:

- An itemization of expenditures for each service during the previous fiscal year, a projection of actual expenditures for the current year, and proposed expenditures for the next fiscal year.
- A statement of objectives for each service to be funded during the next fiscal year. "Objectives" do not mean organizational objectives—such as "to add new police officers" or "to purchase a new street sweeper." Rather, these statements should describe the benefits the community will derive from a particular service, such as "to reduce average police response time to emergency calls by three minutes," or "to clean x number of miles of streets."
- The proposed level of each service for the next fiscal year, together with a description of performance standards for each. In the case of the solid waste budget, for example, service levels and performance can be expressed in terms of the numbers of customers served and the volume of refuse collected. Street maintenance can be expressed in terms of lane miles resurfaced, maintenance requests, and number of complaints concerning street quality, and so on. This approach will help the council focus on community benefits that will be produced by a given expenditure, rather than on such details as whether a particular department is requesting too much money for supplies or travel.
- A brief description of the methods by which the services will be delivered.
- An itemization of the cost components of proposed services.
- Sources of funding for the proposed services.
- A description of factors that could affect the cost of proposed services.

The budget also should contain a summary of the city's financial condition for the prior year and current year, and a projection of its anticipated condition for the coming fiscal year

and beyond. This summary should indicate:

- Outstanding obligations of the city.
- Beginning balance of all cash funds.
- Actual revenues, broken down by source, collected in the preceding year and anticipated for the ensuing year.
- Estimated revenue available to cover the proposed budget.
- Estimated tax rate required to cover the proposed budget.

Properly organized, this information will enable members of council to gain a comprehensive understanding of the city's financial condition and give them the tools they need to establish the scope and direction of municipal services for the coming year.

Implementation

After the budget has been approved, regular monitoring by the city council can help ensure that municipal services are carried out in accordance with budget objectives and within expenditure ceilings. In most cities, the budget officer is required to furnish the council with periodic reports that show the prior month's expenditures and total expenditures to date for each budgeted activity. Using these reports, the council can identify deviations from budget plans, anticipate financial trouble spots, and determine whether the various departments are functioning properly.

On a periodic basis, perhaps quarterly, the council should be furnished with a written description of significant budgetary developments during the current fiscal year. For each activity, this statement should describe progress to date in comparison with objectives, and should provide reports on expenditures by budget category and revenue collections. Revised estimates of revenue also should be presented, together with revised surplus or deficit projections. These reports will give the council the basis for determining how well the city is meeting its service targets with the funds available. Also, it can help the council determine whether budget modifications are needed during the year.

Municipal Borrowing

It is a rare case when a city is able to carry out a capital improvements program of any consequence without using credit. More often, the city borrows money, and in doing so, offers future tax collections or utility revenues as security for the loan.

Loans fall into two categories: short-term and long-term—or, stated differently, loans to be repaid within the current fiscal year versus those to be repaid in future years. This section briefly reviews the two types of loans.

Short-Term Borrowing

Most short-term loans are made with local banks. Their purpose is to provide funds of a temporary nature, and they are made with the expectation of repayment within the current fiscal year. A bank loan made in August to avoid an overdraft in the general fund pending receipt of tax collections in September is a good example of a short-term loan.

A short-term loan differs from a long-term loan in two respects: (1) it will mature within the current fiscal year; and (2) it can be approved by the city council without the necessity for voter approval at a referendum election.

Short-term loans should be used sparingly. An excessive amount of short-term debt can adversely affect the city's bond rating and

impair its ability to accomplish long-term borrowing for major capital improvement programs. Frequent use of short-term borrowing reflects deficiencies in the quality of the city's management of its financial resources.

Long-Term Borrowing

Unlike short-term loans, which can be repaid with general fund dollars derived from a variety of revenue sources within the current fiscal year, long- term loans require that the specific source of revenue that will be used to repay the debt be identified and, in certain cases, pledged.

Long-term loans secured by a pledge of property taxes are called "general obligations" and include ad valorem tax bonds, time warrants, and certificates of obligation. Long-term loans secured by a pledge of revenue from an income-producing facility are called "revenue bonds."

General Obligation Debt

General obligation debts are payable from, and are secured by, a pledge of future property tax collections. Under standards promulgated by the Texas attorney general, a city with a maximum permissible tax rate of $1.50 per $100 assessed valuation may not incur general obligation debt that will require the levy of a tax at a rate higher than $1.00, after allowing ten percent for delinquencies in collection and for the payment of maturing principal and interest.

General obligation debt is commonly expressed as a percentage of the city's total assessed valuations. For example, a city that has a total assessed valuation of $10 million and outstanding general obligation debt in the principal amount of $500,000 is said to have a debt ratio of five percent. Three common forms of general obligation debt are ad valorem tax bonds, time warrants, and certificates of obligation.

Ad Valorem Tax Bonds

Ad valorem tax bonds are commonly referred to as general obligation, or G.O. bonds. They are issued pursuant to an ordinance adopted by the city council, typically following approval of the bonds at a referendum election. The bonds are examined as to legality by the Texas attorney general, and then delivered by the city to the successful purchaser or bidder for payment in cash. This cash is then used by the city to pay for libraries, police buildings, city halls, and other public facilities with a long, useful life.

G.O. bonds usually are issued in $5,000 denominations, and the bond issue usually provides serial maturities, with a certain amount of principal maturing each year over a period not to exceed forty years.

General obligation bonds have the highest degree of investor acceptance of any type of municipal indebtedness, and they command the lowest interest rates. Therefore, unless exceptional circumstances dictate otherwise, G.O. bonds are the preferred means of borrowing against a pledge of tax revenues.

Time Warrants

Time warrants are also general obligation debts and are payable from ad valorem taxes. Unlike G.O. bonds, which are sold for cash, time warrants are issued directly to vendors to pay for construction, equipment, and services.

Also, unlike G.O. bonds, time warrants do not require voter approval, although the law does require that the city council publish notice of its intent to issue them and that the council call a referendum election upon presentation of a petition signed by ten percent of the taxpaying voters.

The procedures for issuing time warrants are cumbersome and expensive and will result in the city paying a higher rate of interest than if the borrowing were accomplished with bonds. Nevertheless, time warrants can occasionally be advantageous—for example, to complete the construction of a public works project where there has been a cost overrun and bond funds have been exhausted.

Certificates of Obligation

The third form of general obligation debt payable from property taxes is certificates of obligation (COs). Like time warrants, COs can be issued without voter approval—except that upon notice of the city's intent to issue COs, five percent of the qualified voters can force an election on the issue by submission of a petition. With certain exceptions, a city may not issue a CO to pay a contracted obligation if a bond proposition to authorize the issuance of bonds for the same purpose was submitted to the voters during the preceding three years and failed to be approved.

COs can be issued directly to vendors to pay for construction work, equipment, machinery, materials, supplies, land, or professional services furnished to the city. Also, under certain circumstances COs can be sold, like bonds, for cash, in which case they must be approved by the Texas attorney general in the same manner as bonds.

Revenue Bonds

Revenue bonds are the only type of bond secured by a pledge of revenues from an income-producing facility such as a utility system. Revenue bonds are usually designated with the name of the system that pledges the revenues (for example, Waterworks System Revenue Bonds, Waterworks and Sewer System Revenue Bonds, and so on).

When utility revenues are pledged to support revenue bonds, the pledge is made of the system's net revenues—that is, gross revenues minus operating and maintenance costs. Such bonds are payable solely from these revenues and include a statement on their face that the holder shall never be entitled to demand payment from property taxes.

In determining whether the amount of pledged revenues is sufficient to repay the outstanding revenue bonds of a utility system, analysts will look at the ratio between the system's net earnings and the requirements of principal and interest maturities over a period of years. As a rule, net revenues should be at least 1.25 times larger than the average annual debt service requirements of the system. This ratio is called "coverage," and revenue bonds are said to have 1.25X coverage, or 2.23X coverage, and so on. The higher the coverage, the better the security for the bonds and, all other things being equal, the lower the rate of interest at which the bonds can be issued.

In pledging the revenues of a utility system, it is common to make a "cross pledge," or "combined pledge." This is a pledge of the revenues of one system to repay bonds issued for improvements to a different system; for example, pledging the net revenues of the water system to the payment of bonds issued

to improve the sewer system. On the other hand, the revenues of a utility system may not be cross pledged to the payment of bonds issued on behalf of a non-revenue-producing facility. For instance, water system revenues cannot be pledged to the payment of bonds issued to build a city hall.

Bond Ratings

As the annual volume of long-term debt incurred by state and local governments has grown over the years, competition between cities and other borrowers for investors' dollars has increased correspondingly. A municipal bond rating is one of the methods used to help alleviate the problems arising from this competitive situation.

A bond rating gives a quick indication of the quality of a new issue being offered, so that prospective bidders may know if they want to develop a bid. But a bond rating has greater value than a mere screening device: it also influences the rate of interest payable on bonds. Therefore, it is desirable that the city maintain a good rating for its bonds, because it can mean the difference between a good bid and a poor one, and a difference in interest charges to the city running into many tens of thousands of dollars.

Most Texas cities have more than one bond rating. Each bond issue is rated separately, based on the source of revenue that has been pledged to secure payment. General obligation bonds, therefore, are rated separately from water or sewer revenue bonds.

In determining the rating of a bond issue, analysts focus on the nature of the particular security. In the case of general obligation bonds, prime importance is attached to relationships among the city's debt, wealth, population, and tax collection experience. The economic base of the city, the stage of its development, and the quality of its government also are important factors. Finally, analysts examine the exact nature and strength of the legal obligation that the bonds represent.

The bond ratings of two particular firms are universally accepted in investor circles. These are Moody's Investors Service and S&P Global (formerly Standard & Poor's Corporation), both of which are based in New York City. The four investment grade ratings granted by these services are as follows:

<u>Moody's Investors Service</u>
Aaa: Best quality, carrying the smallest degree of investment risk.
Aa: High quality (together with Aaa comprise "high-grade bonds").
A: Higher medium-grade (many favorable investment attributes).
Baa: Lower medium-grade (neither high-quality nor high-risk).

<u>S&P Global</u>
AAA: Highest rating, with extremely strong capacity to repay loan.
AA: Only a small degree below AAA in the capacity to repay the loan.
A: Strong capacity to repay loan, although more susceptible to adverse effects in economic conditions.
BBB: Adequate capacity to repay loan.

In offering newly issued bonds for bids, the city should apply to one or both of the rating agencies to obtain a rating on the issue being offered. The nominal cost of obtaining a rating can be recovered many times over by minimizing interest costs on the basis of a

favorable bond rating, as opposed to the sale of non-rated bonds.

Bond Elections

If it has been determined by the city council that a bond election is required, the first step—and the key step—in a successful campaign is citizen participation. The tried-and true elements of a successful bond election include the following:

- Let private citizen volunteers, rather than the city council, conduct the campaign to persuade local voters to vote for the bonds.
- Enlist the support of community and civic organizations.

Installment Obligations

An ever-increasing number of Texas cities are financing municipal purchases through installment sales or lease-purchase agreements. Generally speaking, cities must competitively procure the personal property at issue when a lease-purchase agreement or installment sale involves an expenditure of more than $100,000 in city funds.

Anticipation Notes

Certain cities may have authority to borrow against anticipated revenue (typically federal grant money) by issuing anticipation notes. Anticipation notes may be appropriate for borrowing relatively small amounts of money when the issuance of bonds would be cost prohibitive. State agencies may be authorized to purchase anticipation notes from cities, thus speeding the grant process to fund city projects. The law relating to anticipation notes is found in chapter 1431 of the Texas Government Code.

Capital Improvements Programming

It is a financial fact of life in every city that the demand for new streets, water lines, and other public works will always exceed the supply of current funds. Capital improvements programming is the primary method used by most cities to cope with the perpetual imbalance between capital demands and limited financial resources.

A capital improvements program (CIP) is a long-term plan, usually spanning five to six years, for financing major cost items that have a long useful life, such as buildings, land, streets, utility lines, and expensive equipment. The CIP document lists all the capital items scheduled for construction or acquisition during the next five or six years, the time when construction or acquisition is to occur, the amount expected to be spent during each year of the CIP, and the source of funding for each expenditure.

Preparation of a CIP involves five major steps. First, a list of proposed capital improvements is prepared on the basis of recommendations from the city council, staff, and community groups. The city's comprehensive plan will be the source of many CIP items, but whatever the source, each item included in the list should be supportive of the community goals expressed in the plan.

Second, cost estimates are developed for all proposed CIP items. In addition to stating the up-front cost of each item, these calculations usually include a description of savings that will result from its acquisition or construction, as well as the impact the item would have on future revenues or operating costs.

Third, a determination is made of the city's ability to pay for the items included in the draft CIP, together with a description of the method by which each will be financed. Ability to pay will be determined by a financial analysis of past, current, and future revenue, expenditure, and debt patterns. Options for financing particular items include special assessments, state or federal grants, additional fees or taxes, current revenues (pay-as-you-go), reserve or surplus funds, general obligation or revenue bonds, and certificates of obligation. The objective of this step is to determine, for each year, the minimum costs the city will incur before any new capital expenditures can be financed.

Fourth, all proposed CIP items are organized by the staff for orderly presentation to the city council. Each is ranked in recommended priority order. Items that overlap or duplicate previously approved projects or that are inconsistent with the city's comprehensive plan are identified and perhaps downgraded. Finally, the tentative CIP is discussed at public hearings, thoroughly reviewed by the council, and then finally approved by formal council action.

Based on information contained in the CIP, a capital budget is prepared to show all capital expenditures in priority order, together with summaries of the financial activities planned for each year, including the amounts of bonds to be issued, amounts of operating funds required, and so forth.

The capital budgeting process normally takes place on a cyclical basis. Under a six-year CIP, year one is the current capital budget adopted by the city council at the same time it approves the operating budget. Many times, the capital budget is included as a component of the operating budget. Years two through six, having been approved by the council when it adopted the CIP, remain in the record as expressing the council's intent to carry forward with the balance of the CIP.

At the conclusion of year one, the council approves another one-year capital budget and extends the CIP, with revisions, for another year. Thus, year two of the previous CIP becomes year one of the new six-year program, and the cycle begins anew.

Capital improvement programming offers several advantages. By scheduling ample time for construction or acquisitions, costly mistakes can be avoided, as is the case when streets have to be dug up repeatedly because they are not planned in relation to other facilities. Also, by working with a list of planned projects, sites can be purchased at lower cost, and by spacing out projects over several years, the city's tax and debt load can be stabilized, and balance can be maintained between debt service and current expenditures.

Financial Reporting

Financial reports prepared periodically throughout the fiscal year are an essential part of the control system necessary to permit the city council to determine whether funds are being expended in accordance with the budget and to identify discrepancies between anticipated and actual revenues. Financial

reports fall into four general categories—internal budgetary reports, annual financial reports, annual audits, and local debt reports—each of which is briefly discussed next.

Internal Budgetary Reports

Internal budgetary reports are prepared on a monthly basis and are distributed to the city council and department heads. These reports illustrate the financial condition of the city as it unfolds from month to month and answer such questions as: are city services being provided as planned? are expenditures exceeding budgeted levels? is the cash inflow at the expected level? By determining the answers to these and related questions on a regular basis, the council can identify problem areas and initiate corrective actions accordingly.

Annual Financial Report

The annual financial report is compiled at the conclusion of the fiscal year and shows, item by item, budgeted versus actual revenues and expenditures, together with other information that describes the city's year-end financial condition. The financial report should be prepared by an independent certified public accountant appointed by the city council and made available to the department heads, the news media, and other interested parties.

Annual Audit

Sections 103.001-103.004 of the Local Government Code require each city to have an annual audit of its financial records and accounts. The audit can be performed either by a certified public accountant or a qualified city employee, and must be made available for public inspection no later than 180 days after the close of the city's fiscal year.

The audit involves examination of three aspects of the city's financial operations: (1) internal controls; (2) statements, records, and accounting transactions; and (3) compliance with statutory and budgetary requirements. Properly conducted, the audit provides a double check on the city's financial status, a method for communicating with the citizenry, and a bona fide statement of the city's financial condition, which will improve its ability to issue bonds. A city that fails to comply with audit requirements in a fiscal year may be limited to adopting its no-new-revenue property tax rate until the city comes into compliance.

Local Debt Report

Section 140.008 of the Local Government Code requires cities to annually compile and report various types of debt obligation information, including the amounts of principal and interest to pay outstanding debt obligations, the current credit rating given by any nationally recognized credit rating organization to debt obligations of the city, and any other information that the city considers relevant or necessary to explain the outstanding debt values. Subject to certain exceptions discussed below, the local debt report must be posted continuously on the city's website until the city posts the next year's report. The report must be made available to any person for inspection.

As an alternative to posting the report on the city's website, a city may provide all required debt information to the comptroller and have the comptroller post the information on the

comptroller's official website. Further, a city with a population of less than 15,000 may provide the comptroller with its local debt report for inclusion on the comptroller's website. A city that already includes the required debt information in other reports that are posted to the city's website may provide a link to that information rather than replicating the data in the local debt report.

Investments

In 1995, the Texas Legislature enacted the Public Funds Investment Act, which requires the city council to adopt a written investment policy. A city may contract with an independent investment advisor to provide investment and management services. Typically, the city investment officer must attend one investment training session within 12 months of taking office and must attend eight hours of training once every two years thereafter. The treasurer and the chief financial officer (if the treasurer is not the chief financial officer) must also attend ten hours of training every two years. The Texas Municipal League offers comprehensive public funds investment training.

Financial Warning Signals

In recent years, increasing attention has been given to monitoring the financial health of cities. Although most of the chronic financial problems of cities tend to slowly snowball over an extended period of time, they usually result from a standard set of problems, including: (1) a decline in revenues or tax base; (2) an eroding capital plant; (3) a faltering local or regional economy; (4) growing debt burden; (5) accumulation of unfunded pension liabilities; (6) a sudden loss of substantial federal funds; (7) an increase in spending pressures; and/or (8) ineffective financial management practices.

Chapter Seven:
Council Action

The city council takes official action by two primary means: resolutions and ordinances. Both play important roles in their own respective ways, and they share certain similarities. But there are distinctions between the two, and it is good to know the differences.

The distinction between an ordinance and a resolution is in subject matter, not terminology. An ordinance cannot be changed into a resolution merely by calling it a resolution, nor may the requirements for enacting an ordinance be bypassed by simply passing a resolution. A resolution generally states a position or policy of a city. An ordinance is more formal and authoritative than a resolution. An ordinance is a local law that usually regulates persons or property and usually relates to a matter of a general and permanent nature.

Passage of an ordinance generally involves three steps, the first of which is the introduction of the proposed ordinance at a council meeting.

Next, the city clerk or city attorney either reads the entire ordinance or reads just the caption of the ordinance and allows the person proposing it to provide an explanation. There is no state law requiring that ordinances be read aloud in their entirety. In addition, there is no generally applicable state law that requires multiple readings of an ordinance. (Some home rule charters, however, do provide for more than one reading.) If the ordinance is short, the council may wish to have it read in full for the benefit of any citizens present. If the ordinance is long and technical, the usual practice is to settle for a brief summary and general explanation of the purpose of the ordinance.

Third, the ordinance is debated by the council and either defeated, postponed, referred to a committee for further study, or approved. If the ordinance is approved, it is then signed by the mayor and attested to (certified) by the city secretary or city attorney.

Also, depending on city type and the subject matter of an ordinance, it may have to be published in a newspaper before taking effect.

Because of the relatively cumbersome procedures involved in enacting an ordinance, it is important to know when an ordinance is required and when less formal kinds of council action will suffice. Though there are no absolute standards that apply, these three rules of law may help:

1) Any council enactment that regulates persons or property and imposes a fine for violations must be in the form of an ordinance. This requirement is based on the principle that there must be a printed law and citizens must have some notice that it is in effect before they can be subjected to a fine.
2) An enactment must always be in the form of an ordinance if the state law authorizing the particular action requires an ordinance. Examples include the creation of a planning and zoning commission or setting the tax levy for the next fiscal year.
3) An ordinance is required to amend or repeal an existing ordinance.

Compatibility of Ordinances with State and Federal Laws

An ordinance, or portion thereof, is void if it conflicts with the United States Constitution, the Texas Constitution, or a federal or state law. Also, even though an ordinance might be valid at the time it was passed, if a law subsequently enacted by the state or federal legislature conflicts with the ordinance, the ordinance is void. Conversely, if an ordinance supplements and is in harmony with the law, the ordinance will be sustained.

An ordinance is invalid if a court determines that the state legislature intended to preempt the subject area addressed in the ordinance. If the legislature has preempted the field, no ordinance except those specifically authorized by statute may be enacted on the subject.

Examples of conflicts that have caused ordinances to be ruled invalid include:

- an ordinance prescribing a different penalty from that imposed by state law where the ordinance and the law dealt with the same type of offense;
- An ordinance restricting the hours of operation of liquor stores to fewer than those authorized under the state Alcoholic Beverage Code;
- an ordinance legalizing an activity or business that was prohibited by state law; and
- an ordinance in conflict with the Interstate Commerce Clause of the United States Constitution.

Validity of Ordinances

An action that is arbitrary, capricious, overly oppressive, or fraudulent may be invalidated by the courts. A court usually will not substitute its judgment for that of the city council, but if an action is not in compliance with lawful requirements, the courts may overturn it.

Additionally, a council action is considered valid if no lawsuit has been filed to invalidate it on or before the third anniversary of its effective date, unless the action was invalid on the day it was taken or it was preempted by state or federal law. This rule gives cities certainty by preventing later challenges based on minor procedural errors, so long as the council's action was otherwise lawful when adopted.

Form of the Ordinance

State law does not prescribe the form of an ordinance, other than to require that it contain an ordaining clause (Section 52.002 of the Local Government Code) and to require the publication, or sometimes posting of either the complete text or caption of every ordinance that establishes penalties for violations (Sections 52.011-52.013 of the Local Government Code). But a form for ordinances has evolved by custom and is now used by most cities.

Although the actual drafting of an ordinance is best left to the city attorney, councilmembers should be familiar with the basic form. This includes:

1) The reference number of the ordinance for indexing and retrieval.
2) The caption, which briefly describes the subject of the ordinance and the penalties provided for its violation. Although an ordinance is valid without a caption, this is a useful feature

because it provides a simple way of determining what is included in the ordinance without reading the entire document. Also, if the ordinance does not have a caption, Section 52.011 of the Local Government Code requires that the ordinance be published in its entirety if it provides a penalty for violations. Conversely, a penal ordinance may be published by caption only if the caption states the penalty for violations.

3) A preamble, often in the form of a number of *Whereas* clauses, which, while optional, may be included when the council wants the public to understand the reasons the ordinance was passed, factual findings made by the council, or the legislative authority for the ordinance.
4) The ordaining clause, which is required by law, in most instances.
5) The body of the ordinance, which usually is broken down into sections according to subjects. This contains the command of law as ordained by the council.
6) The effective date of the ordinance which may, in some circumstances, be governed by state law or city charter, if applicable.
7) A severability clause which clarifies that the invalidity of some portions of the ordinance should not render the entire ordinance invalid.
8) The penalty clause, which fixes the penalty for violating the ordinance. For most ordinance violations, the maximum fine is $500 per day. Violations of an ordinance dealing with fire safety, zoning, or public health (except for dumping refuse) can include a fine of up to $2,000 per day, while the maximum penalty the council may establish for violating an ordinance governing the dumping of refuse is $4,000 per day. Note that cities do not have authority to punish violators by sending them to jail.
9) The final part of the ordinance is a statement that the ordinance was passed and approved, giving the date of passage, the signature of the mayor, and a space for the city clerk or secretary to sign and attest to the fact that the ordinance was adopted. Some cities also require the city attorney to approve the form of the ordinance. If required by state law or city charter, signatures must be present on the ordinance, or the ordinance may be declared void.

The following ordinance illustrates these nine components:

Ordinance No. 125

CAPTION

AN ORDINANCE OF THE CITY OF ANYWHERE, TEXAS, ESTABLISHING WATER CONSERVATION REQUIREMENTS AND PROVIDING A PENALTY FOR VIOLATIONS.

PREAMBLE
WHEREAS, because of the conditions prevailing in the City of Anywhere, the general welfare requires that the water resources available to the City be put to the maximum beneficial use and that the waste or unreasonable use be prevented; and
WHEREAS, lack of rain has resulted in a severe reduction in the available water supply to the City, and it is therefore deemed essential to the public welfare that the City Council adopt the water conservation plan hereafter set forth.

ORDAINING CLAUSE
NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ANYWHERE, TEXAS:

BODY
SECTION 1. AUTHORIZATION.
The City Manager or his designee is hereby authorized and directed to implement the applicable provisions of this Ordinance upon his determination that such implementation is necessary to protect the public welfare and safety.

SECTION 2. APPLICATION.
The provisions of this Ordinance shall apply to all persons, customers, and property served with City of Anywhere water wherever situated. No customer of the City of Anywhere water system shall knowingly make, cause, use, or permit the use of water received from the City for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this ordinance, or in an amount in excess of that use permitted by the conservation stage in effect pursuant to action taken by the City Manager or his designee in accordance with the provisions of this Ordinance.

SECTION 3. CONSERVATION REQUIREMENTS.
From May 1 to September 30 of each year and upon implementation by the City Manager and publication of notice, the following restrictions shall apply to all persons:
(a) Irrigation utilizing individual sprinklers or sprinkler systems of lawns, gardens, landscaped areas, trees, shrubs, and other plants is prohibited except on a designated day which shall be once every five days, and only then during the hours of 8:00 p.m. and 12:00 noon. Provided, however, irrigation of lawns, gardens, landscaped areas, trees, shrubs or other plants is permitted at any time if: (i) a hand-held hose is used: (ii) a hand-held, faucet filled bucket of five (5) gallons or less is used; or (iii) a drip irrigation system is used.
(b) The washing of automobiles, trucks, trailers, boats, airplanes and other types of mobile equipment, the refilling or adding of water to swimming and/or wading pools and the use of water for irrigation of golf greens and tees is prohibited except on designated irrigation days between the hours of 8:00 p.m. and 12:00 noon.
(c) The washing or sprinkling of foundations is prohibited except on designated irrigation days between the hours of 8:00 p.m. and 12:00 midnight.
(d) The following uses of water are defined as “waste of water” and are absolutely

prohibited: (i) allowing water to run off into a gutter, ditch, or drain; (ii) failure to repair a controllable leak; and (iii) washing sidewalks, driveways, parking areas, tennis courts, patios, or other paved areas except to alleviate immediate fire hazards.

SECTION 4. EFFECTIVE DATE
This Ordinance shall become effective immediately upon its passage and publication as required by law.

SECTION 5. SEVERABILITY
This Ordinance shall be considered severable, and the invalidity or unconstitutionality of any section, clause, provision or portion of the Ordinance shall not affect the validity or constitutionality of any other section, clause, provision or portion of this Ordinance.

SECTION 6. PENALTY
Any person, corporation or association violating any provision of this Ordinance shall be deemed guilty of an offense, and upon conviction shall be punished by a fine not to exceed Five Hundred Dollars ($500.00). The violation thereof shall be deemed a separate offense, and shall be punished accordingly. Provided, however, compliance may be further sought through injunctive relief in the District Court.

CONCLUSION
PASSED AND APPROVED this____ day of _____, 20___

/s/_____
Mayor

ATTEST:
/s/_____
City Secretary/ Clerk

APPROVED AS TO FORM:
/s/_____
City Attorney

Chapter Eight:
Conflicts of Interest

Mayors and councilmembers must avoid situations where their personal interests conflict with the public interest. While sound judgment will guide most decisions, state law also establishes standards of conduct that city officials are required to follow.

Three common situations can compromise a mayor's or councilmember's ability to carry out official duties. Each involves a conflict between the obligation to serve the city and competing personal or outside interests.

The first arises when a councilmember holds two or more public offices at the same time. The second occurs when the council considers an action that would directly benefit a business or property in which a member or a close family member has a substantial interest. The third involves nepotism, where employment decisions are influenced by family relationships. Each of these situations is addressed in more detail below.

Dual Office-Holding

Two or More Public Offices

Mayors and councilmembers may not hold more than one public office at the same time if both positions are "offices of emolument." An emolument is any compensation received for services, such as a salary, meeting fees, or other forms of payment, but does not include reimbursement of actual expenses.

This restriction means that a mayor or councilmember who is compensated by the city may not also serve as a district judge, state legislator, county clerk, or in another local or state office of emolument. Limited exceptions are provided in Article XVI of the Texas Constitution, which permits certain state officers and employees to hold municipal offices of emolument and allows a person holding an office of emolument to also serve in specific roles such as justice of the peace, county commissioner, notary public, or as an officer of a soil and water conservation district.

Incompatibility

In addition, mayors and councilmembers are prohibited from holding a second public office if the duties and loyalties of that office are incompatible with their responsibilities to the city. This rule applies to all public offices, whether compensated or not, and reflects the principle that a public official must owe undivided loyalty to a single office.

The general rule regarding incompatible offices was reviewed in *Thomas v. Abernathy County Line I.S.D.*, in which the Texas Supreme Court held that the offices of city councilmember and school board trustee were incompatible because if the same person could be a school board trustee and a member of the city council at the same time, school policies, in many important respects, would be subject to direction of the council instead of the school board.

The incompatibility doctrine also prohibits the council from appointing one of its own members to a public office (unless otherwise

allowed by state law) or employing the member as a city employee. A mayor, for example, could not simultaneously serve as a police officer for the city.

Determining whether two offices are incompatible is not always straightforward, but the consequences of a misjudgment can be significant. Texas courts have held that when an individual holding one office accepts and qualifies for a second, incompatible office, the individual is deemed to have automatically vacated the first office.

City Actions that Benefit Members of Council

City councils everywhere routinely make City councils routinely make decisions on purchases, rezoning, utility extensions, road construction projects, and other matters that may affect private interests. Given the broad scope of council authority, it is inevitable that some decisions will directly or indirectly impact the personal or business interests of individual councilmembers.

Recognizing that such conflicts cannot be entirely avoided, the Texas Legislature has established statutory requirements to ensure transparency. Three key laws—Chapter 171 and Chapter 176 of the Local Government Code and Chapter 553 of the Government Code—require the disclosure of conflicts between a councilmember's private interests and the public interest.

The purpose of Chapter 171 of the Local Government Code, the conflicts of interest statute, is to prevent councilmembers and other local officials from using their positions for undisclosed personal gain. The law requires a councilmember to file an affidavit when the member—or a close relative—has a financial interest that would be affected by council action.

Whenever any contract, zoning decision, or other matter is pending before the council, each member of council must take the following steps:

(a) **Determine whether a substantial interest exists:** A councilmember must review the pending matter and decide whether the member or a close relative has a substantial interest in a business or property that would be specially affected by the council's decision.
A substantial interest in a business entity exists if:

1) The member or a close relative of the member owns at least 10 percent of the voting stock or shares, or owns at least 10 percent of the fair market value of the business entity, or owns at least $15,000 of the fair market value of the business entity; or
2) The income received by the member or a close relative from the business exceeds 10 percent of that person's gross income for the previous year.

A substantial interest in real property exists if the member or a close relative has a legal or equitable ownership interest with a fair market value of $2,500 or more.

(b) **File an affidavit if required:** If a substantial interest exists, the member must file an affidavit disclosing the nature and extent of the interest before any vote or decision is taken, when:

1) For a business entity, the action will have a special economic effect on the entity that is distinguishable from its effect on the public; or
2) For real property, it is reasonably foreseeable that the action will have a special economic effect on the property's value that is distinguishable from its effect on the public.

The affidavit must be filed with the city's official record keeper, typically the city secretary.

(c) **Abstain when required:** In addition to filing an affidavit, the councilmember must abstain from participating in discussion or voting on the matter. However, if a majority of the council is likewise required to file affidavits on the same action, those members may participate and vote after filing.

The council may still purchase goods or services from a business in which a member has a substantial interest, provided the member files the affidavit and abstains from discussing and voting on the matter. Additionally, when a budget item specifically dedicates funds to a contract with a business in which a councilmember has a substantial interest, the council must take a separate vote on that item, and the affected member must abstain. Once that separate vote is complete, the member may vote on the final budget as a whole.

A councilmember who knowingly violates Chapter 171 by failing to file the required affidavit or by voting or participating in a matter in which the member has a substantial interest commits a Class A misdemeanor, punishable by a fine of up to $4,000, confinement in jail for up to one year, or both. In addition to these criminal penalties, such violations can undermine public trust and expose the city to legal challenges.

Chapter 176 of the Local Government Code, a second conflicts disclosure statute, requires mayors, councilmembers, and certain other executive city officers or agents to file a "conflicts disclosure statement" with the city's records administrator within seven days of becoming aware of any of the following:

- The officer or a family member has an employment or business relationship that generates taxable income of more than $2,500 with a person who has contracted with the city or is being considered for city business;
- The officer or a family member has received and accepted one or more gifts with a total value of more than $100 in the preceding 12 months from a person who conducts or seeks to conduct business with the city; or
- The officer has a family relationship with a person who conducts or seeks to conduct business with the city.

Chapter 176 also places disclosure obligations on vendors. Any vendor who seeks to do business with a city must file a "conflict of interest questionnaire" if the vendor: (1) has a business relationship with the city and an

employment or other relationship with a city officer or the officer's family member; (2) gives a gift to a city officer or a family member; or (3) has a family relationship with a city officer.

A city officer or a vendor who knowingly fails to file the required disclosure statement or questionnaire under Chapter 176 commits a misdemeanor, with the classification—Class A, B, or C—depending on the amount of the contract at issue.

A third conflicts disclosure statute, Chapter 553 of the Government Code, addresses situations involving city purchases or condemnations of real property. It is designed to prevent councilmembers and other public servants from using their positions for hidden personal gain.

When a city considers purchasing or condemning real property or tangible personal property, each official must determine whether they have a legal or equitable interest in the property. If such an interest exists, the official must file an affidavit within 10 days before the date the city acquires the property by purchase or condemnation. The affidavit must be filed with the county clerk of the county where the official resides and with the county clerk of each county where the property is located.

The affidavit must include: (1) the name of the official; (2) the official's office, public title, or job designation; (3) a full description of the property; (4) a full description of the nature, type, and amount of interest in the property, including the percentage of ownership interest; (5) the date the official acquired an interest in the property; (6) the following verification: "I swear that the information in this affidavit is personally known by me to be correct and contains the information required by Section 553.002, Government Code;" and (7) an acknowledgement of the same type required for recording a deed in the deed records of the county.

A public official who fails to file the affidavit after receiving notice of a purchase or condemnation commits a Class A misdemeanor, punishable by up to one year in jail, a fine of up to $4,000, or both. In addition to these penalties, violations can undermine public trust in the council's decision-making.

Nepotism

"Nepotism" refers to awarding employment or appointment on the basis of family relationship. The practice is considered contrary to sound public policy, which is why prohibitions against nepotism exist in all states, including Texas.

Chapter 573 of the Government Code prohibits a city council from hiring a person related to a councilmember within the second degree by affinity or the third degree by consanguinity, but there are exceptions. The prohibition does not apply in cities with a population of 200 or less, or to close relatives who were already continuously employed by the city for at least 30 days before the related councilmember was appointed, or at least six months before the related councilmember was elected. If a relative is allowed to remain employed under this exception, the related councilmember may not participate in deliberation or voting on matters affecting that employee individually (as opposed to actions affecting a class or category of employees).

The nepotism statute does not apply to unpaid positions.

Since “affinity” and “consanguinity” are the controlling factors in determining nepotism, both terms must be clearly understood.

Affinity is kinship by marriage, such as between spouses or between one spouse and the blood relatives of the other. Two people are related by affinity if they are married to each other, or if the spouse of one person is related by blood (consanguinity) to the other person.

Persons related within the first degree of affinity include the public official’s spouse, father-in-law, mother-in-law, sons-in-law, daughters-in-law, stepsons, and stepdaughters. Relatives related within the second degree of affinity include sisters-in-law (brother’s spouse or spouse’s sister), brothers-in-law (sister’s spouse or spouse’s brother), spouse’s grandparents, and spouse’s grandchildren. A marriage that ends by divorce or death also ends the relationships by affinity created by that marriage, unless a child of the marriage is living. In that case, the affinity relationship is considered to continue as long as the child is alive.

Consanguinity is kinship by blood, as between a mother and child or sister and brother. Two persons are related to each other by consanguinity if one is a descendant of the other or if they share a common ancestor.

Purchasing

Section 2252.908 of the Government Code provides that, with certain exceptions: (1) a city is prohibited from entering into a contract with a business entity unless the business entity submits a disclosure of interested parties (i.e., discloses a person who has a controlling interest in the business or who actively participates in facilitating the contract for the business) if the contract: (a) requires an action or vote by the city council before the contract may be signed; (b) has a value of at least $1 million; or (c) is for services that would require a person to register as a lobbyist; (2) the disclosure must be on a form prescribed by the Texas Ethics Commission; and (3) a city must acknowledge receipt of the disclosure with the Texas Ethics Commission not later than 30 days after receiving the disclosure.

Chapter Nine:
Personal Liability of Members of City Council

A legal concept known as "governmental immunity" protects cities from being sued or held liable for various torts (a tort is a wrongful act resulting in injury to a person or property) and causes of action. But there are some exceptions to this general rule. For example, Chapter 101 of the Texas Civil Practice and Remedies Code (also known as the Texas Tort Claims Act) provides that a city may be liable for damages arising from the use of publicly-owned vehicles, premises defects, and injuries arising from conditions or use of property. Thus, a city (as an entity) is sometimes liable for limited damages resulting from the actions of its city officials and employees.

But what about mayors and councilmembers? Mayors and councilmembers across the state daily make decisions that impact the lives and property of thousands of people. Can these city officials be held personally responsible for damages resulting from decisions they make (or refuse to make) in their official capacity as members of the city's governing body?

In most instances, mayors and councilmembers will not face personal liability. Like the city itself, mayors and councilmembers are often protected by different types of immunity, the purpose of which is to allow them to make decisions in the public interest with confidence and without fear. However, immunity is not available in all instances. For that reason, it is important for mayors and councilmembers to have a basic understanding of the areas in which they face potential liability.

Liability Under State Law

We start by examining a civil tort suit, a common instance in which the issue of the personal liability of a mayor or councilmember may arise. Generally speaking, Texas courts have held that mayors and councilmembers are not personally liable when a suit arises from the performance of discretionary acts that are taken in good faith and are within the scope of their authority. This type of protection is commonly referred to as official immunity. A "discretionary act" involves personal judgment. The decision about where to place a traffic sign is one example of a discretionary act. An action taken in good faith is one that is taken without intent to do harm. Thus, councilmembers should ensure that discretionary actions are taken in good faith and pursuant to their authority as authorized by relevant state law, ordinances, or policies.

Generally speaking, mayors and councilmembers may be held personally liable for torts that arise from ministerial acts. A "ministerial act" is one performed as a matter of duty; an act which a mayor or councilmember must perform. Ministerial acts also include those performed in obedience to state law or federal laws which are so plain and explicit that nothing is left to discretion or judgment. For example, canvassing the results of a city election is a ministerial and non-discretionary duty. Failure to perform a ministerial act imperils a mayor or councilmember regardless of whether is the failure to act is done in good faith. A ministerial act required by law, but that is not performed at all, could also lead to liability. In

sum, a mayor or councilmember could potentially be individually liable for damages to individuals injured because of the failure to properly perform a ministerial duty or negligently failing to perform the duty at all. Personal liability of most city officials is capped at $100,000 for actions brought in state court under the Texas Tort Claims Act.

Additionally, until recently, a mayor or councilmember could not be held personally liable for sexual harassment. In 2021, the Texas Legislature adopted Senate Bill 45, which expanded the definition of "employer" to include "any person who acts directly in the interests of an employer in relation to an employee." Under this new definition, it is possible that elected officials may be subject to individual liability for sexual harassment if they: (1) know or should have known that the conduct constituting sexual harassment was occurring; and (2) fail to take immediate and appropriate corrective action. That same year the Legislature also adopted Senate 282, which provides that a political subdivision (including a city) may not use public funds to settle or otherwise pay a sexual harassment claim made against an elected or appointed member of the governing body, or a city official or employee.

In addition, even if fulfilling his or her duties, a mayor or councilmember could also be subject to civil or criminal liability as the result of a violation of certain state laws. Some of the most common state laws under which a mayor or councilmember may face criminal liability include the Open Meetings Act, the Public Information Act, conflicts of interest and financial disclosure laws, purchasing laws, and nepotism laws. In addition, prohibitions found in the Texas Penal Code may be implicated as a result of serving as a mayor or councilmember, including laws dealing with bribery, gifts, honorariums, falsification of government documents, the misuse of information, abuse of official capacity, official oppression, forgery, and theft.

Finally, as an elected official, mayors and councilmembers may face both civil and criminal liability for failure to comply with certain state laws, such as those governing political contributions, political advertising, and campaign contributions.

Liability Under Federal Law

A mayor or councilmember may also face personal liability for violations of a person's rights under federal law. This usually occurs: (1) as the result of claims alleging violations of constitutional rights; or (2) in an employment context (e.g., a claim brought under the Fair Labor Standards Act or the Family Medical Leave Act).

The law customarily used to take action against city officials for violations of constitutional rights or violations of federal law is Section 1983, Title 42, of the United States Code, which provides:

> *Every person who, under color any statute, ordinance, regulation, custom, or usage, of any State . . . .subjects, or causes to be subjected, any citizen of the United states or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured . . . .*

Various types of policy decisions related to both city employees and members of the public could render a mayor or councilmember liable under Section 1983. However, city officials are usually protected by qualified immunity. Similar to the official immunity defense under state law (described above), a mayor or councilmember may be protected by qualified immunity when sued under federal law. To be covered by qualified immunity, the official must show that the action taken: (1) was discretionary; (2) was within the official's authority to take; and (3) did not violate any clearly established statutory or constitutional right of which a reasonable person would have known.

It is rare that a mayor or councilmember is held personally liable under federal law for the decisions he or she makes as a member of the governing body. Even so, city officials should make sure that they have a reasonable basis for decisions made, and that applicable state and federal law is reviewed before those decisions are made, especially when those decisions impact specific individuals.

You can find more detailed information about the personal liability of mayors and city councilmembers in TML's Understanding Your Personal Liability as a City Official: A Primer.

In sum, because liability questions are notoriously fact-sensitive, councilmembers and mayors should always seek the advice of the city attorney for any specific liability question.

Chapter Ten:
Sources of Information

There is no comprehensive guide to everything there is to know about Texas cities, but there are many sources of information that can be helpful. Several are listed below.

Local Sources

Depending on the amount of time available, information on the finances, services, and other aspects of the city can be obtained by:

- Reading the city's code of ordinances;
- Reviewing the minutes of council meetings held during the past several months;
- Studying the current budget, the previous year's financial report, and other key financial documents;
- Visiting the various city departments to learn how the city conducts its day-to-day operations; and
- Conferring with past and present members of the council, the local newspaper editor, civic leaders, and others who have followed the city's affairs over the years.

Texas Municipal League

The Texas Municipal League is an association of cities that exists for one reason: to serve city officials. TML offers members of the city council and other city officials a broad range of services – including training seminars and conferences, technical assistance, legal information, and many other services. TML also publishes several guides regarding municipal law and best practices for cities.

The League office welcomes all inquiries from its member officials, no matter how ordinary or unusual. The League is also willing to assist members of the press in understanding cities.

National Resources

American Planning Association, 200 E. Randolph St., Suite 6900, Chicago, IL 60601, 312-431-9100 (phone), 312-786-6700 (fax). Major publications: *Planning, Journal of the APA*, and *Zoning Practice*. The APA also publishes a number of guides to zoning, subdivision development, and other aspects of municipal planning. www.planning.org

American Public Works Association, 1200 Main Street, Suite 1400, Kansas City, Missouri 64105-2100, 816-472-6100. Monthly publication: *APWA Reporter*. APWA also publishes several public works-related manuals. www.apwa.net

American Society for Public Administration, 1730 Rhode Island Ave. NW, Suite 500, Washington, D.C. 20036, 202-393-7878. Bi-monthly publication: *Public Administration Review* features articles for councilmembers interested in municipal administrative and organizational processes and theory. *Public Integrity*, published bimonthly, addresses ethical issues affecting government and society. ASPA's quarterly newspaper, *PA TIMES*, covers developments in the academic and professional field of public administration. www.aspanet.org

Government Finance Officers Association, 203 N. LaSalle St., Suite 2700, Chicago, Illinois 60601-1210, 312-977-9700. Major publications include the weekly *GFOA Newsletter* and bimonthly *Government Finance Review*. GFOA also publishes a wealth of excellent operating manuals on the topics of budgeting, debt management, financial forecasting, and related items. www.gfoa.org

International Association of Chiefs of Police, 44 Canal Center Plaza, Suite 200, Alexandria, Virginia 22314, 703-836-6767. Major Publication: monthly *Police Chiefs Magazine.* www.theiacp.org

International Association of Fire Chiefs, 8251 Greensboro Drive, Suite 650, McLean, Virginia 22012, 703-273-0911. Major publication: *On Scene* newsletter. www.iafc.org

International City/County Management Association (ICMA), 777 North Capitol St. N.E., Suite 500, Washington, D.C. 20002-4201, 202-962-3680 (phone), 202-962-3500 (fax). Major publication: *Public Management.* Other publications: *LGR: Local Government Review* (biannual); *SmartBrief* (daily newsletter); and *Leadership Matters* (weekly newsletter). ICMA also publishes a series of manuals on different aspects of city government. www.icma.org

International Institute of Municipal Clerks, 8331 Utica Ave., Suite 200, Rancho Cucamonga, California 91730, 909-944-4162 (phone), 909-944-8545 (fax). Major Publications: *IIMC News Digest, Consent Agendas, IIMC Meeting Administration Handbook*, and *Language of Local Government*. IIMC provides training and information to city clerks and city secretaries. www. iimc.com

International Municipal Lawyers Association, 51 Monroe Street, Suite 404, Rockville, MD 20850 202-466-5424 (phone), 202-785-0152 (fax). Bi-monthly publication: *Municipal Lawyer*. IMLA also publishes a variety of documents of special interest to city attorneys. www.imla.org

Public Sector HR Association, 1617 Duke St., Alexandria, Virginia 22314, 703-549-7100. Major publications: *Public Personnel Management, HR News*, and *HR Bulletin*. PSHRA is a source of excellent information on productivity, employee performance appraisal, and other aspects of municipal personnel administration. www.pshra.org

National Association of Towns and Townships, 1901 Pennsylvania Avenue, NW, Suite 700, Washington, D.C., 20006, 202-331-8500. Major Publication: *Weekly Updates*. NATaT offers technical assistance, educational services, and public policy support to local government officials from small communities. www.natat.org

National Civic League, 190 E. 9th Ave, Suite 200, Denver, Colorado 80203, 303-571-4343. Major Publication: *National Civic Review*. NCL serves as a resource for information on citizen participation in state and local government and provides guides, model charters, and laws on specific subjects. NCL also sponsors the All-America City Award. www.ncl.org

National League of Cities, 660 North Capitol St. NW, Washington, D.C. 20001, 1-877-827-2385. Major Publication: *Cities Speak Blog*. Additionally, the organization conducts two national conventions of city officials, the first of which focuses on city-related federal programs, while the second emphasizes methods of improving municipal operations. www.nlc.org

U.S. Conference of Mayors, 1620 I Street N.W., Washington, D.C. 20006, 202-293-7330. USCM provides current information on federal policy developments of interest to cities over the population of 30,000. www.usmayors.org

OFFICIAL PUBLICATION OF THE TEXAS MUNICIPAL LEAGUE

TEXAS TOWN & CITY

January 2025
VOLUME CXII
NUMBER 1

HOW CITIES WORK

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TEXAS TOWN & CITY

Official Publication of the
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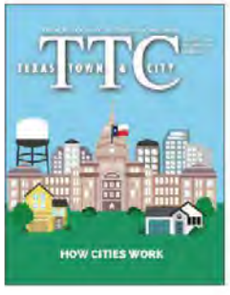

ABOUT THE COVER

How Cities Work is the Texas Municipal League's biennial collection of articles covering the important functions and vital services that Texas cities provide.
Cover illustration: Lindy N. Jordaan

ABOUT ★ TML

The Texas Municipal League exists solely to provide services to Texas cities. Since its formation in 1913, the League's mission has remained the same: to serve the needs and advocate the interests of its members. Membership in the League is voluntary and is open to any city in Texas. From the original 14 members, TML's membership has grown to more than 1,150 cities. Over 16,000 mayors, councilmembers, city managers, city attorneys, and department heads are member officials of the League by virtue of their cities'participation.

The League provides a variety of services to its member cities. One of the principal purposes of the League is to advocate municipal interests at the state and federal levels. Among the thousands of bills introduced during each session of the Texas Legislature are hundreds of bills that would affect cities. The League, working through its Legislative Services Department, attempts to defeat detrimental city-related bills and to facilitate the passage of legislation designed to improve the ability of municipal governments to operate effectively.

The League employs full-time attorneys who are available to provide member cities with information on municipal legal matters. On a daily basis, the legal staff responds to member cities' written and oral questions on a wide variety of legal matters. The League annually conducts a variety of conferences and training seminars to enhance the knowledge and skills of municipal officials in the state. In addition, the League also publishes a variety of printed materials to assist member cities in performing their duties. The best known of these is the League's magazine, *Texas Town & City*. Each issue focuses on a variety of contemporary municipal issues, including survey results to respond to member inquiries.

For additional information on any of these services, contact the **Texas Municipal League** at 512-231-7400 or visit our website, www.tml.org.

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MESSAGE ★ FROM THE PRESIDENT

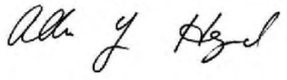
ALLISON HEYWARD, CMO
Councilmember, Schertz
TML President

Dear Texas City Official,

This is an important issue of *Texas Town & City* magazine. Titled "How Cities Work," it's an all-in-one primer on how and why Texas cities function. That's useful for a couple of reasons. For one, each of us in city government can use a reminder now and then about all the facets of city government: utilities; franchise fees, land use, street maintenance, firefighter safety gear, you name it. Perhaps more importantly, our friends in state government often know little or nothing about the level of government closest to the people. This issue is your chance to help educate them and make them our allies!

Texas cities are unique. We often provide more to our citizens, with less state resources, than cities in most other states. None of us has a substantial revenue line in our city budgets that reads "Transfer of Revenue from the State Government." While such a revenue source sounds attractive, it's a mirage. States that substantially fund their cities routinely slash that funding when times are tight, pushing cities into precarious cycles of boom or bust. Mayors in these states are regularly at their legislators' offices begging for more state revenue, breeding distrust and often even resentment. We do it better in Texas: we ask for little or no state funds, but in exchange we receive (in theory) broad ability to raise locally the funds needed to serve our residents. It's a solid formula—as long as our friends in state government don't undermine it with needless limitations and mandates.

The key to working in harmony with our state legislators is to make them stakeholders in our communities' success stories. Voting to artificially preempt or cap cities' capacity to thrive makes a lot less sense when you deeply understand the pressures city governments are under to succeed. So as you visit with your representative or senator before or early during this 2025 session (you do have visits planned already, right?!), let them know about the challenges your city is facing and how they can help. Together, working from the basics, we can forge a better working relationship at all levels of government.



Allison Heyward, CMO
Councilmember, Schertz
TML President

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TML ★ NEWS

By **Bennett Sandlin**, Executive Director, Texas Municipal League

As you read this issue of *Texas Town & City*, the 89th Texas Legislature has convened and is hard at work. The 2025 regular session will not end until June 2, 2025. Between now and then, lawmakers will consider thousands of bills. Unfortunately, many of those bills would, if enacted, erode municipal authority or otherwise limit the ability of Texas cities to carry out the important functions and provide the vital services expected by municipal residents.

Cities, the government closest to the people, embody the idea that "We the People" should be able to continue making decisions based on the needs of each unique community in Texas. Cities provide the services that we cannot do without - services that reflect the will of the local taxpayers and recognize that not all laws are able to be "one size fits all." **Because of the unique patchwork of cities in our state, we must be able to retain our ability to govern locally and continue making decisions that represent the needs of the community.**

With the idea that no two areas in the state are alike, the legislature began recognizing cities upon statehood to work closely with the community to address local needs more effectively. The locally-elected city councils in those cities decide – based on the needs of their citizens – how to provide appropriate services. Each city is different, and the needs of each community widely ranges. We often say, what works in the Piney Woods of East Texas won't always work in the Great Plains of the Panhandle and that rings true all across the state. But that is what makes our state great – the diversity and unique needs that can be addressed by the government closest to the people.

Cities rarely seek funding from the state, and they typically receive very little from the state. Cities instead need to be allowed to make their own decisions about how to keep their local communities thriving, benefiting the overall success of the state.

This issue of our magazine is a tool to help city officials explain how Texas cities are powerful engines of economic growth, as well as safe and pleasant places for people to grow up, raise families, and retire.

In this issue of *Texas Town & City*, we highlight:

- The sources of municipal revenue and the ways in which the legislature can damage that revenue
- The value of building codes
- Municipal economic development efforts and the ways that property tax caps threaten those efforts
- The status of municipal solid waste programs
- Municipal transportation and public works and the importance of maintaining right-of-way authority, compensation for use of rights-of-way, and funding sources for drainage utilities
- Municipal participation in utility rate cases
- The provision of municipal water and wastewater services, including funding for the State Water Plan
- The connection between infrastructure and revenue caps
- The high cost of providing public safety services
- The importance of annexation authority to the future of Texas cities and to the state's economy
- The ways in which zoning authority protects citizens and their property values
- The importance of libraries and library funding
- The value of municipal parks and recreation programs

While some state leaders will try to reduce municipal revenue or chip away at municipal authority, the vast majority of Texans know that their city leaders are trustworthy stewards and should be allowed to answer the needs of their citizens. To a very great extent, economic growth in Texas is the result of municipal efforts to ensure the availability of infrastructure, public safety, and the quality of life necessary for job creation. State policymakers should be very reluctant indeed to harm cities, because as our cities go, so goes our entire beloved state.

We look forward to working with you in these important months ahead as we advocate for municipal government in Texas. We're counting on you, our members, to actively help in this mission.

If you have any questions, please feel free to contact a member of the TML legislative department.

Thank you for your support and assistance. ★

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SMALL CITIES' ★ CORNER

What Can Small Cities Do Legislatively?

The goings-on at the Texas Capitol every two years may seem like a big-city process since the legislature meets in Austin and many of the lobbyists and their firms are based in big cities. But 80 percent of the Texas Municipal League's (TML) member cities have a population of under 10,000 population, and a large number of legislators and their staff have roots in small cities.

The League routinely calls on mayors, councilmembers, and city managers from small cities to testify, make phone calls, or get the word out about all the issues that Texas cities face. With due respect to the larger cities, often nothing shouts "credibility" more than a small city mayor engaged on an important issue like telecommunications law or water policy. Texans like to think of themselves as small town and rural at heart, and our legislature is no exception. It's important that city officials from small cities make their voices heard.

With this in mind, the League needs your help mobilizing our membership at key points during the 2025 legislative session. One tool that has proven to be highly effective is the Grassroots Involvement Program (GRIP). GRIP is an online survey that asks how well you know various state legislators, and if you are willing to communicate with those legislators during legislative session.

If you would like to support our advocacy work during the 2025 legislative session, please participate in the GRIP survey by visiting https://bit.ly/GRIP2025.

A heads-up about this program: If you're an official from a small city, it is highly likely that you will be among the first to be called! We mean what we say—small cities matter to TML and to the legislature, and we need you as a partner in our efforts to protect your ability to make decisions for your residents and community.

The best thing you can do as an elected official in a small city is to get to know your state legislators – not just during legislative sessions, but year-round. Give them a call, invite them to city hall, and share your town's concerns and successes. Ask how *you* can help *them*. Many of our legislators started out as mayors, councilmembers, commissioners, or school board members. They love to "talk shop."

For a complete list of contact information regarding your representatives, visit the state's "Who Represents Me" website at https://wrm.capitol.texas.gov/home. If you have any questions about the GRIP survey, contact JJ Rocha at jj@tml.org or 512-231-7400. ★

TMLLEGISLATIVESERIES.ORG

TML LEGISLATIVE SERIES

FOUR WEBINARS AND A WORKSHOP

Texas cities are strongest when we work together. The 89th session of the Texas Legislature begins in January. It will be a session where state lawmakers and local government leaders sort out roles and determine how cities can be partners with the state in meeting local taxpayers' needs.

WEBINARS

Thursday, January 16, 10:00 a.m. (central)
Legislative Webinar #1: Preview – What's Ahead for Texas Cities

Thursday, March 6, 10:00 a.m. (central)
Legislative Webinar #2: Keep Your Finger on the Pulse

Thursday, April 3, 10:00 a.m. (central)
Legislative Webinar #3: Be Heard at the Capitol

Thursday, May 1, 10:00 a.m. (central)
Legislative Webinar #4: What to Expect in the Final Days

WORKSHOP (IN-PERSON)

Thursday, June 27, 7:30 a.m.-2:00 p.m. (Georgetown)
Legislative Wrap-Up Workshop: An Insider's Perspective

LEGAL ★ Q&A

By **TML Legal Staff**

Q What is the Texas Municipal League's legal services department?

A The League's legal services department was established in the 1950s when the League hired its first lawyer to provide general guidance to city officials on legal issues related to their official duties. Since that time, the department's staff has expanded to meet the growing needs of our member cities. Under the direction of the TML Director of Legal Services, the current staff of five attorneys, a part-time law clerk, and a legal assistant performs numerous functions for the League's member cities.

Q What is the background of the department's attorneys?

A The department's attorneys have diverse backgrounds. One worked previously for the Texas attorney general's office, two have worked in-house for cities, one has also worked in private practice for a municipal law firm, another has worked as an attorney with the Texas Legislative Council, and one worked as a research attorney for a Texas membership association.

Q What is the most important service that the department provides?

A The legal services department's key service is responding to legal inquiries from member city officials. The legal staff responds to hundreds of phone calls and emails each week. In fact, over the last five years, the attorneys have provided legal advice to more than 75 percent of the League's more than 1,170 member cities. The inquiries range from simple questions to consultations on cutting-edge legal matters.

Q How does the legal department support the League's legislative activities?

A The legal staff provides support for the TML legislative services department on legislative matters throughout the legislative sessions and during the interim. That support includes conducting legal research and bill analysis, drafting of legislation and testimony on city-related bills, and summarizing city-related bills among other things. During the 2023 regular session, TML attorneys reviewed and analyzed more than 8,000 bills and resolutions and provided written testimony on bills before many committees of the Texas Legislature.

Q What other services does the department provide?

A The legal staff performs various other functions, including:

- Writing and updating numerous handbooks including the TML *Home Rule and General Law Handbooks, the TML Revenue Manual, the Economic Development Handbook, the TML Annexation Manual, and the TML Employment*

Law Manual. For the last update, the legal staff incorporated approximately 200 bills and dozens of other legal changes into the handbooks.

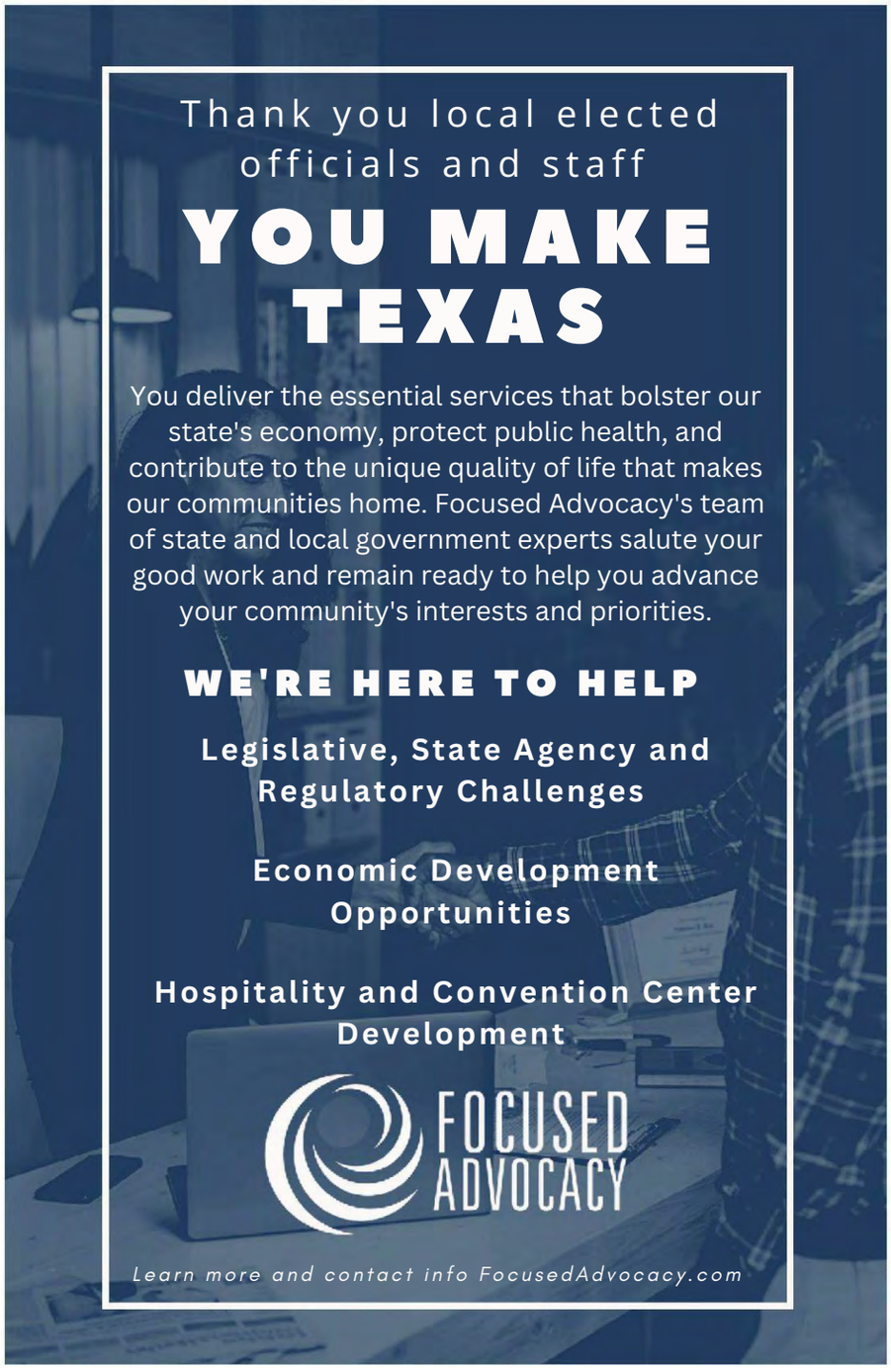
- In association with the Texas City Attorneys Association, providing "amicus curiae (friend of the court)" briefs in both state and federal appellate court cases and on attorney general opinion requests that could adversely affect our member cities. Over the past three years, TML has filed over 20 amicus curiae briefs.
- Preparing legal question-and-answer columns like this one and other articles for *Texas Town & City* magazine.
- Researching and writing articles for the *TML Legislative Update.*
- Preparing materials for the TML website.
- Preparing materials for and presenting at numerous TML and TML affiliate workshops, small cities' problem-solving clinics, and other seminars, as well as providing speakers with expertise in city issues to other organizations. Over the past year, TML lawyers have spoken at many workshops and seminars.

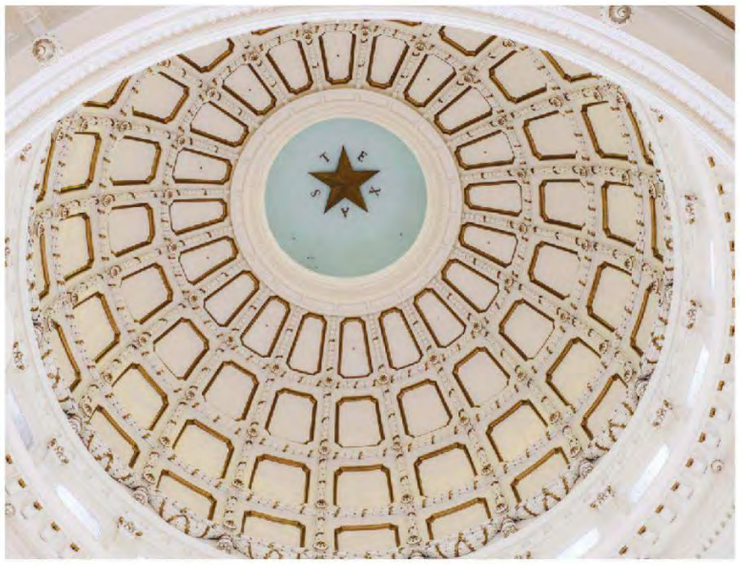
Q How do I contact the legal department?

A The legal staff is available for phone consultation at 512-231-7400 from 8:00 a.m.-5:00 p.m. Monday through Friday. The most common way that city officials submit inquiries is through emails to legalinfo@tml.org. A great deal of information is also located on the "Legal Research" tab found under the "Policy" section of the League's website at www.tml.org.

Q What else do I need to know about the legal department?

A City officials should remember that the League's attorneys serve as a resource to provide general guidance on legal issues. We do not directly represent your city, and our legal guidance should never be substituted for that of your city attorney. More information on the legal department can be found on the "Ask A Texas Municipal League Attorney" tab found under the "Policy" section of the League's website at www.tml.org. ★





ADVOCACY IS VITAL

The Texas 89th Legislative Session began on January 14, 2025. Before, during, and after the session, League staff works directly with legislators on items of municipal interest. However, our influence is directly affected by your city's efforts to be heard. Help your city plan an active and consistent role in the League's legislative effort.

Stay Well Informed

The League provides several ways for members to stay informed about legislative issues. The *Legislative Update* is the primary legislative communication between the League and its members. It is sent electronically as part of the *TML Exchange* email to member city officials on Fridays.

The legislative portion of the League website (www.tml.org; click on "Policy" and then "Legislative Information") is another important information source. There you will find a link to the current issue of the *Legislative Update* newsletter, as well as an index to past issues of the newsletter, summaries of legislative hot topics, and the League's legislative program.

The 2025 legislative session will address many issues that will involve Texas cities and their ability to meet citizen demands for services. The League's best advocates for protection of municipal authority are its members—elected and appointed officials from cities of all sizes and geographic areas. TML needs your participation.

Contact Legislators Early and Often

Your legislators need to hear from you, or they're forced to make decisions on local government issues without fully appreciating the impact they will have on cities in their district. Meet formally at least once a year prior to the session to review key issues. Ask if phone calls, emails, letters, or personal contact works best for them during the session. Encourage your legislators to work with League staff, too.

Keep the League Informed

The League advocating team includes Director of Grassroots and Legislative Services Monty Wynn, Grassroots and Legislative Services Manager JJ Rocha, General Counsel Bill Longley, Legislative Counsel Michael Martin, and **you**. Always send copies of your correspondence to and from legislators to the League. League staff can work more effectively with your legislators when we know what you've said and received in return. It also allows us to incorporate your local circumstances into our commentary. Emails can be forwarded to legislative@tml.org.

Stick to It

It's a fact of life in public policy that things take time. Your consistent participation in the legislative process is essential to long-term success.

The League Leads Advocacy Efforts

One of the primary functions of the League is to unify cities and speak as the voice for city government in Texas. Each legislative session, the League staff works with city officials to educate state legislators about the needs of Texas cities. The League has developed a toolkit to help city officials successfully advocate at the Capitol. The toolkit can be found at https://bit.ly/TMLAdvocacy.

2025 TEXAS LEGISLATIVE SESSION CALENDAR

January 14
First day of 89th Regular Session

January 16
Legislative Webinar #1: Legislative Preview – What's Ahead for Texas Cities*

March 6
Legislative Webinar #2: Keep Your Finger on the Pulse*

March 14
Deadline for filing bills

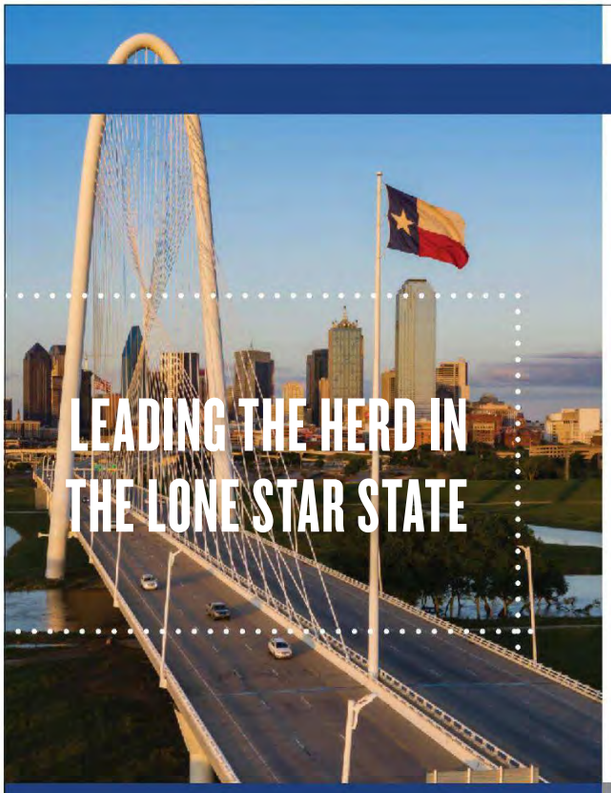
April 3
Legislative Webinar #3: Be Heard at the Capitol*

May 1
Legislative Webinar #4: What to Expect in the Final Days*

June 2
Last day of 89th Regular Session

June 27
Onsite Workshop: Legislative Wrap-Up – Georgetown*

* Register your city to participate in these essential updates on key legislative actions at https://tmllegislativeseries.org.



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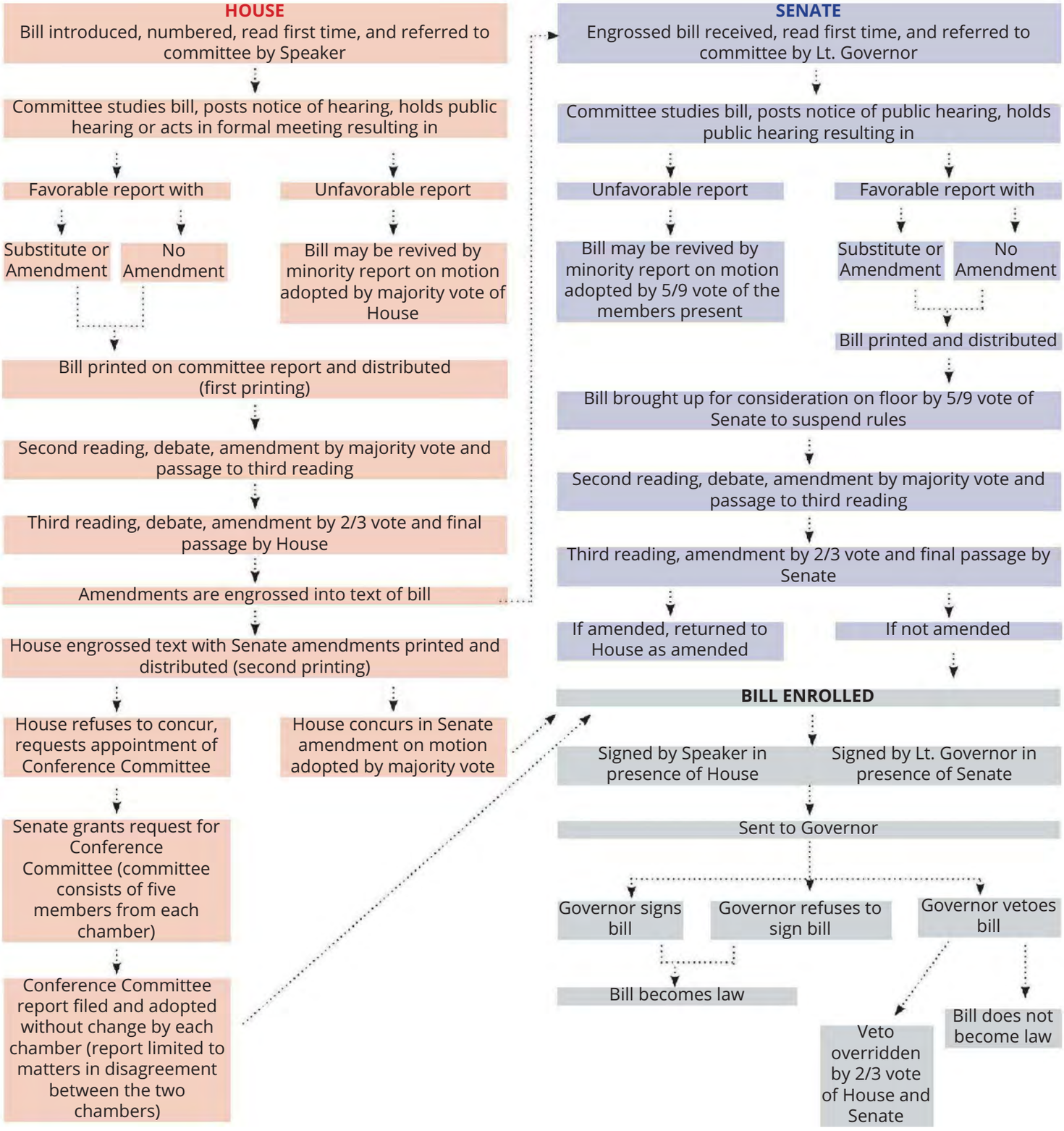
THE TEXAS LEGISLATIVE PROCESS FOR HOUSE BILLS AND RESOLUTIONS

This diagram displays the sequential flow of a bill from the time it is introduced in the house of representatives to final passage and transmittal to the governor.



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10. ASK questions 512-231-7400

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THE GROWTH OF TEXAS CITIES: NAVIGATING CHANGE IN A COMPLEX LANDSCAPE

Since the turn of the century, Texas has added more new residents than any other state – adding nearly 3 million more than Florida, the next closest. As one of the fastest-growing states in the nation, Texas continues to attract new residents drawn by economic opportunity, lower taxes, and the allure of city life. This growth has not only transformed the state's demographic landscape but has sparked a debate about urban expansion in a rapidly changing regulatory environment.

Demographic Shifts and Urban Migration

In the early 2000s, Texas was still home to a substantial rural population, but by 2023, the majority of the state's residents now live in urban areas. The state's largest cities—Houston, Dallas, Austin, and San Antonio—have experienced significant population growth, often surpassing the national average. This growth is driven by a strong economy and relatively low cost of living, attracting individuals and businesses to these and other metropolitan areas. As a result, several cities in Texas are among the most culturally diverse in the country, fostering a dynamic culture that reflects the changing face of the state. The impact of these demographic changes is clear: cities have become even more important to Texas's economy and culture.

The Role of Annexation in City Growth

Annexation has traditionally been a powerful tool for Texas cities to accommodate growth. By incorporating adjacent unincorporated areas into their city limits, cities were able to expand and regulate development, extend municipal services to more people, and expand their tax base. However, in recent years, the annexation process has faced significant legal and political challenges.

Legislative Changes and Restrictions

The authority of Texas cities to annex land changed dramatically in 2017 and 2019 when the Texas Legislature introduced new laws that required landowner consent for nearly all annexations. This shift represented a major departure from the traditional annexation process, which had allowed cities to incorporate land unilaterally under certain conditions. These reforms effectively limited the ability of cities to expand without the agreement of those being annexed, which has likely slowed the rate of growth for many Texas cities.

Further Erosion of Annexation Powers

In 2023, the Texas Legislature passed Senate Bill 2038, further complicating the annexation process. This law allows landowners within a city's extraterritorial jurisdiction (ETJ) to unilaterally remove their property from the ETJ, even over the objections of neighbors or the city itself. This provision has raised concerns among city officials who argue that it undermines their ability to plan for future growth and provide services to areas just outside city limits. The legislation has also created tension between urban planning objectives and the individual desires of landowners.

Moving Forward: The Future of City Growth

With annexation power curtailed and unknown challenges on the horizon, Texas cities must now focus on alternative strategies to foster growth. Incentivizing landowners to join cities voluntarily will become a key tactic in maintaining growth. Offering clear benefits such as access to city services, infrastructure development, and the vibrant life that cities offer will be crucial in persuading property owners to agree to annexation. Moreover, cities will need to emphasize the long-term advantages of urban development, such as economic opportunities, improved public services, and enhanced quality of life, to counteract the reluctance of

rural and suburban landowners to be included into the city limits. Some cities will likely decide that geographic growth is not a viable strategy and will focus exclusively on their current jurisdiction. The shifting legal landscape means that the future of Texas city growth lies not just in expansion but in cultivating strong relationships with surrounding landowners and communities or shifting city priorities.

In conclusion, the growth of Texas cities has been shaped by both internal dynamics and external pressures. While cities have been the epicenter of population growth and economic development, legislative actions have introduced new complexities to the expansion process. Moving forward, Texas cities must innovate and adapt, creating strategies that align with the evolving legal framework while continuing to attract people to the benefits of city living.

U.S. Census Bureau. (2023, March 30). *Texas Population Passes the 30 Million Mark in 2022*. https://www.census.gov/library/stories/2023/03/texas-population-passes-the-30-million-mark-in-2022.html

White, S., Potter, L. B., You, H., Valencia, L., Jordan, J. A., Pecotte, B., & Robinson, S. (2017, September). *Components of Population Change in Urban Texas*. Texas Demographic Center. https://demographics.texas.gov/

Manjoo, F. (2021, November 23). *Everyone's Moving to Texas. Here's Why. The New York Times*. https://www.nytimes.com/2021/11/23/opinion/move-to-texas.html ★

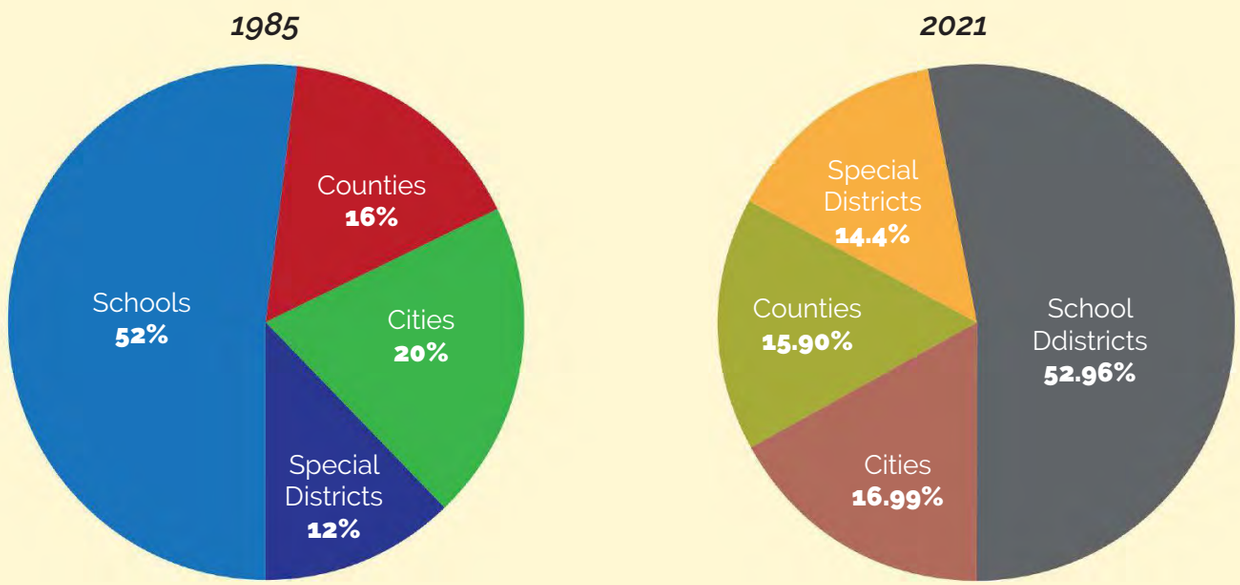
CITY PROPERTY TAXES: TREMENDOUS BANG FOR THE BUCK

Texas cities depend heavily on property tax revenue. Property taxes help fund many of the services that residents demand, including police, fire, streets, and parks. But as Chart 1 shows, city property taxes constitute a small portion of a typical homeowner's property tax bill.

Chart 1

Distribution of Property Tax Collections

Source: Texas Comptroller's Biennial Property Tax Report



How do Texas cities provide so many services with such a small share of a typical property tax bill? Is it with financial help from the state? Not quite.

Unlike other states, Texas provides no general-purpose state aid to cities to help pay for streets, public safety, or other city services. Cities in Texas generate their own revenue. That's why state tax revenue to cities is relatively low, and state property tax revenue to cities is nonexistent, while local property tax revenue is comparatively high.

According to data from the United States Census Bureau, 2021 state and local tax collections in aggregate in Texas was $4,888 per capita. Of that $4,888, 59 percent or $3,474 was local tax collections. That number makes Texas the 34th highest in the country for state and local tax collections.

But that census data focuses on "local governments" (cities, counties, schools, and districts). What about cities only? For this information, we turn to a publication of the National League of Cities (NLC), *Cities and State Fiscal Structure*.

One section of this report tabulates, for each state, a statistic the authors refer to as "own-source capacity." This is a measurement of the extent to which decisions made by city officials determine the city's fiscal direction. Since Texas cities take care of themselves without intergovernmental aid, it comes as no surprise that Texas ranks second in the nation in municipal own-source capacity.

The flip side of that coin is the report's measure of state aid to cities. Here again, the NLC report replicates previous research: Texas trails only Georgia, Oklahoma, and West Virginia in state aid—the share of municipal revenue that comes from state government sources.

These two findings of the NLC report once again establish these facts: (1) the State of Texas relies very heavily on Texas cities to generate the revenue necessary for municipal facilities and services; (2) the state gives cities the capacity to generate that revenue; but (3) the state gives cities virtually no state financial aid.

In addition to forcing local governments to generate comparatively large amounts of tax revenue, the State of Texas also forces those local governments to rely heavily on property taxes. It essentially does this by denying them other revenue sources. While this is especially true for public schools which rely almost exclusively on property tax, it is also true for cities and counties. In fact, of the $3,474 in tax revenue generated by local governments in Texas, a whopping 76 percent or $2640 comes from property taxes.

These two fiscal conditions, which create the property tax mess in Texas, are unlikely to change unless the State of Texas takes one (or both) of two actions:

1. Inject more state money into public services and facilities, especially public schools. This means even more state revenue than was provided through past school funding efforts.
2. Open more revenue sources for counties and cities.

Additional attempts to reduce the property tax burden in Texas will either be ineffective or will create unintended, negative consequences.

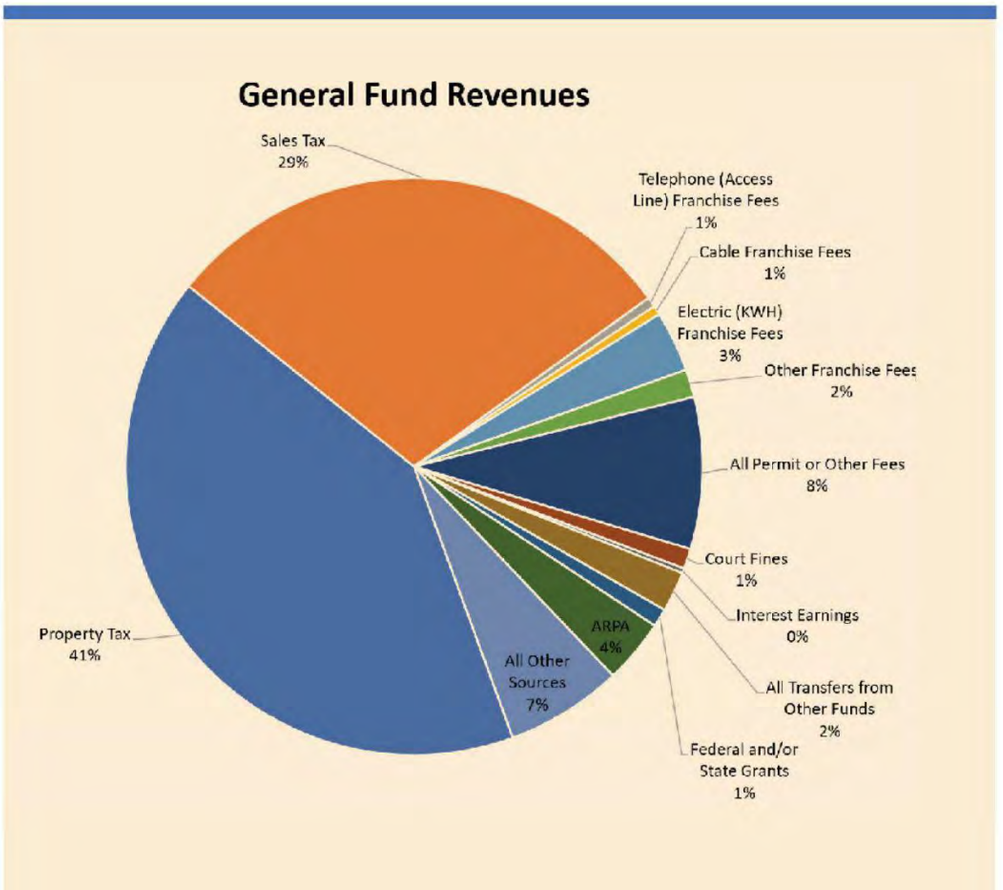
In a nutshell:

(1) Texas cities provide vital services that benefit their citizens; (2) Texas cities provide those services with less aid from the state, as compared to other states; and (3) Texas cities manage all of this despite a very small share of the total property tax levy and with reasonable annual increases in those taxes. ★

WHERE DO TEXAS CITIES GET THEIR MONEY?

City government is where the rubber meets the road. Cities pave our streets, fight crime and fires, prepare us for disaster, bring water to our taps, take our trash away, build and maintain our parks—the list goes on and on. These services cost money. This article describes the sources of municipal revenue and expenditures.

A 2022 Texas Municipal League survey shows that municipal general fund revenue in Texas is made up of the following sources:



Conspicuously absent from this list is financial assistance from the state. This is unusual—most states provide direct financial assistance to cities in recognition of the fact that cities provide basic services on which the entire state depends.

Instead of revenue, Texas cities receive something equally important from the state—broad authority to govern themselves, including the authority to raise their own revenue. This local authority has worked to the benefit of cities and the state for many decades and should continue into the future.

HERE'S MORE INFORMATION ON EACH SOURCE OF MUNICIPAL REVENUE:

Property Taxes

Property taxes are the leading source of city revenue. Though crucial to city budgets, city property taxes make up just a fraction of a property owner's total property tax bill.

Most cities under 5,000 population have statutory authority to levy property taxes at a rate of up to $1.50 per $100 of assessed value. Most cities over 5,000 population have statutory authority to levy property taxes at a rate of up to $2.50 per $100 of assessed value. Despite this broad authority, the average city property tax rate was only $.48 for tax year 2023.

City property tax levies are tied by law to fluctuating property tax values. As values increase, the city must adjust its rate or hold voter approval tax rate elections. Such elections are rare. City rates have held relatively steady for years, both in terms of actual rates and in terms of total levy as adjusted for inflation and rising income.

Sales Taxes

Sales taxes are a major source of city revenue. Nearly 93 percent of Texas cities levy a basic one-cent city sales tax. The revenue can be used for any purpose other than payment of debt. Many cities, though not all, also impose additional sales taxes in varying amounts of up to one cent. These additional sales taxes are known as dedicated taxes, because their proceeds may be spent only for certain purposes. Some popular dedicated sales taxes include mass transit, economic development, street

maintenance, property tax relief, and sports venue taxes. All city sales taxes, including the basic one-cent sales tax, require a local-option election of the citizens. Collection of sales taxes is performed by the Texas comptroller, who "rebates" the city share on a monthly basis. The comptroller retains a small portion of the city tax revenue to cover the state's administrative costs.

Right-of-Way Rentals

When utilities and other industries use city property to distribute their services, cities are permitted by law to collect rental fees, also known as "franchise" fees, for the use of public property. Franchise fees are calculated by various methods, depending on industry type.

Permits and Fees

Cities may collect fees for issuing permits for building construction, environmental regulation, and other services. Because cities incur costs to regulate in these areas, the permit fees must be tied to the cost of providing the service.

Court Fines

A city that operates a municipal court may impose fines for violations of traffic laws and city ordinances. Maximum fines typically range from $200 for traffic violations, and up to $2,000 for city ordinance violations relating to health and safety. Much of a city's fine revenue offsets the costs of law enforcement and operation of the municipal court system.

> **Did You Know?** Many people mistakenly believe that cities derive substantial general revenue from their courts. In reality, the first $84 of most traffic tickets goes directly to the state. What's left over, if any, can be used by the city. Unfortunately, city courts are increasingly being used as a backdoor revenue source for the state.

Interest Earnings

When a city invests its funds, it must closely follow the mandates of the Public Funds Investment Act. Because of the twin concerns of safety and liquidity, investment income is a relatively small source of city revenue.

Transfers from Other Funds

Many cities operate utilities and other optional services that generate substantial gross revenues. By law, the fees for such services must closely offset the cost of providing the service. In addition to the cost factor, cities are permitted to retain a reasonable "return," which can then be transferred to the general fund. This return amounts to less than six percent of overall city revenue.

Other Sources

City revenue can take various other forms, including user fees for some services, amusement taxes, and hotel occupancy taxes.

The Bottom Line

The state could put municipal revenue at risk in at least two ways. First, the state could increasingly look to cities for revenue to fund state programs. When a state provides direct financial assistance to its cities, such trading of revenue might be workable. Texas is not such a state. Texas cities receive virtually no direct funding from the state and cannot afford to fund the state's obligations. Second, the state could erode the statutory authority under which cities raise their own revenue. While cities are indeed subservient to the state, city officials hope that the respectful nature of the fiscal relationship between Texas cities and the state will continue for years to come. ★

Expenditures

In a survey conducted by TML, core city services like police, fire, and EMS account for the majority of expenditures. In addition, cities spend revenue on streets, municipal courts, parks, and libraries. "Other Expenditures" in the survey include primarily administrative and personnel costs.

Putting Local Debt in Context

The story about debt coming out of certain Austin think tanks goes something like this: the state has its fiscal house in order, but local governments are greedy, profligate spenders running up the taxpayers' credit card. It's a powerful narrative, but it isn't true.

A recent report issued by the Texas Bond Review Board shows total outstanding state and local debt for the past few years. From 2019-2023, total outstanding local debt increased from $240.66 billion to $309.77 billion, a 28.7 percent increase. Meanwhile, total outstanding city debt increased from roughly $77 billion to $96 billion, a 24.6 percent increase during the same time frame. For the same period, total outstanding state debt increased from $59.9 billion to $70.9 billion, an 18.4 percent increase. In other words, local debt (and city debt) is increasing at a similar pace as state debt in recent years.

At $309.77 billion, the amount of total local debt is certainly significant. However, only a small portion of that—$43 billion—is tax-supported city debt. Another $52 billion is city debt supported by the revenues of city utilities and not by property taxes. The largest portion is tax-supported school district debt at $119 billion.

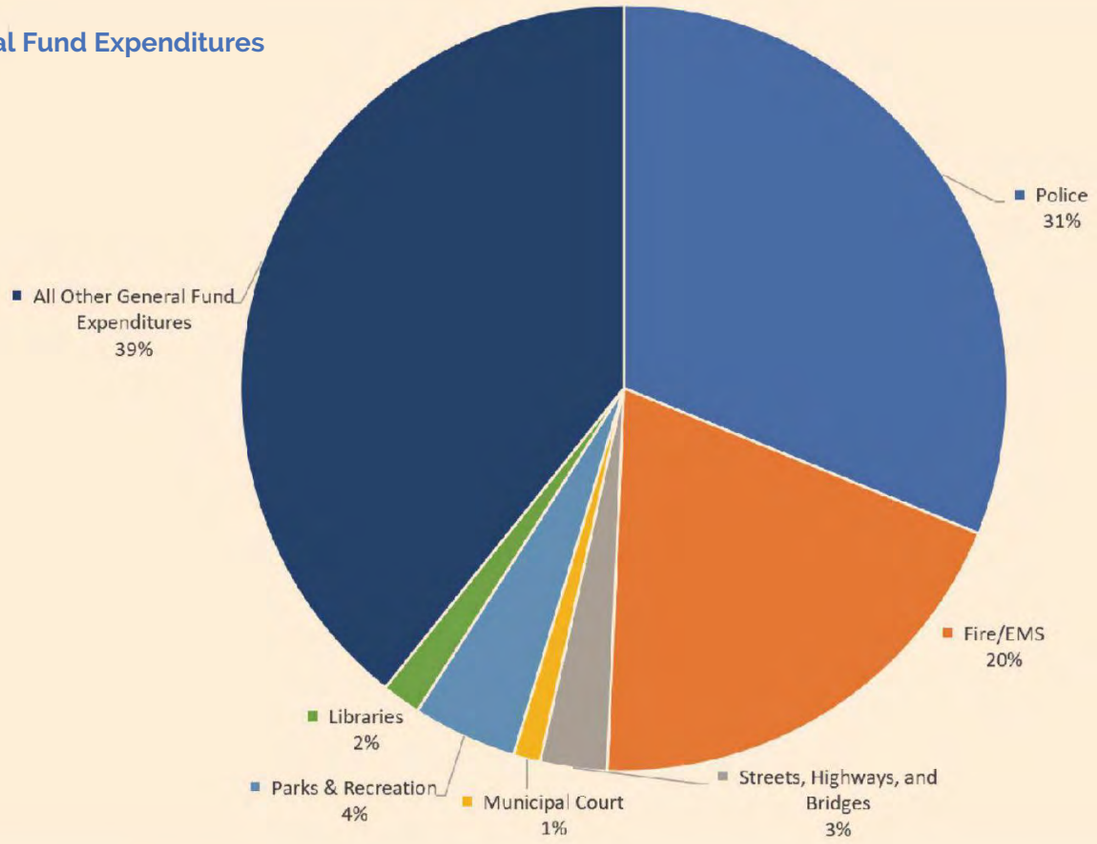
School funding is a constitutional obligation of state government. The state has chosen to discharge that obligation by creating local school districts that levy the needed taxes. The $119 billion of school district debt ought to be thought of as a state debt because that's how the state has chosen to fund schools. Shift that $119 billion over to the state debt column and a vastly different picture about which governments may be falling dangerously into debt emerges. In any event, the numbers clearly show that it isn't Texas cities.

The recent focus on local debt (even though state debt is growing faster) likely relates to the reality that Texas state government, for better or worse, has gotten out of the business of building new state infrastructure with state dollars. Instead, locals are expected to pick up the slack for things like roads and reservoirs.

Consider the water funding proposition that passed in November 2014—it ultimately spends zero state dollars. Instead, through the use of a revolving fund, it *encourages cities to take on debt* to build our state's important reservoirs and other water projects. This is a perfect example of the state essentially forcing locals to take on debt to do the state's work, then blaming the same locals for having taken on the debt in the first place.

Texas cities are willing to partner with state government to build infrastructure in our great State but should not be considered scapegoats in that partnership.

General Fund Expenditures



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CRACKING THE CODE:
CITIZEN SAFETY AND PROTECTION OF PROPERTY VALUES

The building code of 4,000 years ago was simple but brutal. According to an ancient Hammurabi code, "[i]f a builder builds a house and does not make its construction firm, and the house collapses and causes the death of the owner, that builder shall be put to death."

The first building codes in the United States, established in 1625, addressed fire safety and specified materials for roof coverings. In 1630, Boston outlawed wooden chimneys and thatch roof coverings. In the late 1770s, George Washington recommended height and area limitations on wood frame buildings in his plans for the District of Columbia. In 1788, the nation's first-known formal building code was written in Winston-Salem, North Carolina. Larger United States cities began establishing building codes in the early 1800s.

Today, most populous cities in Texas have adopted modern construction codes. The professionals enforcing current building codes in Texas maintain the vigilance of the ancient code of Hammurabi, but with a significantly more civilized approach that emphasizes knowledge and education. Building code regulations enforced in Texas cities ensure minimum standards for safe homes, schools, workplaces, and other buildings.

Scott McDonald, the City of Denton's development services director, points out that "during these tough economic times, the enforcement of construction codes is even more important." According to McDonald, "The active enforcement of construction codes not only provides a minimum standard for the structural and life safety components of the homes, schools, churches, and businesses, it can also provide energy efficiency standards."

"Buildings constructed to meet updated codes and energy efficient standards protect property values for years into the future, [and] they provide a sustainable stock of housing and commercial options in a community," he adds.

City Building Codes

Prior to 2001, Texas had no statewide standard for any residential or commercial buildings. Each city chose which, if any, building codes to adopt for construction within the city limits, and each city amended its code to meet local concerns.

In 2001, the Texas Legislature adopted the International Residential Code (IRC) and the National Electrical Code (NEC) as the standard building codes for residential construction in Texas cities. Also in 2001, the Legislature adopted energy efficiency standards for residential, commercial, and industrial construction. In 2005, the Legislature adopted the International Building Code (IBC) as the municipal building code in Texas for commercial and multi-family construction. Later sessions included revisions to the International Energy Conservation Code.

In 2021, the Texas Legislature adopted the 2012 versions of the IRC and IBC as the official residential building code and commercial building code, respectively, in the state. However, a city may, by ordinance, adopt local amendments, to the IRC and IBC provided the city holds a public hearing on the local amendment before adopting the amendment.

Uniform building codes can make construction and inspection easier and more cost-effective. However, because Texas is a vast state with many different climates and topographical features, uniform codes serve only as standards, and each city is allowed to amend its codes to meet that city's needs.

In 2019, the Texas Legislature adopted legislation that impacted a city's ability to control building materials or construction methods of residential or commercial buildings within the city. Cities can continue to adopt amendments to building codes that do not conflict with the building materials law and can have limited control over building materials or construction methods if done pursuant to a written agreement. Also "Dark Sky Communities" are exempt from certain regulations regarding the use of building materials. The reality is that cities now have much less authority over building materials and aesthetic methods.

Building Permits

Under most cities' codes, a person who wishes to build a structure must apply for a permit. City officials review the necessary information and issue a permit if the structure complies with that city's regulations. The amount of time needed to review the permit application varies from city to city and from project to project based on several factors, including the complexity of the city's code and the project. Because of many issues affecting each individual city and building project, a blanket requirement that a permit be issued in a certain amount of time would place an untenable burden on city building officials.

Similarly, building permit fees vary widely based on several factors, including the number and type of inspections and the sophistication of the city's permitting process. While some have claimed that city fees are responsible for the rising costs of housing in Texas, a survey commissioned by the Texas Municipal League shows that building and inspection fees constitute only a

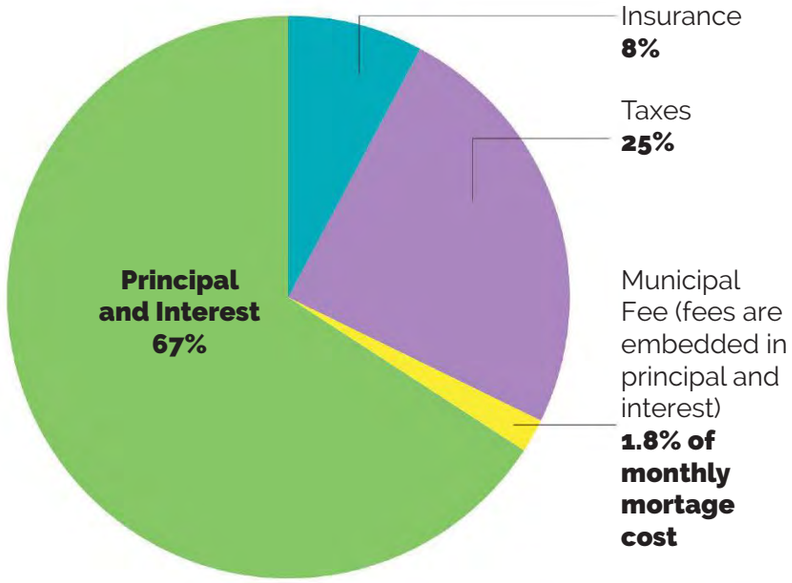
tiny fraction of a homebuyer's mortgage payment (see Chart 1). A city is not limited by law as to the amount the city can charge for building and related permits, but a city cannot charge more than is reasonably related or necessary to administer the permitting process as that could be deemed an unconstitutional tax. Additionally, a city is prohibited from basing its building permit fees on the cost of a proposed structure. Specifically, a city, in determining the amount of a building permit or inspection fee required in connection with the construction or improvement of a residential dwelling, may not consider: (1) the value of the dwelling: or (2) the cost of constructing or improving the dwelling. As a result, cities have opted to use other methods to determine reasonable permit fees such as square-feet based fees, a flat fee schedule or other non-cost-based calculations.

Another recent limitation to a city's authority to impose building permit fees was adopted by the legislature in 2023. State law now abolishes a building permit fee on the 10th anniversary of the date the fee is adopted or reauthorized unless the city holds a public hearing and reauthorizes the fee. The practical effect of the bill is that cities are required to reconsider their building permit fees every ten years. ★

Chart 1

The Role of Municipal Fees in Monthly Mortgage Costs

(Average of Eight Representative Texas Cities, 2003)



CITY ECONOMIC DEVELOPMENT

Texas cities are the first—and often the only—engine of economic development in the state. Until the Texas Enterprise Fund was created, cities were the only entity that routinely granted incentives necessary to attract new business to the state. With the Enterprise Fund up and running, larger cities have partnered with the state to attract major developments such as a Texas Instruments facility and a Toyota plant. Smaller cities are often on their own to attract business.

Until the late 1980s, using city resources to attract business was arguably unconstitutional. However, in 1987, Article 3, Section 52-a of the Texas Constitution was added to make it clear that economic development serves a public purpose. From that point on, three major channels of city economic development began to open for cities: Chapter 380 agreements; the Type A/Type B economic development sales tax; and property tax incentives.

Chapter 380 Agreements

Chapter 380 of the Local Government Code authorizes cities to establish programs for grants and loans of city resources for economic development purposes. Although it is the broadest economic development tool for cities, Chapter 380 is often overlooked in favor of other incentives. Cities using 380 agreements must be careful not to simply present a blank check to business and industry prospects; a program providing for checks and balances on a business's use of Chapter 380 money is required by law. Examples of these checks and balances might be performance agreements tying grant money to the creation of a certain number of jobs or requiring the business to stay in the city for a certain length of time.

Economic Development Sales Tax

More than 500 Texas cities have adopted a Type A or Type B economic development sales tax. Some cities have both taxes. The tax was created in 1989 and the authority to spend Type A/Type B tax money has gradually expanded to cover all forms of commercial, retail, and traditional industrial economic development. A list of authorized projects for which a Type A or Type B economic sales tax may be used can be found here: https://www.tml.org/DocumentCenter/View/4112/2023-EDC-TABLE

The Type A/Type B sales tax remains an important economic development tool for many cities that have the available land and workforce to attract industry.

Additionally, instead of a Type A or Type B economic development sales tax, some cities have adopted a municipal development district (MDD) sales tax that may be levied in a specified area in the city or in the city's extraterritorial jurisdiction. The MDD sales tax closely resembles the traditional Type A/Type B economic development sales tax, but the scope of projects that may be funded with an MDD tax is slightly broader. There are some key differences in how an MDD is administered as compared to an economic development corporation however, including a bit less statutory clarity on the city's oversight of an MDD.

Property Tax Incentives

Property taxes may be directly tapped to promote economic development in two ways: tax abatement and tax increment financing. Both function by either forgiving (abatement) or dedicating to improvements (increment financing) any **net increase** in property tax revenue as a result of a business moving to town or upgrading existing facilities. Property tax incentives can never forgive or decrease the present taxable value of the land and facilities upon which they are granted. This key feature of the incentives—that all current taxes must continue to be paid—belies the common misconception that tax incentives are "giveaways." On the contrary, when done properly, tax incentives create new taxable value that never would have come to town absent the incentive, thus lowering the overall tax burden on other properties. ★

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CITIES KEEP THE GARBAGE FROM PILING UP

Did You Know?

Texas cities have been authorized to provide or contract with a private company to provide garbage collection services within city limits since 1971. Texas law recognizes that this authority is essential to preserve the public health and safety of all the residents of a city. Uncollected garbage can easily result in various health problems. This law routinely comes under attack from certain groups, but the bottom line is that timely, efficient, and effective garbage collection through city service prevents problems from occurring. Open piles of garbage attract disease-carrying rodents and insects, and often wash into drainage systems where they contribute to floods and waterborne disease.

"If future generations are to remember us with gratitude rather than contempt, we must leave them something more than the miracles of technology. We must leave them a glimpse of the world as it was in the beginning, not just after we got through with it."

-President Lyndon B. Johnson

Garbage collection and disposal is one of the most recognizable and widely used city services. This vital service protects the public's health and the environment. A city can choose to operate its own garbage collection and disposal system or grant a franchise to a private company (or companies) to handle those tasks.

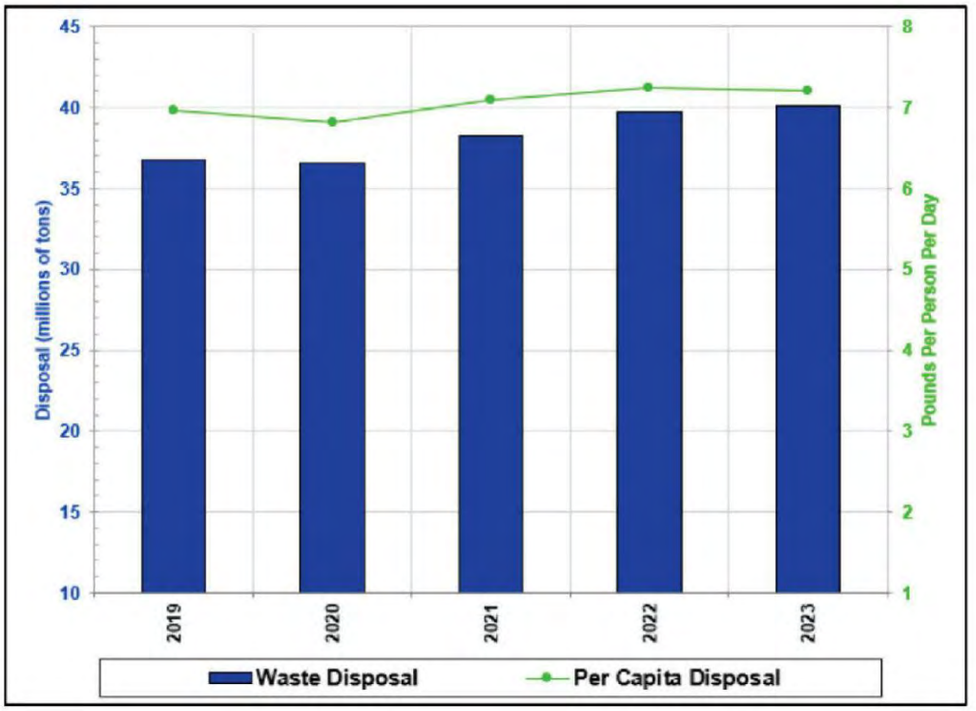
Waste generation is a function of two variables – population and economy – both of which are growing in Texas. In Texas, the definition of "municipal solid waste" includes waste resulting from or incidental to municipal, community, commercial, institutional, and recreational activities including garbage, rubbish, ashes, street cleanings, dead animals, abandoned autos, and all other solid waste other than industrial solid waste. According to the Texas Commission on Environmental Quality (TCEQ), Texans disposed of approximately 40.1 million tons of municipal solid waste in 2023. That's about 7.20 pounds per person per day, a slight decrease from the 2022 rate of 7.25 pounds. During this period, the state's population increased by 1.58 percent.

Cities have statutory authority to offer recycling programs to their citizens. Recycling helps reduce the production of solid waste that a city must dispose of and reduces the costs of operating a municipal solid waste disposal system. In addition, recycling may also create more jobs than disposal programs do. Of course, statewide recycling mandates wouldn't take into account the various factors that make different parts of Texas unique, so recycling should be implemented locally in a way that is appropriate for each city. ★

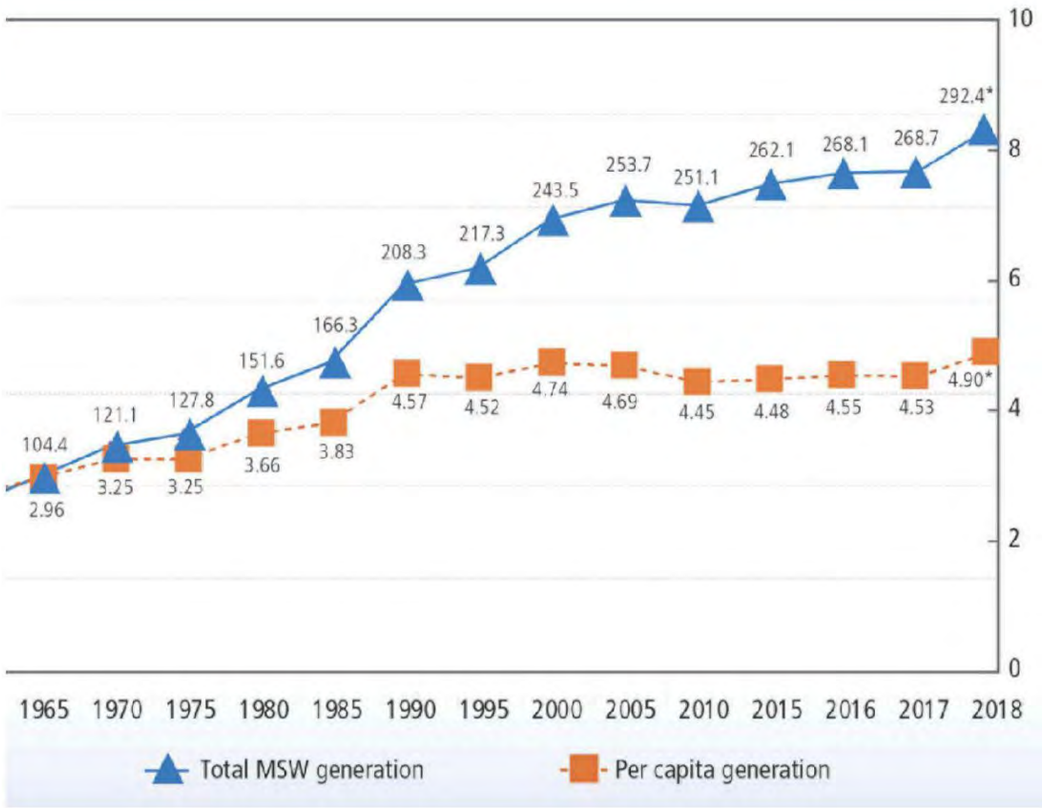
"Unless someone like you cares a whole awful lot, nothing is going to get better – It's not."
-The Lorax by Dr. Seuss

Texas Total and Per Capita for MSW Landfill Disposal

Source: TCEQ, Municipal Solid Waste in Texas: A Year in Review - FY2023 Data Summary and Analysis



Recycling of Municipal Solid Waste (MSW) in the United States 1960 – 2018*



Where Does It Go After I Place It at the Curb? How Much Does This Service Cost?

After household garbage is collected, it often goes to a facility known as a transfer station where waste is consolidated into larger loads for shipment to its ultimate destination: a landfill or a waste-to-energy plant. Recyclable material goes to processing facilities where it becomes raw materials for new products.

In 2018, 50.0 percent of municipal solid waste generated in the United States was ultimately disposed of in landfills; 11.8 percent was disposed of through waste incineration with energy recovery; and 32.1 percent was recovered for recycling or composting.

The cost of governmental compliance and the rising costs of fuel and equipment has led to an increase in the costs of collection and disposal in some communities. However, even with such increases, residential trash collection and disposal is still inexpensive relative to other utilities and household services, such as cell phone bills and cable television. For instance, in 2024 the cost of city waste collection in Dallas is less than $40 monthly, in San Antonio ranges from $20-$35 monthly, and in Houston there is no fee at all.

Collection and disposal costs have gone up in some communities for various reasons including the rising costs of fuel and equipment, as well as the rising costs of complying with new environmental regulations. Despite these increases, residential trash collection and disposal is still a bargain for United States consumers when compared to other utilities and services like cellular phone and cable television service.

Sources:

EPA, Advancing Sustainable Materials Management: 2018 Fact Sheet (December 2020)
https://dallascityhall.com/departments/sanitation/Pages/Rate-Changes-FY-2023-24.aspx
https://311.sanantonio.gov/kb/docs/private/graffiti-and-waste-collection/solid-waste-fees-and-charges

Ask yourself this: why was TCAP written into the Texas electricity deregregulation bill in1999 and why should I care?

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* Texas Civil Practice and Remedies Code, Chapter 304, Sec. 304.001.

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Streets and Traffic

Citizens expect a smooth commute and reliable travel options. A city's public works department makes this possible, with employees dedicated to building, maintaining, and repairing city streets. Their work extends beyond streets to include streetlights, sidewalks, and other essential infrastructure. Funding these efforts, which benefit the entire Texas economy, poses challenges for cities. Unlike other states, Texas provides no state aid to cities for street maintenance. In other states, a portion of vehicle registration fees or gasoline taxes is allocated to cities for this purpose, but not in Texas. However, the Texas Legislature has authorized Texas cities to target a portion of the local sales tax specifically towards street maintenance, which many cities have done.

> **Traffic Signals: Coordinating Intersections Isn't Free.** According to the City of Austin, after a traffic signal request is granted for an intersection, it typically costs **$500,000** to construct and install a single traffic signal.

Right-of-Way Authority and Utilities

Many Texas cities are experiencing unprecedented activity both above and below their streets and rights-of-way (ROW). This surge results from rapid advances in communications technology, increased competition in the telecommunications industry, and the expansion of electric distribution lines to new development areas.

These activities can sometimes negatively impact public safety, traffic flow, city infrastructure, and city operations. Excavations have occasionally caused major water line breaches, and other ROW activities have led to high-profile traffic disruptions. Cities have experienced utility line cuts, barricaded and damaged streets, and compromised water lines. Such actions significantly reduce the lifespan of city streets, making them unsuitable for traffic.

The latest ROW issues have emerged with the planned proliferation of "small cell nodes." A small cell node is an antenna with related equipment designed to provide high bandwidth over a short range. They are deployed in densely populated areas to deliver the broadband capacity that people and businesses demand. One guiding principle in small cell deployment is clear: cities and businesses want improved cellular and broadband service. Everyone wants the best technology to support educational and business opportunities.

Senate Bill 1004, passed in 2017, aimed to support companies in deploying small cell facilities. The bill requires cities to allow access for cell nodes and related equipment in city rights-of-way, including permission to place equipment on city light poles, traffic poles, street signs, and other facilities. This mandate can pose public safety risks. More concerning, however, is that the bill limits cities to a rental fee of $250 per node—significantly less than what companies would pay on the open market.

Similarly, S.B. 1152, passed in 2019, eliminated certain franchise fees. The bill allows a cable or phone company to cease paying the lesser of its state cable franchise fee or telephone access line fee, whichever is lower for the company statewide. As a result, compensation for the use of city rights-of-way is no longer based on the value of the right-of-way to the companies. Instead, this shift effectively forces city taxpayers to subsidize the companies' business costs.

A coalition of cities filed a lawsuit challenging S.B. 1004's unconstitutional cap on small cell rental fees and S.B. 1152's elimination of certain franchise fees. The lawsuits argue that the cap and fee elimination amount to a taxpayer subsidy for the cellular and telecommunications industries, allowing nearly free or discounted use of taxpayer-owned rights-of-way and facilities. Simply put, the bill redirects tax dollars from city residents to cell phone and telecommunications providers. In November 2024, the Austin Court of Appeals issued an opinion in favor of the city coalition on its constitutional challenges to both statutes. In all likelihood, the state will appeal the decision to the Texas Supreme Court, and it is possible that legislation is pursued in 2025 to remedy the constitutional defects in the two laws.

Adding to these issues, the Federal Communications Commission (FCC) in 2017 adopted an order that preempted municipal authority over small cell installations, further limiting local control over rights-of-way and capping rental fees for small cell deployment. In response, a national coalition of cities led by the City of Portland filed a lawsuit challenging the FCC order. In August 2020, a court of appeals upheld the FCC's provision limiting city right-of-way fees to a recurring charge of $270 per site, per year, and restricting cities from recovering costs not directly related to right-of-way maintenance, charging above cost recovery, or covering "unreasonable" costs, such as excessive contractor or consultant fees.

Right-of-Way Compensation

The Texas Constitution prohibits cities from allowing free use of their rights-of-way. Therefore, cities collect compensation in the form of rent from utility providers, based on various state and federal statutes. Some have attempted to label this rent as a "tax," but that characterization is inaccurate. The rent is simply a business cost for a utility using city property, much like a utility would pay to rent property or obtain an easement from a private landowner. Utilities, such as satellite providers, do not pay this rent when they have no facilities on city property. In any case, the law authorizes this compensation, which provides significant revenue for cities.

Local Participation: Cities Help Pay for State Highways
Although amendments to the Texas Constitution in 2013 and 2015 significantly increased funding for the Texas Department of Transportation (TxDOT), the agency continues to request "local participation" for many of its projects. This "pay-to-play" system, as some call it, requires local governments to contribute financially if they want highway projects in their areas to proceed. Additionally, in the summer of 2013, TxDOT sent a letter to cities with populations over 50,000, along with select smaller neighboring cities, indicating that TxDOT was considering transferring maintenance of certain non-controlled-access state highways to the cities where they are located. This proposal, called "Turnback," was later clarified by TxDOT as a "voluntary participation program." Despite this, cities contribute over $100 million annually in cash, plus substantial additional contributions through right-of-way donations, in-kind services, and the state gasoline taxes they pay, all of which further fund the state transportation system.

Federal Storm Water Mandates and Municipal Drainage Utilities

Federal Storm Water Mandates
During rainfall, storm water runs off impervious areas such as paved streets, parking lots, and rooftops. The storm water contains pollutants that may adversely affect water quality. Thus, the federal Clean Water Act requires cities to obtain a permit from the United States Environmental Protection Agency (EPA) before allowing the discharge of storm water from a storm sewer system into rivers and lakes. In Texas, the EPA has delegated the administration of the storm water permitting program (known as the "National Pollution Discharge Elimination System" or "NPDES") to the Texas Commission on Environmental Quality (TCEQ).

Most medium and large cities in Texas, such as Dallas, Houston, San Antonio, Austin, Abilene, and others, currently operate under a "Phase I" permit. Since the early 1990s, "Phase I" cities were required to develop a storm water management program that would reduce storm water pollutants. Many other Texas cities are subject to the "Phase II" general permit. The Phase II program began in 1999 and requires more than 400 of the state's smaller cities to also develop storm water management programs. At a minimum, the programs must include public education and participation, detection of unwanted discharges into sewers, construction site storm water runoff controls, and pollution prevention measures.

In addition, cities operating under the Phase II permit must issue an annual report to the TCEQ that includes information regarding the status of compliance with permit conditions, an assessment of the appropriateness of best management practices, a description of progress toward reducing the discharge of pollutants to the maximum extent practicable, the measurable goals for each of the minimum control measures, and an evaluation of the program's progress. TCEQ, in compliance with federal law, reissued the Phase II general permit for small cities in 2013.

All Texas cities subject to the NPDES program are required to identify and apply management practices to reduce storm water pollution. Unsurprisingly, implementing such practices comes at a high monetary cost, especially in light of the fact that the mandate is not funded by the state.

Under state law, public and private colleges and universities are exempted from paying municipal storm water utility fees. Further, a city council can consider exempting public school districts, public agencies, and religious groups. The rationale for the exemption of public universities and colleges (presumably) is that a taxpayer-funded entity shouldn't be required to pay a fee to another taxpayer-funded entity, but the exemption of private colleges and universities has had detrimental effects on some cities. These private entities benefit from the flood prevention and storm water control provided by storm water utilities, and both public and private universities generally have very large areas of impervious cover that contribute to runoff. The exemptions result in a cost shifting to residents and businesses. ★

Municipal Drainage Utilities
As a means to protect citizens from the devastating effects of flooding and to offset the costs of unfunded federal storm water mandates, state law authorizes Texas cities to establish municipal storm water drainage utilities. The utilities are generally funded by fees on properties that are benefited by the improvements. The fees must be nondiscriminatory and must be directly related to drainage.

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THE GROWING NEED FOR WATER AND WASTEWATER SERVICES

The population in Texas is expected to grow to at least 51.5 million by 2070. By 2070, municipal water use is expected to constitute the highest demand of all water uses. Providing safe, clean, and reliable drinking water to meet this demand presents a challenge for most Texas cities. Investments in drinking water and wastewater systems protect public health, aid in protecting the environment, provide fire protection, and ensure that there is an adequate water supply to support the state's growing population, businesses, and industries.

Adequate water supply is often a determining factor in economic development. Businesses and industries are going to choose locations with a stable and sufficient water supply over those states or regions without quality and adequate supplies of water.

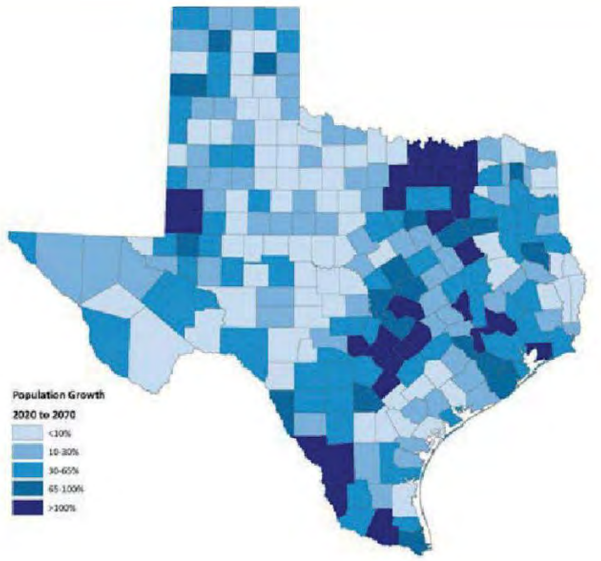
The Environmental Protection Agency (EPA) estimates that America's drinking water systems alone will have to invest up to $625 billion over the next 20 years to keep up with the growing demand for drinking water and the nation's aging drinking water infrastructure. Over the next decade, Texas cities will have to expend millions of dollars on waste and wastewater systems to keep pace with the tremendous population growth in Texas. In addition to meeting the growing demands for water services and replacing aging infrastructure, the investment is also necessary to ensure compliance with the federally-mandated Clean Water Act and Safe Water Drinking Act.

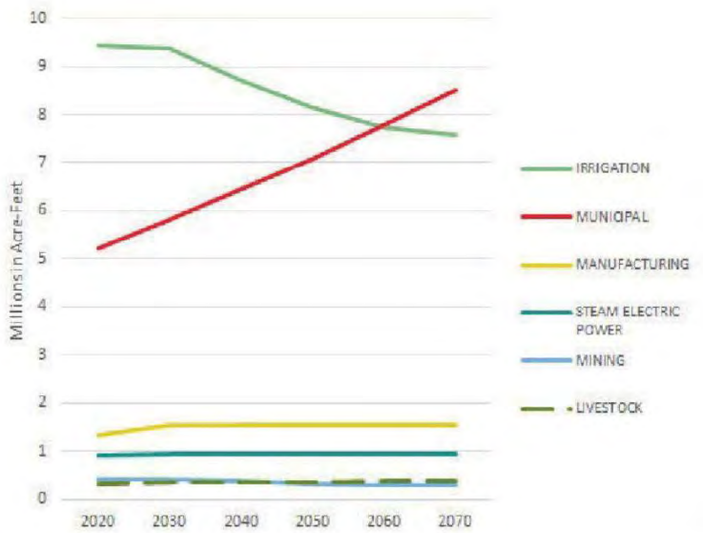
Many water utility systems in Texas are decades old. Some systems have come to the end of their useful lifespan, and upgrades may no longer be sufficient. Some cities may even have to replace these essential utilities completely. Upgrading or replacing a water or wastewater system is a costly undertaking that requires the commitment of large sums of capital investment. However, the return is generally well worth the large expenditure.

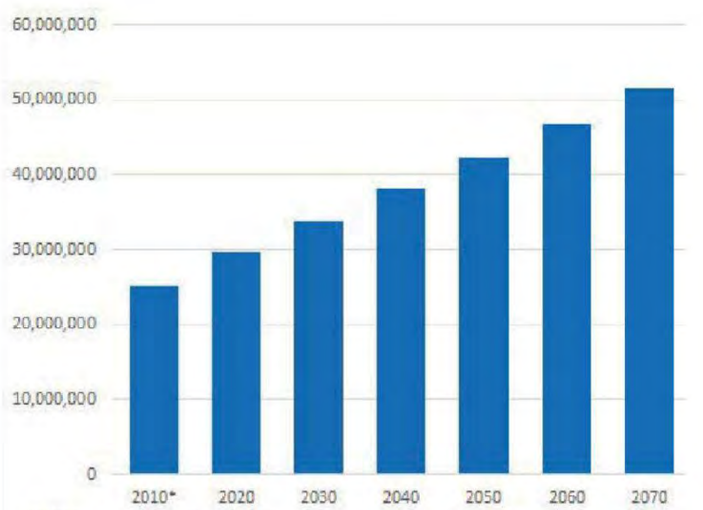
Municipal wastewater treatment plants prevent billions of gallons of pollutants from reaching our rivers and lakes each year. Additionally, the provision of safe drinking water to our suburban areas has allowed our state to grow at unprecedented levels.

Unfortunately, many Texas cities are struggling to keep up with the costs of complying with increasingly

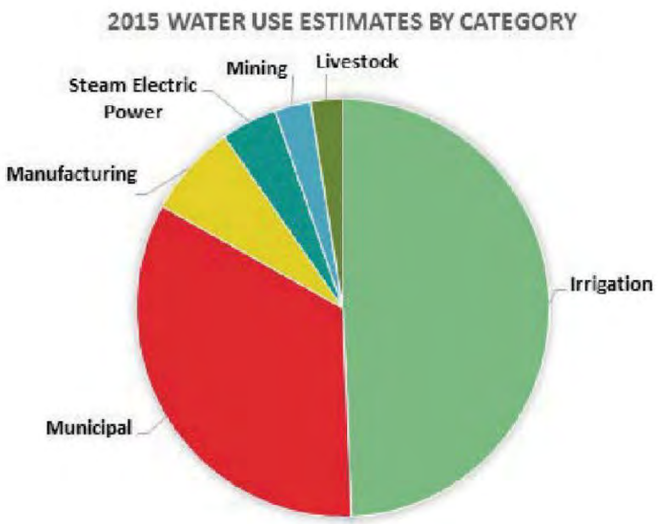
See Funding the State Water Plan on page 40-41 for information on how some of these needed improvements should be funded.







*2010 population is the official population count from the U.S. Census Bureau; 2020-2070 represent the TWDB propulation projections.

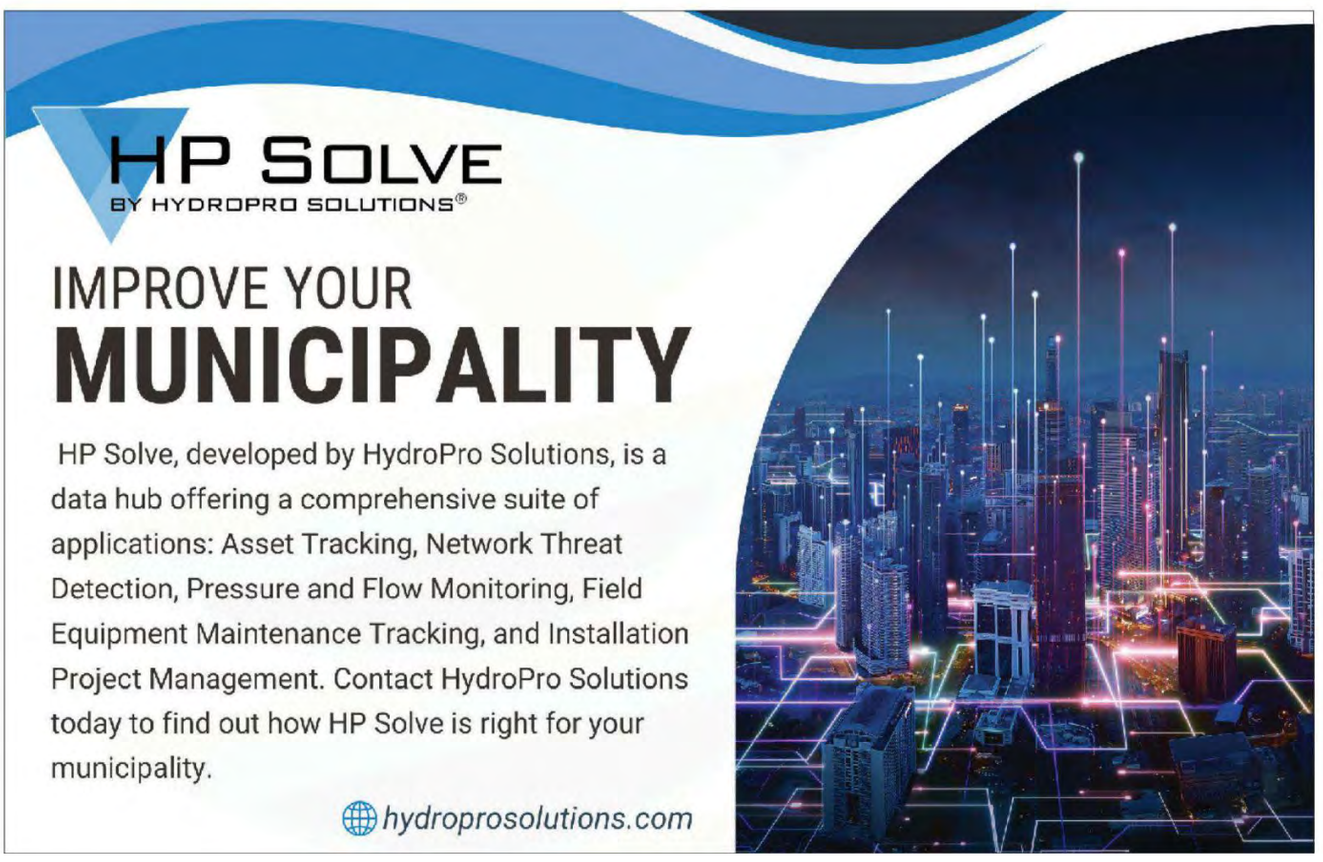


Source: Texas Water Development Board, State and Regional Population Projection for 2020-2070

stringent federal- and state-mandated regulations. The budget pressures associated with meeting these new standards or facing stiff fines from regulating agencies often force cities to delay needed expansion of their water utility systems.

Texas cities have access to state and federal financial help to keep up with the regulations and expand their water utility systems. In 1997, the Texas legislature created the safe drinking water revolving fund, administered by the Texas Water Development Board (TWDB), to provide low-cost financial assistance for planning, acquisition, design, and construction of water infrastructure.

In addition to the state-funded programs through the TWDB, the federal government recently passed some legislation that may provide funding for cities to update and improve their drinking water and wastewater facilities, including: the Coronavirus Aid, Relief, and Economic Security (CARES) Act; the American Rescue Plan Act (ARPA); the Infrastructure Investment and Jobs Act (IIJA); and the Inflation Reduction Act (IRA). A report from the United States Conference of Mayors concluded that CARES funding helped local utilities finances, provided a measure of stability between expenditures and infrastructure investment and continuity of critical services to the customer, and was a positive factor in the 7.3% increase in utilities expenditures from 2019 to 2020. ★



FUNDING THE STATE WATER PLAN

The Texas State Water Plan provides for the orderly development, management, and conservation of water resources in the state. The plan's goal is to ensure that sufficient water will be available at a reasonable cost to protect public health, further economic development, and protect the agricultural and natural resources of the entire state.

The State Water Plan is the culmination of a regional planning process that the Texas Legislature established in 1997. Every five years, 16 planning groups—one for each regional water planning area—assess the projected population, water demands, and water supplies in their area for the next 50 years. Each planning group holds public hearings and meetings to develop its regional water plan, which lists the water supply projects needed to meet their water shortages. Once a regional water planning group adopts its regional water plan, the plan is then sent to the Texas Water Development Board (TWDB) for approval. The TWDB ultimately compiles the information to make the State Water Plan. The most recent iteration is the 2022 State Water Plan, adopted on July 7, 2021.

The 2022 State Water Plan tells us that our population will continue its rapid growth. Texas's population is expected to increase more than 70 percent between 2020 and 2070, from 29.7 million to 51.5 million, with over half of this growth occurring in Regions C and H. Water demands are projected to increase less significantly, by approximately nine percent between 2020 and 2070, from 17.7 million to 19.2 million acre-feet per year. This projected increase is smaller than the 2017 State Water Plan, primarily due to revised methodologies for the irrigation, manufacturing, and steam-electric power generation sectors of water use. Notably, municipal demands are anticipated to grow by the greatest total amount, from 5.2 million acre-feet per year in 2020 to 8.5 million in 2070. Agricultural irrigation demand is expected to decrease, from 9.4 million acre-feet per year in 2020 to about 7.6 million in 2070, due to more efficient irrigation systems, reduced groundwater supplies, and the transfer of water rights from agricultural to municipal users. Manufacturing and livestock demands are expected to increase, while mining demand is expected to decline over the next 50 years. Steam-electric (power generation) demand is expected to remain constant.

Texas' existing water supplies—those that can already be relied on in the event of drought—are expected to decline by approximately 18 percent between 2020 and 2070, from 16.75 million to 13.8 million acre-feet per year. Water user groups face a potential water shortage of 3.1 million acre-feet per year in 2020 and 6.9 million acre-feet per year in 2070 in "drought of record" conditions.

The 2022 State Water Plan provides a roadmap for how to address the water needs that accompany our expected growth by identifying water management strategies and their associated costs for communities across Texas. Approximately 5,800 water management strategies recommended in the plan would provide 7.7 million acre-feet per year in additional water supplies to water user groups in 2070. The estimated capital cost to design, construct, and implement the more than 2,400 recommended water management strategy projects by 2070 is $80 billion in 2018 dollars, without accounting for inflation. Water management

strategies can include conservation, drought management, reservoirs, wells, water reuse, desalination plants, and others.

The information in this plan is critical to ensuring that Texas has adequate and affordable water supplies now and in the future. Without employing water management strategies, approximately one-quarter of Texas's population would have less than half of the municipal water supplies they will require during a "drought of record" in 2070. If Texas does not implement the State Water Plan, estimated annual economic losses resulting from water shortages will range from approximately $110 billion in 2020 to $153 billion in 2070.

The Texas Legislature has taken steps to address the projected water shortfall. In 2023, the legislature created the new Texas Water Fund, which requires the acquisition or creation of 7 million acre-feet of new water supplies by December 31, 2033. The fund can be used to provide financial assistance to cities and wholesale water providers to develop water supply projects that create new water sources for the state. While this new fund will not entirely finance the projected costs of funding the State Water Plan, it is a step in the right direction.

For more information on the 2022 State Water Plan, as well as resources on how to get involved with your regional planning group and financial assistance for cities, visit the Texas Water Development Board at www.twdb.texas.gov ★

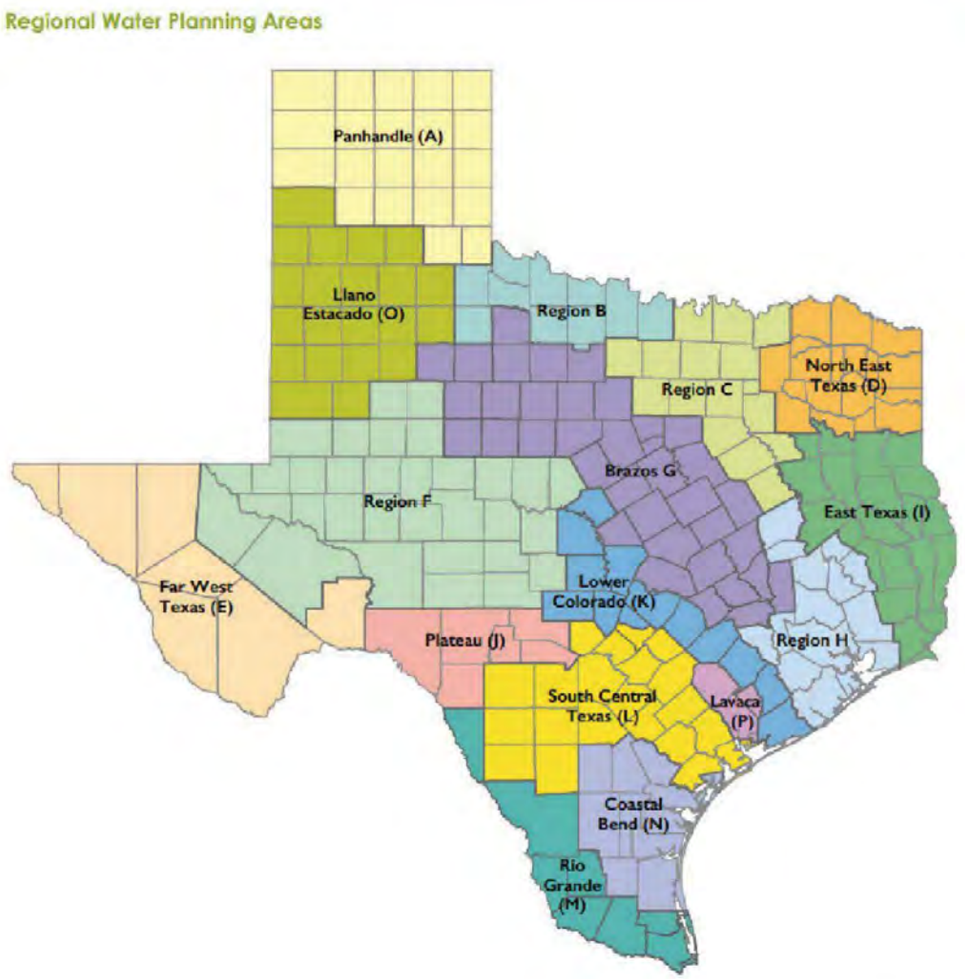
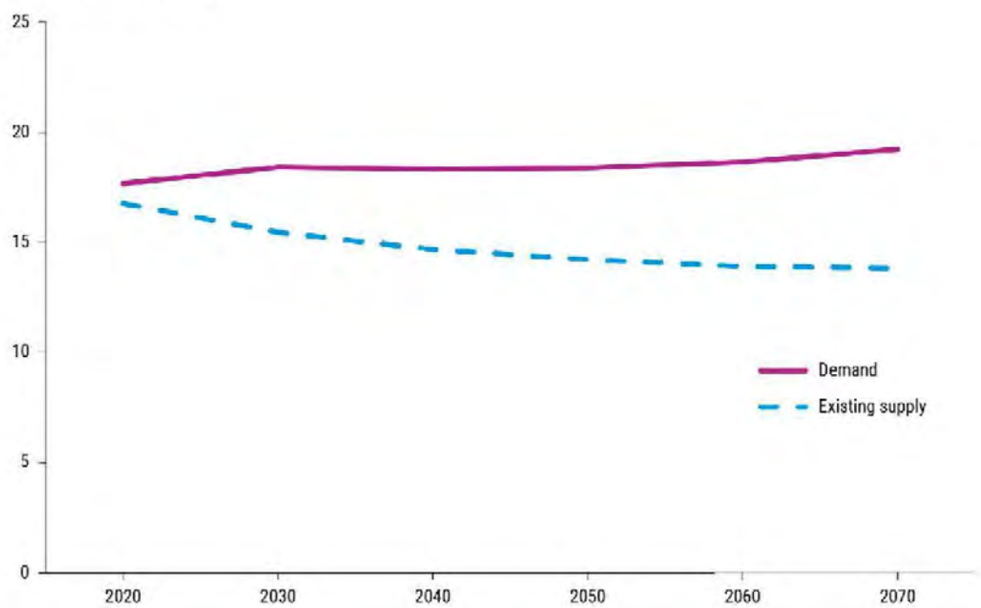
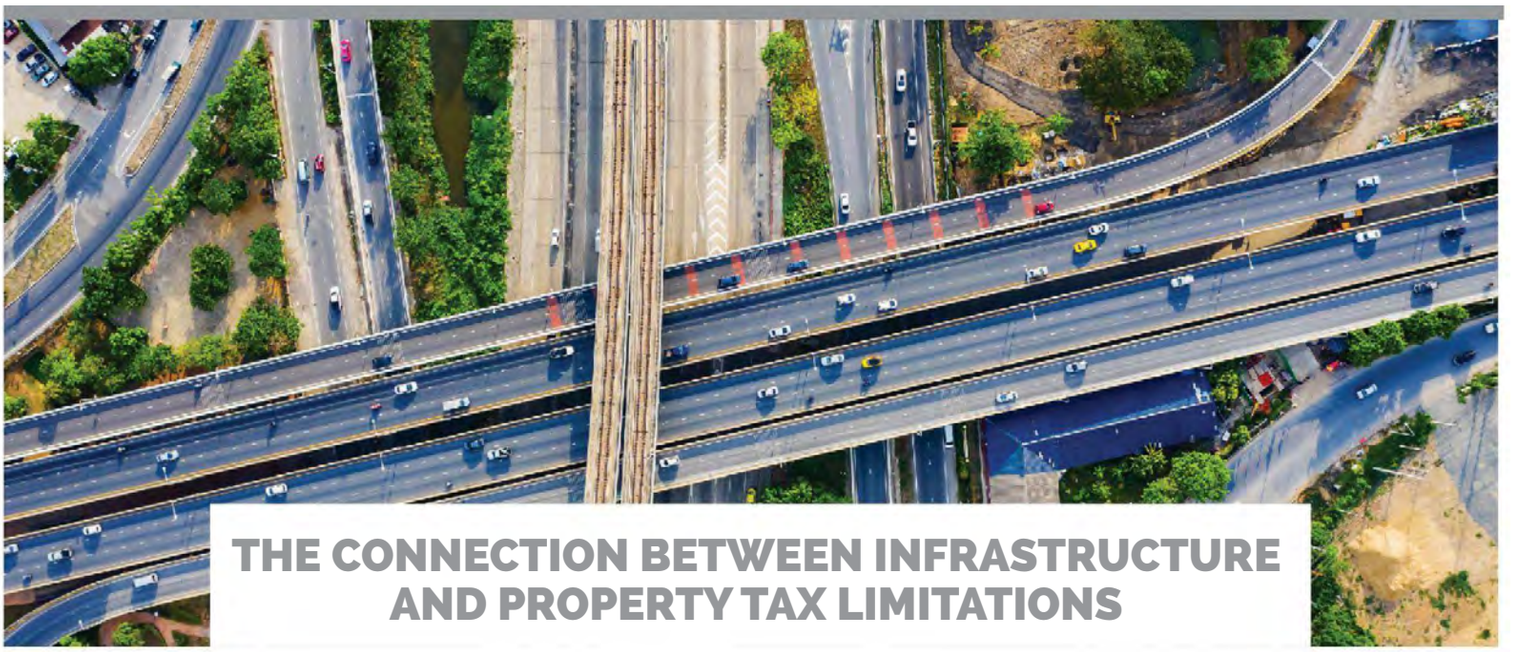


Figure ES-3. Projected total annual water demand and existing water supply for all sectors in Texas (millions of acre-feet)





THE CONNECTION BETWEEN INFRASTRUCTURE AND PROPERTY TAX LIMITATIONS

Except for construction, repair, and maintenance of the state highway system, infrastructure in Texas is primarily the responsibility of local governments. Streets, bridges, drinking water systems, and wastewater facilities are funded by local entities. Although loans and very limited grant funds are available for some water projects, the fact remains that city streets, water systems, and wastewater utilities are built and maintained with city-generated revenue.

Texas cities are virtually on their own when it comes to paying for these infrastructure projects. While recent federal programs such as the American Rescue Plan Act and the Infrastructure Investment and Jobs Act have made additional federal funding available to cities in the recent years, the paucity of state aid to Texas cities is well documented. While most states (including virtually all the most populous states) provide substantial financial assistance to cities to

Chart

Cost-Saving Measures
Percent of All Cities

	2017	2018	2019	2020	2021	2022	2023	2024
Postponed capital spending	26.4%	24.4%	22.0%	22.2%	20.6%	21.6%	20.5%	25.4%
Wage freeze	4.5%	2.9%	2.6%	1.6%	10.5%	5.9%	0.3%	2.1%
Reduced services	2.1%	2.0%	1.3%	2.0%	7.5%	0.1%	1.0%	2.6%
Hiring freeze	3.2%	4.9%	2.9%	2.1%	13.9%	5.0%	1.9%	2.1%
Laid off employees	3.2%	3.1%	1.9%	1.2%	5.2%	3.1%	2.2%	1.0%
Eliminated services	0.8%	1.3%	2.0%	1.6%	3.6%	1.2%	1.66%	1.7%
Reduced salaries	0.4%	0.2%	0.0%	0.0%	1.1%	0.8%	0.3%	0.1%

help pay for infrastructure, such grant programs generally do not exist in Texas.

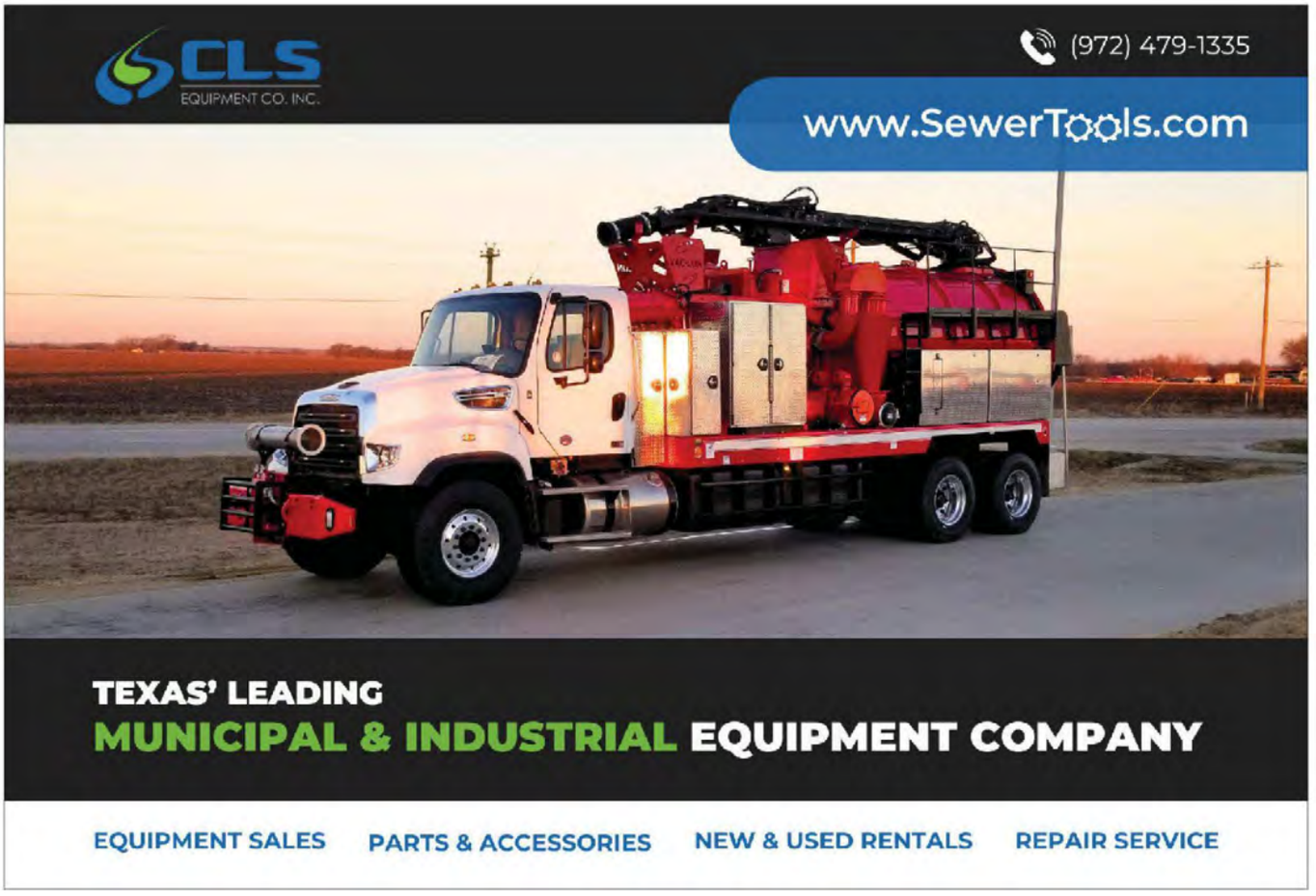
It can be argued that funds flow in the opposite direction—from local entities to the state. In recent years, the Texas Department of Transportation received almost $100 million annually in *Local Participation* revenue from cities alone. (Other entities provide local participation funds as well.) This is city money that helps pay for improvements to the state highway system.

This means that much of the local revenue that is used to fund infrastructure projects comes from local property owners through their property taxes, which raises an interesting question: if the Texas Legislature passes additional legislation that limits municipal property tax revenue, will municipal investment in infrastructure decrease?

The Texas Municipal League's *Fiscal Conditions Survey* shows that the answer is yes. When asked which cost-cutting measures were employed to balance the current-year budgets, cities consistently identified *postponed capital spending* as the most used tactic. (See Chart on page 42.)

Similarly, when asked to identify how they would respond to diminishing revenue in future years, more than half of the respondents identified *postpone or defer capital improvements* and/or *reduce or eliminate expenditures or right-of-way contributions to TxDOT* as their top two identified areas for future spending reduction.

Any legislation that further restricts the ability of cities to generate property tax revenue will result in reduced spending on infrastructure, which could harm regional economies and the state's economy. Without continued municipal investment in the infrastructure needed for industrial and commercial activity, the *Texas Miracle* of continued job creation and economic growth will be difficult to maintain. ★



THE HIGH COST OF PROVIDING PUBLIC SAFETY

Ensuring that citizens have a safe city in which to live and work is of the utmost importance to the state. Cities strive to promote the health, safety, and welfare of all their residents. Unfortunately, providing a high level of public safety comes with significant expense.

Most residents automatically turn to the government in times of need. In cities, that translates to spending tax dollars on public safety services. Of these public safety services, cities expend a considerable amount of their resources in anticipation of emergencies, occurrences that the public at large generally doesn't want to think about. Traditionally, public safety includes fire protection (fighting house fires), police protection (patrolling streets for traffic violations and criminal activity), and responding to numerous 911 calls.

However, in today's world, "public safety" has expanded to encompass:

- responding to hurricanes and other natural disasters;
- preventing and responding to terrorist threats and attacks;
- enforcing federal homeland security mandates;
- providing emergency medical services (EMS) and ambulance services;
- providing border security;
- responding to hazardous material issues;
- responding to public health disasters;
- participating in drug task forces; and
- conducting search and rescue operations, along with a host of other activities.

Police, fire, and EMS now must protect our homeland and be ready to respond to terrorist attacks with chemical, biological, and weapons of mass destruction. That's a tall order, considering the cost of standard public safety training and equipment.

Although it can vary greatly, it can cost nearly $20,000 to provide basic protective equipment for a single structural firefighter. (See firefighter diagram.) Of course, other specialized equipment may be needed depending on the type of emergency, such as responding to swift water rescues, hazardous materials, and aircraft rescue and firefighting. Firefighters are also required to take continuous training that often comes with a high price tag and must be supplemented on an ongoing basis. In addition, as cities continue to grow in population and as existing equipment ages, cities face steep costs to purchase new fire apparatuses like aerial or ladder trucks, fire engines and pumpers, brush trucks, rescue trucks, and other specialized emergency vehicles. Currently, cities across Texas are seeing costs between $1.6 million to $2.3 million for new ladder trucks. Even maintenance costs for fire apparatuses can be expensive. For instance, in one such city – the City of Seguin – fire personnel noted that one of the reasons the City chose to purchase its new 2023 ladder truck was because the City's 2008 ladder truck became too difficult and costly to maintain.

TEXAS CITIES ASSIST WITH DISASTER RESPONSE AND RELIEF

Over the past several years, cities played a major role in disaster response, relief, and rebuilding efforts as various natural disasters hit Texas. According to the City of Houston, the City was responsible for $500 million in the recovery effort after Hurricane Harvey. Houston rushed to repair vital infrastructure, dedicating countless resources to restoring necessary services to citizens. The City of Galveston, hard-hit by Hurricane Ike in 2008, expended $500 million to repair and replace housing, city buildings, and utility infrastructure, not to mention millions more to repair roads and revitalize the business community. Even though the federal government ultimately reimbursed some of these expenditures, the ability of cities to react quickly and decisively during and after a natural disaster is an invaluable service. In 2013, the City of West responded to a fertilizer plant explosion that devastated its city. The City paid the price of emergency response in dollars, and lost many of its volunteer firefighters, one of whom was the city secretary. Disasters like the West explosion can lead to legislation that seeks to impose additional mandates on cities but does not provide the necessary funding.

The COVID-19 pandemic also emphasized Texas cities' important role during public health emergencies. In response to the pandemic, city police departments were tasked with enforcing the governor's orders, including the mask mandate and business capacity limitations, as well as local orders like curfews. The costs for public health emergencies will continue to fall on cities because urban populations are often the most affected. ★

Helmet and hood: **$400**

"PASS" alarm to monitor firefighter while deployed: **$595**

Self-contained breathing apparatus: **$9,000**

Firefighter radio: **$5,400**

Heat-reflective, fire-resistant coat: **$2,200**

Gloves: **$100**

Heat-reflective, fire-resistant pants: **$1,700**

Puncture-proof, heat-resistant boots: **$500**

Total: $19,975

Median Salary for Police Officer and Firefighter
Police Patrol Officer: $72,280 plus benefits annually
Firefighter: $57,120 plus benefits annually

Source: United States Bureau of Labor Statistics, Occupational Employment and Wages as of May 2023

TEXAS CITIES PLAY VITAL ROLE IN EMERGENCIES

Emergency management is a crucial function of city government. Each year, Texas cities prepare for a variety of emergencies including natural disasters (e.g., hurricanes, tornadoes, wildfires, flooding, and other severe weather events), public health emergencies, technological hazards (chemical hazmat release and dam failures), mass casualty events, and cyber-attacks, among others. Cities must ensure they are prepared to respond to and recover from disasters effectively and efficiently. This multifaceted responsibility encompasses preparedness and planning, coordination and response, and recovery.

Preparedness and Planning

In Texas, the mayor of each city is designated as the Emergency Management Director and can appoint an Emergency Management Coordinator to carry out the city's emergency management program. Cities are required to prepare, keep current, and distribute to appropriate officials a local emergency management plan (EMP) or an interjurisdictional EMP that meets the standards set out by the Texas Division of Emergency Management (TDEM). The purpose of an EMP is to provide for disaster mitigation, preparedness, response, and recovery. In other words, it establishes a framework cities can rely on when responding to an emergency.

Although state and federal resources and assistance can be requested, cities and other local governments are expected to first use their own resources and those available through mutual aid agreements. As such, cities oftentimes enter into mutual aid agreements with surrounding cities,

counties, and other local governments to assist with personnel, equipment, services, and supplies during an emergency.

As part of the planning process, a city's emergency management team also conducts regular training sessions and drills for emergency responders, city officials, and other key personnel to ensure everyone knows their roles and responsibilities during an emergency.

Public education is also a key part of the planning process. Cities must engage with the community through workshops and informational campaigns to promote awareness and preparedness practices among residents.

Coordination and Response

When a disaster strikes, the city's emergency management team must swiftly coordinate response efforts to protect lives and property. This can include activation of an Emergency Operations Center (EOC) established to centralize command and control during an emergency. City officials and staff at the EOC facilitate and coordinate communications with various departments and agencies such as police, fire, county officials, public health officials, and community organizations to ensure a unified response. Officials also allocate resources, deploying personnel, equipment, and supplies to areas in need, while also managing shelter and evacuation operations, if necessary.

Texas cities also play an important role when responding to public health emergencies. As emphasized by the COVID-19 pandemic, city police departments were tasked with enforcing the governor's orders, including the mask mandate and business capacity limitations, as well as local orders like curfews.

Recovery

Post-disaster recovery is as important as response efforts. Cities must conduct thorough assessments to evaluate the extent of damage and the needs of affected populations. In many cases, disasters can also create a disruption in city services. This was the case when a severe ice storm hit central Texas in late January 2023 leaving more than 170,000 Austin residents without electricity. After severe weather events, cities focus their efforts on restoration of essential services, such as water, electricity, waste collection, and others to help the community return to normalcy. But cities don't just consider immediate needs, they also plan for long-term recovery efforts, including rebuilding infrastructure and offering assistance to displaced residents.

Emergency management requires adequate financial resources, and cities each year must provide dedicated funds for emergencies. Over the past several years, cities played a major role in disaster response, relief, and rebuilding efforts as various natural disasters hit Texas. Between May and July 2024, the City of Houston was impacted by a derecho (wind storm) then Hurricane Beryl, which the City estimated would cost nearly $40 million for debris removal, repair to buildings and equipment, and other post-disaster measures. In 2017, the City was also responsible for $500 million in the recovery effort after Hurricane Harvey. The City rushed to repair vital infrastructure, dedicating countless resources to restoring necessary services to citizens. The City of Galveston, hard-hit by Hurricane Ike in 2008, expended $500 million to repair and replace housing, city buildings, and utility infrastructure, not to mention millions more to repair roads and revitalize the business community. Even though the federal and state government ultimately reimburses some of these expenditures, the ability of cities to react quickly and decisively during and after a natural disaster is an invaluable service. In 2013, the City of West responded to a fertilizer plant explosion that devastated its city. The City not only paid the price of emergency response in dollars, but also lost many of its volunteer firefighters, one of whom was the city secretary. In many cases, disasters like the West explosion can lead to legislation that seeks to impose additional mandates on cities but does not provide the necessary funding.

City emergency management plays a critical role in safeguarding communities against various disasters. Effective emergency management saves lives and fosters a sense of security and community trust, ensuring that residents are better equipped to face future challenges. ★

TML RISK POOL: PARTNERING WITH TEXAS CITIES SINCE 1974

The TML Risk Pool was the first municipal risk pool in the nation and celebrated its 50th anniversary in 2024. Our focus now shifts to the next 50 years and *Building for the Future*. Read on to learn about who we are and how we serve Texas cities.

Created by Cities, for Cities

In 1973, the Texas Legislature passed legislation mandating that Texas cities provide workers' compensation coverage to their employees. At that time, most traditional insurance companies refused to write the coverage or quoted exorbitant rates. For those reasons, the legislation also authorized the creation of the first municipal risk pool in the United States, which was the predecessor of the *TML Intergovernmental Risk Pool* as we know it today.

The Texas Municipal League and several cities used the 1973 legislation to pool their resources. Using contracts called interlocal agreements, they created the "Texas Municipal League Workers' Compensation Joint Insurance Fund." The Fund began operating on July 1, 1974, with close to 100 Members.

Today, the Pool provides workers' compensation coverage for around 200,000 local government employees, including 34,000 first responders. A 17-member Board of Trustees – composed primarily of city officials – oversees 250 Pool employees who administer the coverages.

In 1982, cities saw other coverages becoming scarce and expensive, so TML created a liability fund that year and a property fund the following year. (In the mid-1980s, the United States insurance market essentially crashed.) According to *Time Magazine*, that was "a time of frantic efforts to obtain insurance that, at best, was available only in limited amounts with high retentions at exorbitant rates."

The Pool truly came into its own during that period, and – today – TML and the Pool are separate but related entities. The Pool provides liability and property coverage to over 1,000 cities, including protecting around $60 billion in local government property. We've also added cyber coverage to our offerings.

Why We're the Best Choice for Cities

We provide sustainable economic value. For example, the long-term cost of our coverage is less than in the commercial market because we don't generate profit for shareholders. In fact, our operating ratio (how much comes in v. how much

goes out) over the last 10 years is almost equal. Commercial insurers typically bring 10 percent or more over what they need to operate as profit for shareholders.

We build and maintain meaningful long-term relationships with our members. Our Pool reflects our members' interests because it is governed by the members we serve. Our Board of Trustees consists of seven city managers, a city attorney, two mayors, two city councilmembers, and others interested in local governments and their employees.

We act consistent with our mission statement, which is "to offer and provide Texas municipalities and other units of local government with a stable and economic source of risk financing and loss prevention services." And our core values instruct every decision we make:

- **Public Service:** Serving the public good – for the benefit of local governments and their tax-paying citizens.
- **Fiscal Responsibility:** Responsibly managing our members' pooled funds for the protection of their financial stability.
- **Operational Excellence:** Delivering excellent member service in all components of our risk financing and loss prevention services.
- **Integrity:** Serving with honesty, integrity, and professionalism.

Risk Management and Loss Prevention Services: How We Help You Save Lives, Prevent Injuries, and Protect Property

Choosing the appropriate coverage and deductibles is an important part of your risk management strategy. Our Risk Management Advisors can help with individual visits to discuss the following coverages: (1) Workers' Compensation; (2) Liability, which includes General Liability, Automobile Liability, Law Enforcement Liability, Public Officials' Errors and Omission Liability, and Airport Liability; (3) Property, which can cover buildings, contents, mobile equipment, and boilers and other machinery – we also offer turnkey recovery from property losses (which means just that: we can have people on site immediately to stabilize damage and – at your option – handle every facet of reconstruction); (4) Special Risks, including crime coverages, animal mortality and theft, special events, fine arts, and drones; and (5) Cyber Coverage through a new cyber fund.

Loss prevention is a key component of your local government's overall risk management strategy. Essentially, it helps you identify sources of risk and take action to reduce them. Most in the industry refer to loss control. The Pool's department is called Loss *Prevention* because our goal isn't just to control losses, it's to prevent them from happening. In fact, the Pool's mission statement above speaks directly to our loss prevention focus.

To implement that mission, our Safety and Loss Control Consultants provide individual visits to discuss your city's efforts, review your loss history and current trends, and deliver practical recommendations about your exposures or operations. We also assist with specialized exposures and operations, such as natural gas utilities, electric utilities, aquatic surveys, and property valuations.

We also provide training programs at no additional cost and through various methods, including onsite training, online learning, and media channels. The goal is to grow a culture of safety at your entity.

Check out the resources available at www.tmlirp.org and reach out to your Risk Management Advisor or Safety and Loss Control Consultant today. Contact us at 512-491-2300 or TMLRiskPool@tmlirp.org to learn more about any of the above. ★

Did you know?

The Risk Pool finances the coverage needs of 95 percent of Texas Cities (over 1,000 of them) for *less* than the annual budget of *each* of the top five largest cities in Texas. The pooling mechanism is incredibly efficient, and much of that is due to the diversifying nature of the way the Pool goes about its business.

ZONING: A PRIMARY MEANS TO PROTECT PROPERTY VALUES AND THE WELFARE OF CITY RESIDENTS

What is zoning? Zoning is the division of a city into districts that permit compatible land uses, such as residential, commercial, industrial, or agricultural, and is arguably one of the most important functions of local government. Zoning authority empowers a city to protect residential neighborhoods, promote economic development, restrict hazardous land uses to appropriate areas of the city, and preserve places of historical importance. It is used to lessen street congestion; promote safety from fires and other dangers; promote health; provide adequate light and air; prevent overcrowding of land; and facilitate the provision of public facilities.

How does zoning occur? Chapter 211 of the Texas Local Government Code contains the procedural requirements that must be followed when a city zones or rezones property, including strict notice and hearing provisions. The requirements ensure that city and neighborhood residents have a strong voice anytime a zoning change is considered. In addition, Chapter 211 provides for the creation of a planning and zoning commission to make recommendations on the adoption of the original regulations, as well as to hear proposed amendments. Finally, a board of adjustment may be appointed to hear requests for appeals of decisions, special exceptions, and variances from the regulations.

Why is there zoning? Zoning exists in cities to regulate land use and development, ensuring orderly growth and protecting public health, safety, and welfare. By dividing the city into different zones, such as residential, commercial, and industrial, zoning helps prevent incompatible land uses from abutting one another -- like factories next to homes -- and ensures that infrastructure, services, and resources are appropriately distributed. It also promotes economic development, preserves property values, and provides a framework for future urban planning.

Who decides zoning? Cities are the only governmental entities in Texas authorized to zone property. In a Texas city, zoning decisions are primarily made by the city council, which may adopt and amend zoning ordinances. The process typically involves recommendations from a planning and zoning commission, which reviews zoning requests and conducts public hearings to gather input from residents. Once the commission makes its recommendation, the city council has the final say on whether to approve, deny, or modify zoning proposals.

ZONING CHANGES AND PROPERTY VALUES

State laws that require compensation when a property's value is affected by a zoning change are extremely rare in the United States. Rather, the United States Supreme Court and various state courts have set forth tests that are used to determine whether a zoning regulation requires compensation to a property owner.

In fact, the Supreme Court of Texas has upheld city authority to make reasonable zoning changes. In one case, a city rezoned a residential area to provide for larger lot sizes. The rezoning was designed to create more open space, less traffic, greater setbacks, less noise, and similar results. The Court concluded that a city has a legitimate governmental interest in such results and in preserving the rate and character of community growth. The Court also found that no "taking" of the owner's property occurred, because the regulation did not impose a great economic impact on the owner.

Any legislative change to require compensation to be paid every time a zoning amendment could reduce the value of a property would create an unworkable situation. Cities would face the choice to continue zoning and risk potentially ruinous claims or relinquish zoning altogether. Moreover, the reality is that most zoning changes are initiated by a property owner and increase the value of land.

WHY ZONING MATTERS

A 2020 report found that having access to local arts and cultural activities along with convenient access to parks and safe employment spaces were among the main qualities that "attach" people to their communities. Zoning facilitates the development of those attributes by allowing cities to create and maintain healthy, attractive, livable, and prosperous communities.

ZONING IS LINKED TO ECONOMIC DEVELOPMENT

A 2006 study on the effect of zoning on economic development in rural areas concluded that zoning facilitated economic development. According to the authors, the economic benefits of zoning include: (1) predictability in land use for both business and residents; (2) the assurance that personal and commercial investments will be protected; (3) the ability to guide future development to prevent haphazard or harmful development; and (4) the minimization of potential conflict between industry and residents.

ZONING IS LINKED TO TOURISM

Tourism generates billions of dollars in Texas. In discussing the role that a community's image plays in tourism one author explains that the more communities "come to look and feel just like everyplace else, the less reason there is to visit. On the other hand, the more a community does to enhance its uniqueness, the more people will want to visit. This is the reason why local land use planning and urban design standards are so important."

Sources: Scott, Molly M., et al. Community Ties: Understanding What Attaches People to the Place Where They Live. Knight Foundation and Urban Institute (May 2020)

Joy Wilkins et al., Does Rural Land-use Planning and Zoning Enhance Local Economic Development? Economic Development Journal (Fall 2006)

Edward T. McMahon, Responsible Tourism: How to Preserve the Goose that Lays the Golden Egg, Virginia Town & City (May 2015) ★

KEEPING POWER ON: CITIES AND ELECTRICITY

Cities have various interests relating to how they and their residents get electric service, how cities with municipally-owned electric utilities provide service, and the prices that everyone pays for electricity. Cities also receive franchise fees from utilities that use their rights-of-way, and they have original jurisdiction over the rates of investor-owned utilities located within the cities.

How electricity is provided in Texas is complex and based on many moving parts in an always-changing puzzle. The following questions and answers provide a primer on the issues facing cities in this area.

What are the different ways that cities and their citizens get their electricity?

Cities and their residents generally get their electricity in one of three ways: (1) from a municipally-owned utility (MOU); (2) from an investor-owned utility (IOU); or (3) from a rural electric cooperative (Co-op). Each of those providers usually has a monopoly in the areas they serve, based on a certificate from the Texas Public Utility Commission (PUC). (Note: a few areas of the state are served by river authorities and municipal power agencies. Also, regarding an IOU, only the transmission and distribution component discussed below has a geographical monopoly in the deregulated market.)

MOU and Co-op rates are governed by a city council or board of directors—the members of which are elected by the customers. The city council or board of directors is therefore directly accountable to the customers they serve.

IOUs are also governed by a board of directors, but they are accountable to their shareholders, rather than their customers. The rates of investor-owned transmission and distribution utility (discussed below) are regulated by the PUC in a way that should—in theory—cover costs of operation and allow for a reasonable profit.

How does the deregulated market system work?

In 1999, Texas adopted legislation to deregulate the portion of the state that is served by IOUs. Prior to deregulation being fully implemented in 2002, a single IOU performed all the things necessary to provide service to customers within the IOUs designated service area. In simple terms, the legislation "broke up" or "unbundled" IOU monopolies. Those utilities were divided up into different components: generation, transmission and distribution, and retail service. Some utilities sold one or two of those parts of their business, while others created subsidiary companies to run them. Generation companies make power with power plants, wind farms, solar panels, and other means. Transmission and distribution companies move power from the generators to other parts of the state through huge transmission lines, and ultimately distribute power to customers through smaller distribution lines.

Even after deregulation, MOUs and Co-ops are allowed to continue as monopolies within their geographical region, unless they choose—by a vote of their governing body—to opt in to competition. However, to date, no MOU has opted in. A decision by an MOU to opt in is irrevocable.

While the generation and retail portions of the market are now deregulated, the rates of transmission and distribution utilities are still regulated by cities for IOUs that are inside the city limits, and by the PUC for IOUs outside the city limits and in appeals over city actions. The rates of IOUs are set in a way that should, in theory, cover the costs of operation and allow for a reasonable profit. The regulation of transmission and distribution rates for IOUs allows the companies that generate power to have a reliable and transparently priced way to get power to the retail companies, which sell the power to customers.

At the retail level, IOUs set their own rates, competing for customers. The retail electric companies speculate as to how much generation will cost and offer price plans to consumers accordingly. Customers can also switch retail companies to try to get the best possible rate. For instance, City of Houston residents can choose between nearly one hundred retail electricity plans.

Certain areas of the state—including the Panhandle, El Paso, and certain areas in the northeast and southeast portions of the state—are served by IOUs but have not been deregulated. Those areas are not a part of the main transmission grid in Texas, so deregulation is impractical.

Whether deregulation has been beneficial to cities and their citizens remains the subject of heated debate. One thing is certain: deregulation has changed the way cities in the deregulated market purchase power for city facilities. One of the ways cities and other political subdivisions do that is by a process called aggregation. Aggregation means just what it says: cities come together or "aggregate" to purchase energy at a better price than they could obtain themselves. (Note: state law also authorizes citizens to aggregate, but the logistics of that process have made it all but useless. Previous legislative efforts to allow cities to automatically bundle-up their citizens and negotiate on the citizens' behalf have failed.) The most well-known aggregation group is called the Texas Coalition for Affordable Power, which represents more than 100 cities.

Why aren't MOUs opting into the deregulated market?

Even though they are not required to do so, MOUs have the discretion to opt into the deregulated market. Many state leaders continue to applaud the Texas deregulated market as one that has created lower prices. That is questionable for several reasons. It would also appear that MOUs aren't convinced, and that their citizens prefer the consistently lower prices and better service that they provide. It's a case of "if it ain't broke, don't fix it." MOUs can wait and see if opting into deregulation would really benefit their customers. Also, an MOU that opts in is essentially stuck with that decision. Further, opting into competition would require an MOU to undertake the complex and expensive process of breaking up its service into the three components of the deregulated market (generation, transmission and distribution, and retail).

What are recent criticisms levied against MOUs?

Some MOUs have been recently criticized for transferring some of their profits to the city's general fund. Interestingly, even larger cities that transfer significant amounts of revenue have electric rates that are comparable to, or lower than, IOUs serving the deregulated market.

Because cities may or may not charge their MOUs franchise fees for the use of the city's rights-of-way, the transfer is often viewed as analogous to a franchise payment that the city would receive from an IOU that uses the city's rights-of-way. Another way to look at transfers is that they are very similar to the return on investment that IOUs give back to their shareholders. But in the case of an MOU, the "shareholders" are the taxpayers of the city. In any case, it is up to each city's council to decide how to handle transfers. Transferred revenue is generally used to pay for services (police, fire, EMS, and streets) that are used by the customers of the MOU and to keep property tax rates low, which benefits the taxpayers served by the MOU.

What are electric franchise fees?

Electric franchise fees are fees paid by IOUs or Co-ops (and in some cases, MOUs that provide service in other cities) that use a city's rights-of-way to provide electric service. Some argue that franchise fees of any type are a "hidden tax" on utility service. Of course, the municipal position is that the fees are authorized by state law. In fact, the Texas Constitution prohibits a city from giving away anything of value (for example, the use of city property) to a private entity. Thus, the city's position is that the fees are nothing more than "rental" payments for the use of city property. ★

MUNICIPAL COURTS

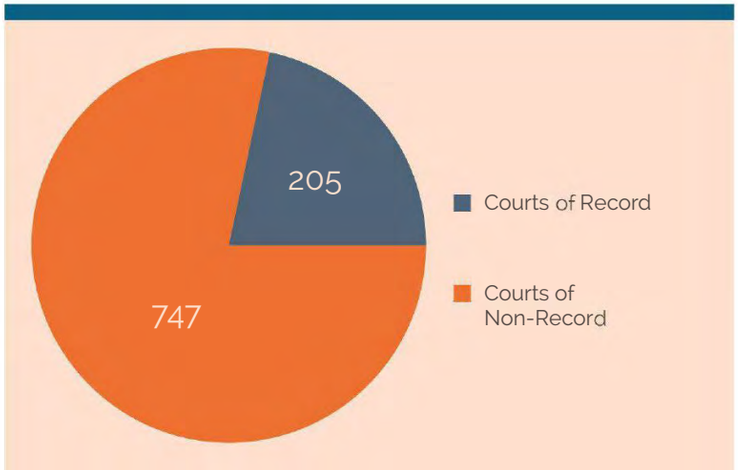
Texas municipal courts are an integral part of the state's judicial framework and are often the first interaction that citizens encounter with the justice system. Addressing minor offenses and enforcing city ordinances, these courts play a crucial role in maintaining public order and safety, providing access to justice for residents, and ensuring the effective administration of local laws.

Structure of Municipal Courts

After realizing a need for municipal courts (first called "corporation courts") to enforce city ordinances, the Texas Legislature eventually passed The Municipal Courts Act of 1899. This Act established a municipal court for each incorporated city. Although not required by law to operate a municipal court, a city may not enforce city ordinances that impose a criminal penalty if it does not operate a municipal court.

One distinct feature of municipal courts is that they may either be courts of non-record as originally created by the legislature or *courts of record* upon passage of a city ordinance. Municipal courts of record differ in that they create and preserve a record of their court proceedings. This means that these cases may be appealed more expeditiously by defendants on specific points of error as contained in the record. On the other hand, appeals from courts of non-record (where a record is not preserved) must be tried *de novo*, meaning that the case is retried from the beginning in which all the evidence and witnesses must be presented again typically in a county court. According to the Office of Court Administration, as of May 2023, there are a total of 952 municipal courts operating in Texas cities, 205 of which are courts of record while 747 are courts of non-record.

Municipal judges of a court of record are appointed by city council and serve a term of two or four years, depending on the city's ordinance. In cities with courts of non-record, judges can either be elected or appointed and generally



serve two-year terms, unless the council provides for a longer term. Judges in municipal courts are responsible for presiding over jury and non-jury trials, interpreting the law and making evidentiary rulings, issuing subpoenas and warrants, administering justice, among other duties outlined in state law and by city ordinance. To assist in managing court operations, maintaining records, and facilitating communication with the public, municipal courts also employ clerks and administrative staff.

Jurisdiction

All municipal courts in Texas have original and exclusive jurisdiction over violations of city ordinances, such as those involving building codes, zoning, and traffic or parking. Ordinance violations involving litter, fire safety, zoning, public health, and sanitation are punishable by fine only, up to a maximum of $2,000. Punishment for violations of other types of city ordinances is limited to fines only, not to exceed $500. However, in cases of illegal dumping, a city may impose fines of up to $4,000. Municipal courts also have concurrent jurisdiction with justice of the peace courts for Class C misdemeanor state law criminal offenses occurring within the city limits where the punishment upon conviction is by fine only and not confinement. Some of these offenses include theft of property valued at less than $50, public intoxication, disorderly conduct, speeding, driving with no driver's license, parking within 15 feet of a fire hydrant, among others. With regard to civil matters, municipal courts have limited jurisdiction and may hear only specific cases such as those involving dangerous dogs, substandard buildings, and nuisance abatement.

Court Costs and Fines

According to the Office of Court Administration (OCA), municipal courts in Texas resolved more than four million cases in fiscal year 2023 (September-August). As part of the process in adjudicating cases and to recoup costs associated with judicial operations, municipal courts also collect fines and court costs associated with each case. This amounts to hundreds of millions of dollars in fines and court costs annually that are remitted to the state and the city. Some of the city's portion of fines and court costs may support the general fund and have few restrictions on what they can be spent on, but some of these funds like the Local Consolidated Fee are statutorily earmarked for certain purposes such as municipal court building security, juvenile case managers and local youth diversion programs, municipal court technology, and juror reimbursements and jury services. Although fines and court costs support city budgets, they are not treated as revenue generating opportunities as state law specifically prohibits governmental entities, including cities, from imposing traffic revenue quotas on judges.

Role in the Justice System

Municipal courts serve several vital functions within the Texas justice system and benefit Texas cities immeasurably in various ways by providing:

Access to Justice: They provide a forum for individuals to contest fines, seek legal recourse, and resolve disputes related to minor offenses. This accessibility is essential for upholding the rule of law in communities.

Public Safety Enforcement: By adjudicating minor offenses and enforcing local ordinances, municipal courts contribute to public safety, ensuring compliance with laws designed to protect residents.

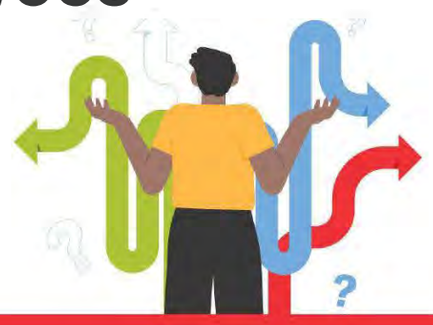
Community Engagement: Municipal courts often engage in outreach programs, educating the public about local laws and the judicial process. This fosters a better understanding of the legal system and encourages civic participation.

Diversion Programs: Municipal courts implement diversion programs aimed at rehabilitation rather than punishment, particularly for first-time offenders. These programs can help reduce recidivism and promote positive behavioral changes. ★

CIVICPLUS municipal websites

Say Goodbye to Your Website Woes

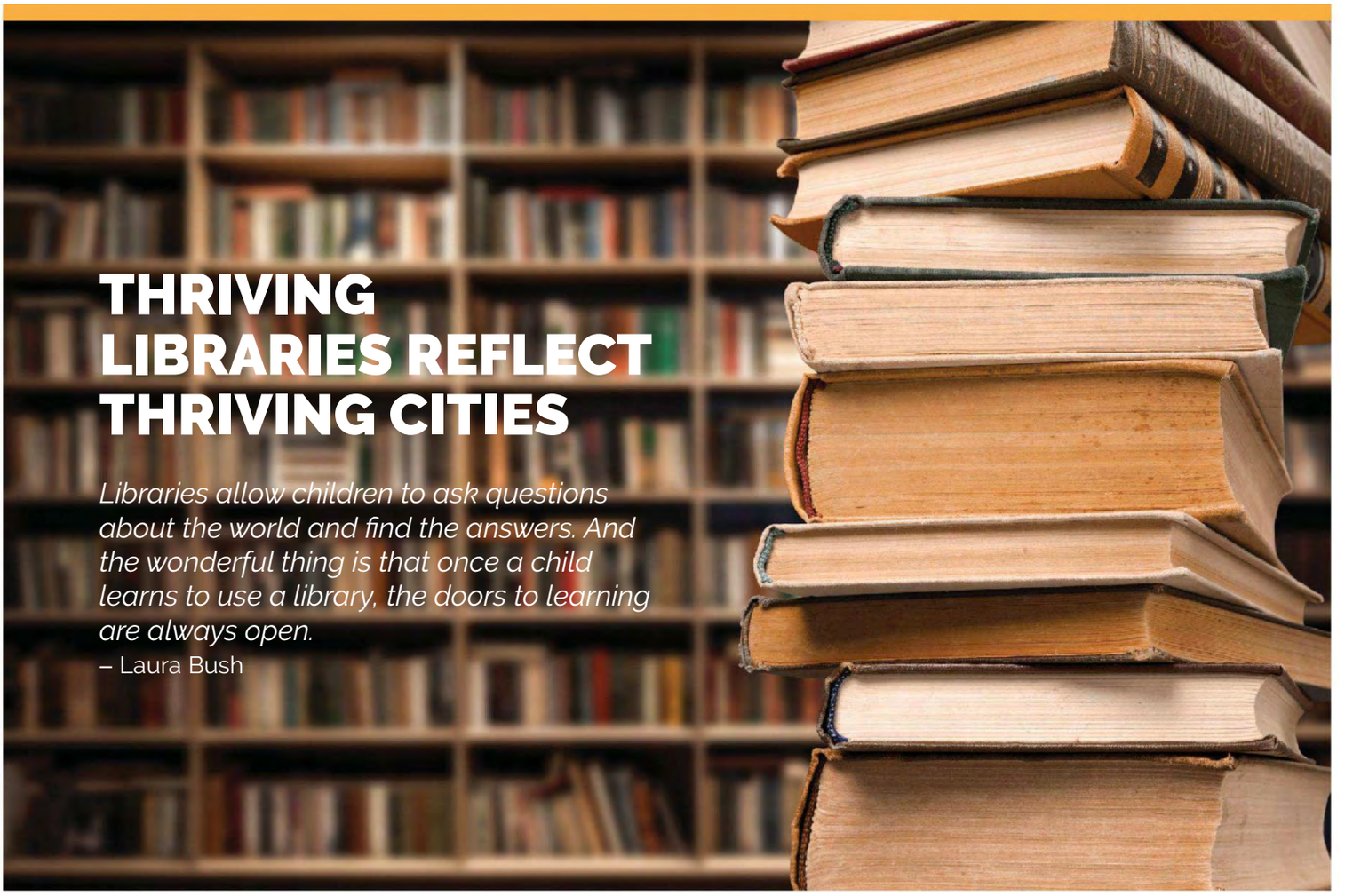
There's an easier way to shop for web providers.



Are you tired of dealing with websites that are outdated, hard to navigate, and lack user-friendly features? If so, it might be time to search for a new web and content management system (CMS) provider.

Scan to download our free eBook, How To Choose a Web Provider, to learn step-by-step ways of achieving a more seamless digital experience.

Save time, save money, and experience a better way to build your municipal website with CivicPlus®.



THRIVING LIBRARIES REFLECT THRIVING CITIES

Libraries allow children to ask questions about the world and find the answers. And the wonderful thing is that once a child learns to use a library, the doors to learning are always open.
– Laura Bush

The Texas State Library and Archives Commission's (TSLAC) Current Library Directory lists 514 public libraries and 351 branches and bookmobiles in Texas. Taxpayers consistently give public libraries – both city and county – a high rank among community services.

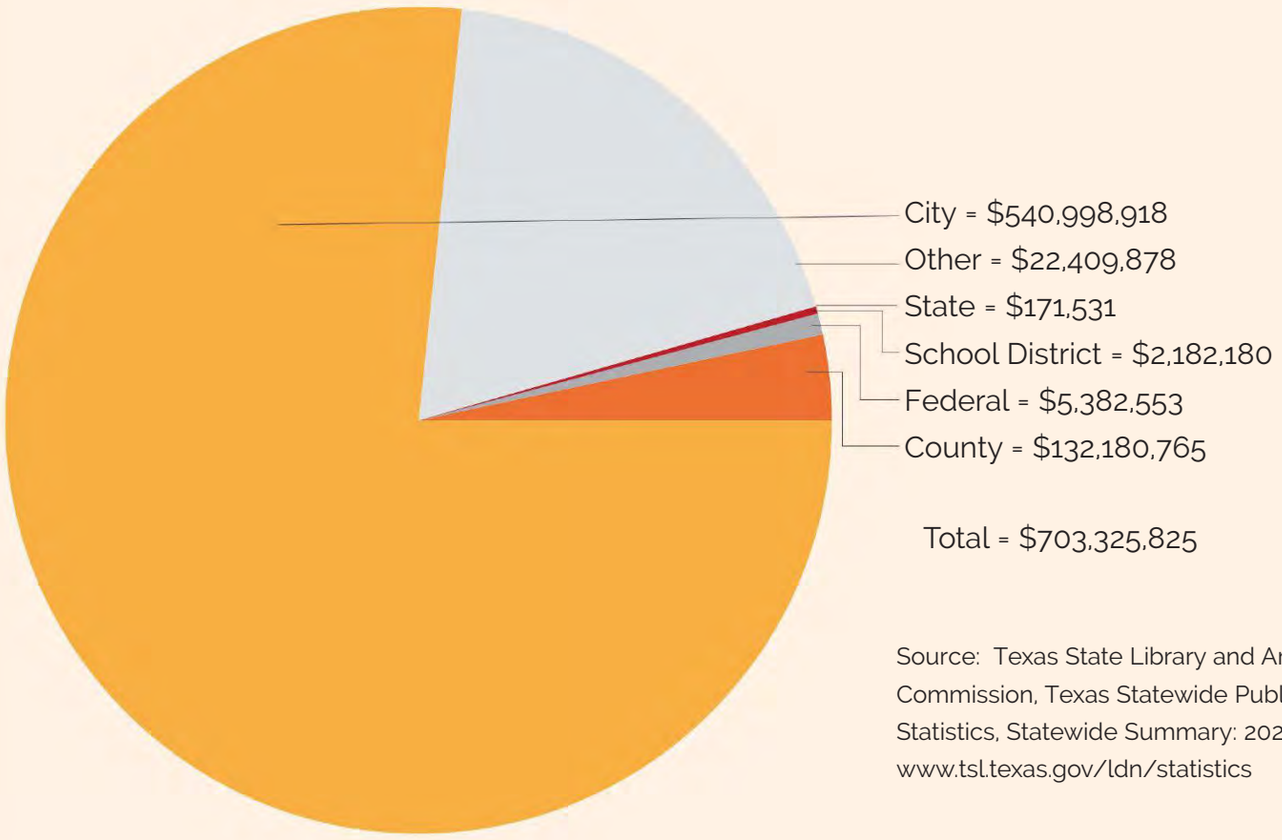
Libraries impact the local economy and workforce development. Public libraries in the State of Texas provide significant economic benefits for their communities. According to a study prepared for TSLAC by the Bureau of Business Research Institute at the University of Texas at Austin, in 2015, Texas public libraries produced $967 million in local economic activity. Additionally, some businesses – particularly those requiring a highly skilled workforce – look to the city's library as a barometer of local commitment to workforce readiness.

Libraries impact literacy and education. Public library patrons include preschoolers, afterschoolers, homeschoolers, distance learners, and researchers. Through story time hours, reading programs, ESL classes, and other local services, libraries represent the public's bridge to structured educational campuses. A poll conducted by the Pew Research Center found that 80 percent of Americans believe that libraries contribute to educational opportunities.

Libraries impact communities. Communities value their city libraries as centers of information and learning and as gathering places for ideas and discussion. The Pew Research Center poll found that 89 percent of Americans believe that public libraries help spark creativity among young people, 69 percent believe that libraries are a trusted place to learn about new technology, and 73 percent believe libraries promote a sense of community in their local areas. Approximately 75 percent of public libraries serve communities smaller than 25,000 in population. In small Texas cities, the library may be the only community gathering place.

As shown in the accompanying chart, cities are the largest source of income for public libraries in Texas. ★

Texas Public Libraries: 2023 Revenue by Source



Source: Texas State Library and Archives Commission, Texas Statewide Public Library Statistics, Statewide Summary: 2023 https://www.tsl.texas.gov/ldn/statistics

Did you know Americans are happier in states that spend more on "public goods" such as libraries?

In a study published in 2019 in the journal Social Science Research, Dr. Patrick Flavin of Baylor University found that Americans are happier in states where governments spend more on things that you can't exclude people from using ("public goods"). He found another benefit of spending money on public goods is that such amenities generally boost home values.

Baylor University. "Americans are happier in states that spend more on libraries, parks and highways: Such 'public goods' also are less likely to spark political conflict." ScienceDaily. ScienceDaily, 7 January 2019. www.sciencedaily.com/releases/2019/01/190107075713.htm.

TEXANS KEEP HEALTHY IN CITY PARKS

The Texas Economy Keeps Healthy in Local Parks – Figures from 2021

- Local parks across the state supported 77,722 jobs (3rd in the United States).
- By adding the effects of operations and maintenance, capital spending, and tourism, a total gross impact can be derived. Across the state, the total impact of local parks leads to an addition to business activity including $13.75 billion in economic activity (3rd in the United States).
- The labor income to the state from local parks activity is approximately $4.3 billion per year (2nd in the United States).

Source: National Recreation and Park Association. *The Economic Impact of Parks: An Examination of the Fiscal Effects of Operations and Capital Spending by Local Park and Recreation Agencies on the U.S. Economy A*. NRPA, 2023.

City parks play a vital role in promoting healthier lifestyles for Texans, and they help keep Texans and visitors feeling their best at home and while traveling. However, Texas cities face challenges in encouraging fitness, including extreme weather, modern sedentary lifestyles, and funding difficulties. In 2024, *WalletHub* included several Texas cities on its list of the nation's least healthy communities, ranking them based on factors such as the percentage of obese adults, availability of parks and recreation facilities, fruit and vegetable consumption, and high cholesterol rates.

Despite these challenges, Texas cities are stepping up with programs that improve the quality of life for individuals and strengthen the entire community. These initiatives offer benefits for all Texans – youth, adult, and seniors alike – by providing opportunities to increase their health and reduce stress. Additionally, parks create space to build partnerships, promote diversity, and encourage tolerance and teamwork, which help build stronger, more connected communities.

Studies show that access to parks is crucial for maintaining a healthy lifestyle. Youth with access to places for physical activity are less likely to be overweight or obese, and individuals who live closer to parks use them more frequently than those who live farther away. Furthermore, evidence suggests that regularly using parks and recreation facilities may lead to healthier lifestyle choices, including choosing alternative modes of transportation like biking or walking.

According to the American Planning Association, providing parks can make communities safer. City parks encourage youth to step away from their screens and computer games and engage in real social interaction through activities like basketball, softball, tennis, soccer, or simply enjoying the outdoors.

City parks provide outdoor recreation resources such as pools, skate parks, and Frisbee golf courses. Cities also provide indoor recreation activities for sports, arts, dance, and nature programs. While many cities have hiking trails, some cities are investing in new interests such as parks for all abilities, dog parks, and pickleball courts. In addition to physical activities, many cities also provide self-improvement classes such as tax preparation and language learning courses, to support residents building life skills. ★

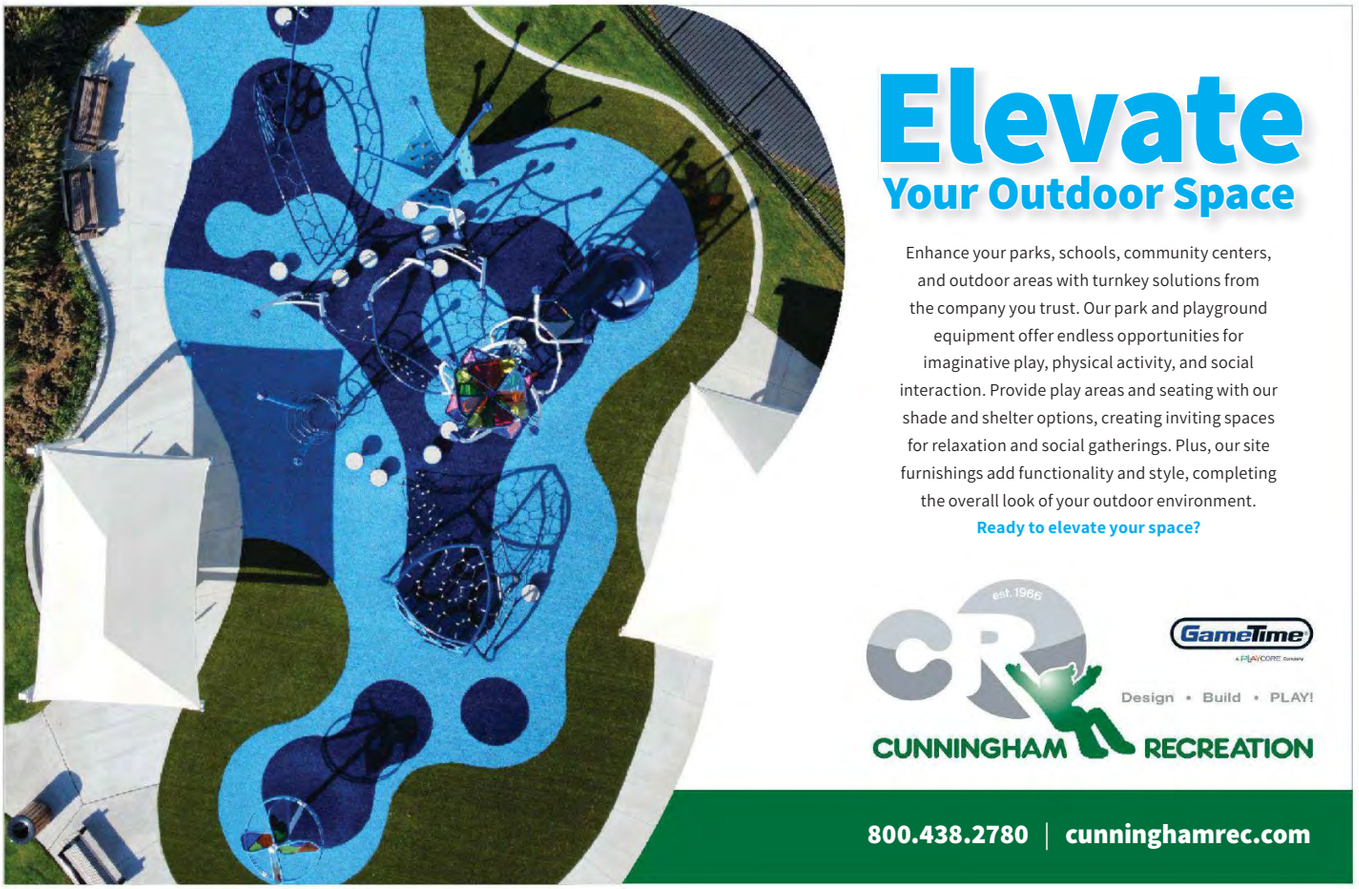
THE ROLE OF PARKS AND MENTAL HEATH

Parks and trails have long been a place for enjoyment and relaxation, but their importance extends far beyond recreation. Today, parks play an essential role in supporting not only physical, but mental health. The National Recreation and Park Association (NRPA) reports that numerous studies demonstrate the mental health benefits of spending more time in parks and green spaces, helping combat mental health issues such as depression, anxiety, and stress. In fact, mental health was of particular concern to the Center for Disease Control and Prevention during the COVID-19 outbreak.

During the first three months of the pandemic, 190 million people in the United States went to parks, trails, or open spaces. In fact, two-thirds of park and recreation leaders reported a significant increase in park use compared to the previous year (with a median rise of 25 percent), while more than 80 percent reported increased use of their trails (with a median rise of 35 percent).

In response to the pandemic and statistics showing that one in five adults and one in six youth (ages 6 to 17) suffer from some form of mental illness each year, parks and recreation created programming focused on improving mental well-being. According to a recent NRPA survey, more than half of all park and recreation agencies will continue mental health programs that were initially launched during the pandemic. Popular offerings include yoga, tai chi, mindfulness training, and opportunities for social connection, particularly for older adults. Virtual health and wellness programs have also become a valuable resource, ensuring that communities continue to have access to these vital services.

Sources: *Joint Statement on Using Parks and Open Space While Maintaining Physical Distancing* (March 18, 2020); *2023 NPRA Engagement with Parks Report*; *2022 NPRA Engagement with Parks Report*; *NPRA Parks Snapshot May 2020*; *NRPA Parks and Improved Mental Health and Quality of Life Fact Sheet*; *2021 NRPA Parks and Recreation: Advancing Community Health and Well-Being*.



INVESTING IN TOMORROW'S LEADERS:
CITY GOVERNMENTS INVOLVE YOUTH

Many Texas cities have created special programs to engage and involve youth. These programs can take many different forms – presentations at local schools, special recognition programs, mentoring or internship initiatives, and formal youth advisory commissions. At the heart of these programs is a desire to educate youth on the mechanics of city government, provide an outlet for youth to voice their ideas and concerns, and make sure that the city is nurturing their future leaders.

Some of the most comprehensive youth programs are formal youth advisory commissions (YACs). YACs are often authorized by city ordinance; have a well-defined mission statement, bylaws, and application process; and meet regularly. YAC commissioners participate in community service projects, provide input to city staff and elected officials on city policy matters, develop and organize youth activities, and serve as role models to their peers.

City officials know that whatever the format, developing relationships with the city's youth is an investment in tomorrow's leaders and in the city's future. ★

THE TEXAS MUNICIPAL RETIREMENT SYSTEM: PROVEN SUCCESS

Many states around the country are faced with huge deficits in public worker pension plans. That has prompted lawmakers in those states to seek large-scale reforms in their retirement systems. Over the last few years, many states have undertaken major efforts to address those deficits by converting public pensions from defined benefit to defined contribution plans, which are similar to a 401(k). As those funding crises across the country continue, the drumbeat for "reform" in Texas pensions will continue to grow louder.

In Texas, the Texas Municipal Retirement System (TMRS) is responsible for the administration of a majority of city retirement plans covering both public safety and civilian city employees. The system is made up of 936 member cities, 225,000 active and retired city employees and their beneficiaries.

TMRS has taken great strides in recent legislative sessions to make improvements in the system that provides retirement benefits to a majority of Texas city employees. The reforms have stabilized benefits and lowered city contribution rates, while ultimately using fewer tax dollars to fund pensions. They will also require training by pension system employees.

There are numerous reasons why TMRS has been so successful. TMRS relies on an advisory board of 10 members, including TMRS retirees, elected officials, pension experts, as well as representatives from both labor and employer groups. This advisory group thoroughly vets all legislative proposals while moving forward only with those that have consensus. The unified front during session provides for easy passage of the needed reforms.

TMRS has proven to be a well-funded model for pensions around the country. It should not be included in discussions about other, improperly funded pensions. ★

TEXAS MUNICIPAL LEAGUE

Empowering Texas cities to serve their citizens

BE ACTIVE IN TML

Whether you are new to city government or a veteran, the Texas Municipal League (TML) is here to help you succeed in your leadership role. Since its formation in 1913 by 14 cities, the League exists to serve the needs and advocate the interests of member cities.

Today, TML serves more than 1,170 member cities. That means about 16,000 mayors, councilmembers, city managers, city attorneys, and city department heads are member officials through their cities' participation.

Your city is a member. Now what? It's time to get involved.

Grow Your Knowledge Base: Attend a TML Training Event

TML conducts a variety of conferences, workshops, and webinars to enhance policymaking and leadership skills. These events connect you to solutions, innovation, and inspiration. And in between presentations and panels, you will have many opportunities to network with peers.

The TML Annual Conference and Exhibition is one of the nation's largest gatherings of city officials. Held in October, the conference includes keynote sessions, workshops, the annual business meeting, and an impressive exhibit hall with more than 350 companies representing products and services that benefit Texas cities.

The League also offers a variety of other training opportunities throughout the year, including the Midyear Conference (March), Newly Elected Officials' Orientations (July and August), Economic Development Conference (November), Leadership Academy (April and May), Small Town Conference (May), Small Cities' Problem-Solving Clinics (multiple times a year), Public Funds Investment Act Training (March and December), Budget and Tax Rate Workshops (even-numbered years), Legislative Webinars and Workshop (odd-numbered years), as well as virtual webinars and workshops throughout the year. Check out the full calendar of training opportunities at tml.org by clicking on "Upcoming Events" on the home page.

Network: Attend a TML Region Meeting

TML has 15 regions that were formed in 1958 and are the League's grassroots. Regions work to foster the exchange of information among cities and help the TML Board develop policy that represents the state's diverse interests. Each region elects officers, including a representative who serves on the TML Board, and conducts meetings at least twice each year.

Focus Your Training: Get Involved in a TML Affiliate

The League also has 21 affiliate organizations that represent specific professional disciplines in municipal government. Each affiliate group has its own membership criteria and fee structure that is separate from the League's and offers a variety of professional development and networking opportunities throughout the year. For a listing of all TML affiliates, go to www.tml.org/35/Affiliates

Represent Your Community: Advocate for Your City

One of the principal purposes of the League is to advance and represent the interests of Texas cities at the state and federal levels.

At the state level, more than 25 percent of the thousands of bills filed each session would affect cities in some substantial way. The League makes every effort to assure that bad-for-city bills are defeated and bills that help cities operate more effectively are passed. Your voice before, during, and after a legislative session is a critical part of that effort.

In addition to communicating with your state leaders, TML encourages you to engage in the League's policy development process. That process begins a full year before the regular legislative session convenes. In non-legislative years, the TML president appoints delegates to a two-day Legislative Policy Summit, where attendees deliberate and make policy recommendations. The final report of the policy summit and any resolutions submitted by the general membership are then considered by the TML general membership at the annual business meeting held during the annual conference. Finally, the TML Board adopts a legislative program based on these approved resolutions.

At the federal level, TML and city officials coordinate efforts through the National League of Cities, the Southern Municipal Conference, and other similar organizations, to ensure Texas cities have a voice in Washington, D.C.

Lead with Confidence: Reach out to the TML Legal Team

The League employs full-time attorneys who are available to provide legal information on municipal issues to member cities, as well as example documents to assist cities in drafting ordinances and other required legal notices. You can reach out to a TML attorney at 512-231-7400 or legalinfo@tml.org.

Keep Up with Municipal Information and Trends: Information, Research, and Communications

Members receive timely and pertinent information through the TML website (www.tml.org), the *Texas Town & City* magazine and other publications, the Friday TML Exchange email that includes a legislative update, social media posts, and other emails. The League also offers the Connect News service, a daily email of newspaper clippings of interest across the state.

If there is something that you need but aren't sure where to look, contact TML staff at 512-231-7400 or members@tml.org.

Discover Solutions: Connect to Private Sector Solutions and Resources

Through the League's Business Development Department, TML connects cities with private sector products and services. You can connect to these solutions in the exhibit hall and sponsor wall at the TML Annual Conference and Exhibition and the Municipal Marketplace on the TML website.

BUT WAIT, THERE'S MORE

Certified Municipal Official Program (CMO)

Calling all elected officials: The Certified Municipal Official (CMO) program is a voluntary certification program that recognizes and rewards elected officials who commit to continuing their professional development. This recognition encourages elected officials to learn about their governance roles and city government through a variety of educational opportunities offered by TML and TML affiliate organizations.

TML Board and Committees

Consider service on the TML Board or a committee to guide the League's important mission to *Empower Texas cities to better serve their citizens*. TML has a rich history of exemplary service to Texas cities, and that tradition begins with the talents and vision of its extraordinary members.

Surveys

Participate in TML surveys. TML sends several annual surveys that collect information on salaries, water and wastewater rates, taxation and debt levels, and general fiscal conditions.

Municipal Excellence Awards

Share your city's success stories and apply for a TML Municipal Excellence Award. These best practice awards celebrate the best of city innovation in public works, public safety, communications, management, and city spirit. Applications open at the beginning of each year and close in early June.

Small Cities Advisory Council

Did you know that 84 percent of Texas cities have populations below 15,000? The Small Cities Advisory Council (SCAC) is made up of dedicated city elected officials and staff who are committed to spending TML's limited recourses in ways that help small cities. Current programs include training scholarships, Small Cities' Problem-Solving Clinics, and training sessions at other TML events.

Youth Advisory Commission Summit

In February, TML sponsors a summit of youth advisory commissions, providing an opportunity for youth to network, celebrate, and learn. The summit is also open to city officials who are curious about starting a program in their communities.

Career Center

TML hosts a job board on its website, and member cities can post for free.

Directories

TML maintains online directories of city officials, associate (business) members, and exhibitors and sponsors at tml.org.

TML Risk Pool

For more than 50 years, the TML Risk Pool has provided Texas cities with quality coverage specifically designed to meet municipal needs. The Risk Pool is a separate entity but maintains a close working relationship with TML.

The TML Risk Pool works to reduce the cost of workers' compensation, property, and liability risks in Texas cities. In addition to providing a stable risk financing system, the Pool offers education to its members to avoid and reduce risks, control losses, and stay informed on other aspects of risk management.

Ready. Set. Engage.

TML is committed to helping city leaders meet today's governing challenges. The League prides itself on its 112 years of service to Texas cities and looks forward to providing the resources, knowledge, and advocacy to support city officials into the future. If you have questions about the opportunities described in this article, visit tml.org, call 512-231-7400, or email members@tml.org. ★

TML Affiliate Organizations

American Planning Association Texas Chapter (APATX)
Association of Hispanic Municipal Officials (AHMO)
Building Officials Association of Texas (BOAT)
Government Finance Officers Association of Texas (GFOAT)
Texas Association of Black City Council Members (TABCCM)
Texas Association of Governmental Information Technology Managers (TAGITM)
Texas Association of Mayors, Councilmembers and Commissioners (TAMCC)
Texas Association of Municipal Health Officials (TAMHO)
Texas Association of Municipal Information Officers (TAMIO)
Texas Chapter of American Public Works Association (Texas Chapter of APWA)
Texas City Attorneys Association (TCAA)
Texas City Management Association (TCMA)
Texas Court Clerks Association (TCCA)
Texas Fire Chiefs Association (TFCA)
Texas Municipal Clerks Association, Inc. (TMCA)
Texas Municipal Human Resources Association (TMHRA)
Texas Municipal Library Directors Association (TMLDA)
Texas Municipal Utilities Association (TMUA)
Texas Police Chiefs Association (TPCA)
Texas Public Purchasing Association (TxPPA)
Texas Recreation and Park Society (TRAPS)

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Region 7	Alamo Region – San Antonio Area
Region 8	Where the West Begins – Fort Worth Area
Region 9	Heart of Texas Region – Waco Area
Region 10	Highland Lakes Region – Austin Area
Region 11	Coastal Bend Region – Corpus Christi Area
Region 12	Lower Rio Grande Valley – Rio Grande Valley Area
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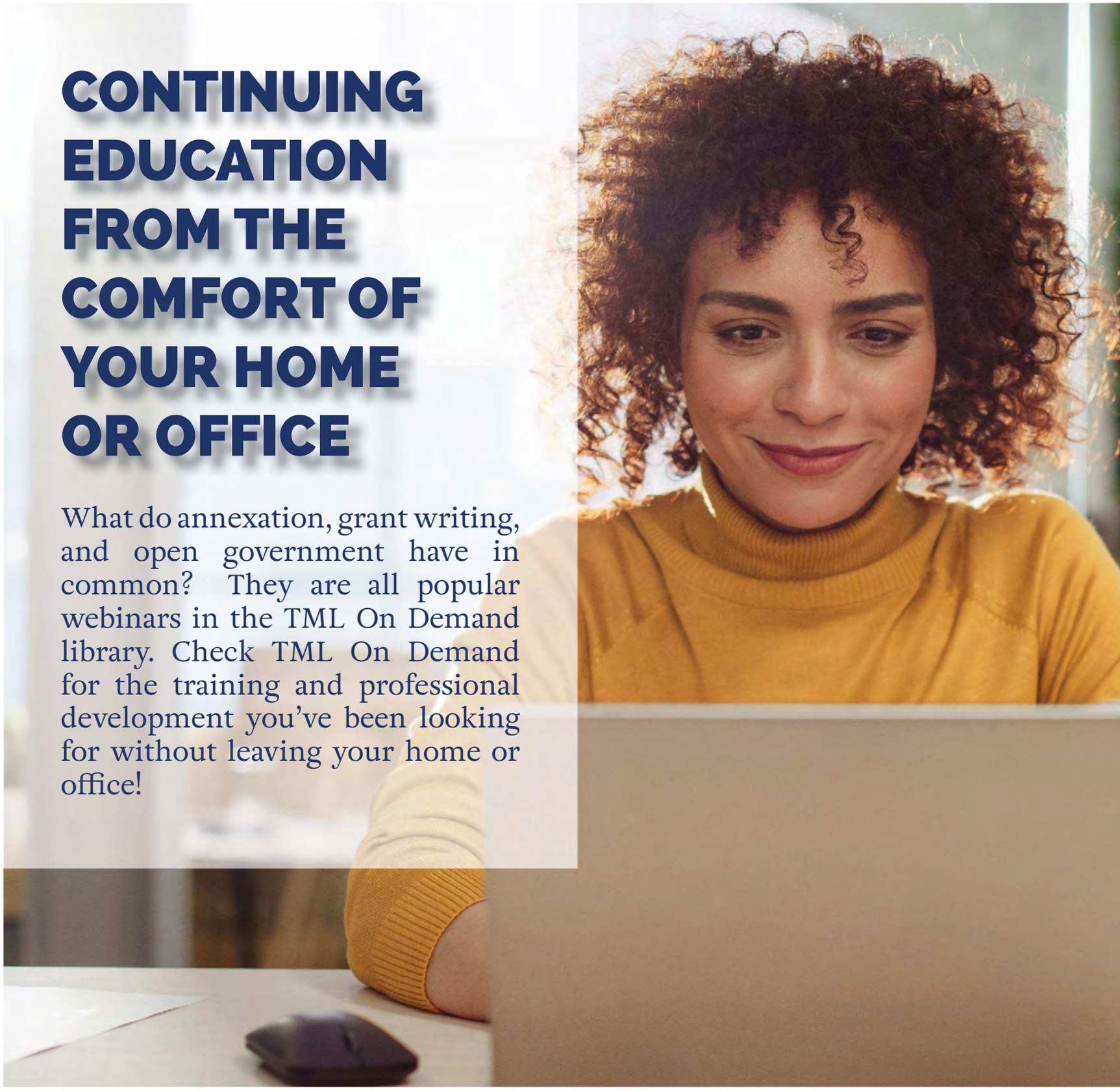

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RESOLVE TO BE YOUR BEST

By **Bill Stark,** Co-Founder, LeaderGov

As a leader influencing your local government, it's important to set strategic goals or resolutions for yourself each year – you might call them resolutions for your city or department. While you probably have a council or city manager who works to set goals, it's important to pursue a few that you see as vital to your team's success.

The first step is to document your resolutions in writing. People are 50 percent more likely to achieve a goal if it's written down.

A Look Back: Look back on the past year and consider what you did well and what you didn't do so well. Consider which projects and initiatives succeeded and why they succeeded. What projects floundered and why did that happen? It's important to look back before you look forward in case there are obvious hurdles that could hurt next years' chance for success.

Team Development Goals: Think about setting resolutions or goals with respect to the people on your team. For instance, you may want to dedicate a total of eight hours per month to support, coach, or mentor those on your team. Consider this dedicated time to be with your direct reports and coach or mentor them in areas that will make them more successful.

Accountability to Resolutions: Many people make new year's resolutions yet fail to maintain them. As a best practice, pair up with another person - a trusted friend or peer at work - to discuss and update each other on the goals you've set. The American Society of Training and Development says that you have a 65 percent greater chance of achieving your goal if you have an accountability partner and a 95 percent greater chance of completing your goal if you set an appointment to share your goal status with another person.

Work-Life Balance Goals: It's important that you set realistic goals that support a healthy balance between your time at work and your time at home. Far too many city leaders spend excessive hours at the office, at council or other public-facing meetings at the expense of their family and friends. Set work boundaries and talk to your elected officials or city manager about your goals to have a healthy work-life balance.

Process Goals: Poor processes can waste time, and create frustration and poor results. There are likely processes within your organization that need attention. What are the critical citizen-facing processes that don't work well today? You may also have process improvement resolutions around internal activities that affect your departments. Consider one or two that you want to work on with your team in the coming year.

Local Government Culture Goals: What parts of your culture do you want to improve this year and what parts of your culture do you want to emphasize this year? Perhaps there are attitudes, behaviors, or habits your team displays that need to be altered next year. Make a list of those you want to affect and talk to your team about them to set specific objectives. Improving the culture of your local government can have a broad positive effect in many areas.

Citizen Engagement Goals: Having an engaged citizenry is important for your long-term success and, at this time of year, it's important to consider ways to stimulate the involvement and engagement of your community in local government activities; perhaps participation on local government committees, local boards, or participation in important community activities. Engaged citizens create the kind of culture you want in your community.

Once you've completed your resolutions, we encourage you to challenge your team to set their own resolutions. Here's to a successful and productive new year! ★

Bill Stark is the co-founder and vice president of client engagement at LeaderGov which helps local government leaders fulfill purpose and results by helping others become their best. To learn more, visit https://www.leadergov.com.

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