

AN ORDINANCE 100284

AMENDING CHAPTER 2, ARTICLE VII OF THE CITY CODE  
OF SAN ANTONIO, TEXAS (MUNICIPAL CAMPAIGN  
FINANCE REGULATIONS)

\*\*\*\*\*

**WHEREAS**, on August 5, 2004, the City Council, approved Ordinance No. 99538 amending Chapter 2 of the City Code to adopt a new Article VII, the municipal "Campaign Finance Regulations;" and

**WHEREAS**, within Ordinance No. 99538, the City Council directed staff to research the development and implementation of an electronic campaign finance filing system; and

**WHEREAS**, the city staff has developed a Web-based electronic campaign finance system allowing for the electronic filing and reporting of contribution and expenditure reports required by the Texas Election Code;

**WHEREAS**, the City Council Governance Committee has also reviewed recommendations for sanctions and rules of procedure pertaining to municipal campaign finance regulations; **NOW THEREFORE**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** Section 2-301(a) of the City Code City Code of San Antonio, Texas is amended as follows:

**Sec. 2-301 Definitions**

(a) Election Cycle: The following constitute separate election cycles:

- 1) for all candidates and officeholders, beginning July 1 of the calendar year before the date of the regular municipal election, and ending on the date of the regular municipal election;
- 2) for a candidate in a run-off election after the regular municipal election, beginning the day after the regular municipal election, and ending on the date of the run-off election;
- 3) for all candidates and officeholders, beginning either on the day after the regular municipal election or the day after the run-off election, as applicable, until June 30 of the calendar year before the next regular municipal election.

**SECTION 2.** Section 2-302(a), (b) and (e) of the City Code City Code of San Antonio, Texas is amended as follows:

**DIVISION 2. CONTRIBUTION LIMITS**

**Sec. 2-302 Limitation Of Political Contributions To Candidates or Officeholders For Mayor Or Council**

(a) A candidate for district office on the City Council or city council officeholder may not accept more than \$500.00 in political contributions from any individual or single entity per election cycle.

(b) A candidate for mayor or mayoral officeholder may not accept more than \$1000.00 in political contributions from any individual or single entity per election cycle.

(e) An individual cannot contribute to candidate or candidate committee and a candidate for Mayor or City Council or officeholder cannot accept campaign contributions or officeholder contributions in cash exceeding \$50, from a single donor during a ~~campaign finance~~ reporting period as defined in the Texas Election Code §253.033, including tickets to fund-raising events.

**SECTION 3.** Section 2-305(a) of the City Code City Code of San Antonio, Texas is amended as follows:

**DIVISION 3. POLITICAL CONTRIBUTION AND EXPENDITURE CAMPAIGN ACCOUNTS AND REPORTS**

**Sec. 2-305 Single Campaign Account**

(a) A candidate for Mayor or City Council or officeholder must deposit each and every political campaign contribution into one and only one specified bank account. This single account must be used for all political contributions and expenditures pertaining to municipal office. ~~campaign deposits and campaign expenditures.~~

**SECTION 4.** The "Municipal Campaign Finance Regulations" in Section 2-307 in the City Code City Code of San Antonio, Texas pertaining to contribution and expenditure report filing is amended as follows:

**Sec. 2-307 Electronic Campaign Finance Filing**

~~(a) The City Council shall direct staff to research the development and implementation of electronic campaign finance filing system. The City Council, as soon as is practicable, shall authorize funding and implementation of this system.~~

~~(a)(b) Upon implementation of the electronic campaign finance filing system, C~~andidates for Mayor or City Council and officeholders will electronically file and update electronic contribution and expenditure reports required under the Texas Elections Code with the City Clerk's Office. ~~The reports must identify deposited campaign contributions and current campaign expenditures and must list the name, address, principal occupation, and principal employer of the contributor. All contributions must be reported within five business days of filing monthly campaign account statement required by Section 2-306.~~

~~(b)(c)~~ In general and runoff elections, candidates for mayor or city council shall also electronically file an additional 3-day the final campaign finance contributions report. This report is to be filed no later than 5:00 P.M. on the third calendar day preceding the general or run-off election day. This report is in addition to the reports required by the Texas Election Code.

~~(c)(d)~~ The City will provide access to computer equipment for candidates to file the electronic reports. A candidate, officeholder, or political committee that is required to file electronic reports under this chapter may apply for an exemption if

(1) the candidate, officeholder, or campaign treasurer of the committee files with the commission an affidavit stating that the candidate, officeholder, or committee, an agent of the candidate, officeholder, or committee, or a person with whom the candidate, officeholder, or committee contracts does not use computer equipment to keep the current records of political contributions, political expenditures, or persons making political contributions to the candidate, officeholder, or committee; *and*

(2) the candidate, officeholder, or committee does not, in a calendar year, accept political contributions that in the aggregate exceed \$20,000 or make political expenditures that in the aggregate exceed \$20,000.

~~(d)(e)~~ The City of San Antonio will post the electronic campaign finance contribution and expenditure reports through a designated Elections Website.

~~(e)(f)~~ These reporting requirements are in addition to the reporting requirements under the Texas Election Code. Knowingly failing to timely file a report required by this section is a violation hereof, as is the knowingly filing of a report with incorrect, misleading, or incomplete information. If an individual inadvertently files an incorrect or incomplete report, it is his or her responsibility to file an amended report as soon as possible, though no later than fifteen (15) days after discovery of the error or after the error should have reasonably been discovered.

**SECTION 5.** Section 2-309 of the City Code City Code of San Antonio, Texas pertaining to campaign or officeholder contributions by city contractors is amended as follows:

## **Division 5. CITY CONTRACTORS**

### **Sec. 2-309 Contribution Prohibitions**

(a) Any person ~~or company official~~ acting as a legal signatory for a proposed contractual relationship that applies for a "high-risk" discretionary contract, as defined by the City of San Antonio Contracting Policy and Process Manual, may not make a political campaign contribution to any councilmember or candidate ~~at any time~~ from the time the person submits the response to the Request for Proposal (RFP) or Request for Qualifications (RFQ) ~~is issued~~ until 30 calendar days following the contract award. Any legal signatory for a proposed high-risk contract must be identified within the response to the RFP's

**or RFQ's, if the identity of the signatory will be different from the individual submitting the response.**

(b) If the **legal** signatory ~~legally~~ entering the contract has made such a contribution, the city may not award the contract to that **person**, or to **the business entity for whom that contributor acted as legal signatory.** ~~to that contributor's business entity.~~ **Any contract awarded in violation of this provision shall be voidable at the discretion of the City Council.**

(c) In the event that a candidate or **officeholder** unknowingly accepts a contribution in contravention of the provisions of this section, then it shall be the duty of the candidate **or officeholder** to return the contribution within five (5) business days after he or she becomes aware of the violation.

(d) ~~The Department of Asset Management shall determine whether a contract is "high risk."~~ The criteria for designation as a "high-risk" contract are:

- (1) Value of the contract over the life of the contract will exceed \$1 million;
- (2) Contracts with value exceeding \$25,000 to be obtained without competitive solicitation;
- (3) Contract is for goods or services of a highly complex nature or for non-standard items;  
or
- (4) Contracts with exceptional community interest.

**SECTION 6.** Section 2-310 of the City Code City Code of San Antonio, Texas pertaining to enforcement of the municipal campaign finance regulation and advisory opinions by the Ethics Review Board is amended as follows:

#### **DIVISION 6. ENFORCEMENT AUTHORITY AND SANCTIONS**

##### **Sec. 2-310 Ethics Review Board Campaign Finance Enforcement Authority**

(a) **Municipal Campaign Finance Regulations Enforcement Authority.** The Ethics Review Board **created pursuant to Article XIII of the City Charter** shall have authority to review reports required under this chapter and shall have the jurisdiction to investigate, make findings, issue rulings and assess sanctions concerning any alleged violation of this chapter, by any person subject to these provisions.

(b) **Municipal Campaign Finance Advisory Opinions Issued by the Ethics Review Board.**

- (1) **By writing filed with the City Clerk, any officeholder or candidate for city council, mayor or officer of a political action committee registered with the Office of the City Clerk may request an advisory opinion with respect to the interpretation of the code of municipal**

campaign finance regulations, but only with respect to whether proposed action by that person would violate these regulations. The City Clerk shall promptly transmit all requests for advisory opinions to the Ethics Compliance Officer and the chair of the Ethics Review Board.

- (2) Within twenty (20) days of receipt by the chair of the Ethics Review Board of a request for an advisory opinion, the Board, acting *en banc* or through a designated Ethics Panel, shall issue a written advisory opinion. During the preparation of the opinion, the Board may consult with the Ethics Compliance Officer of the city and other appropriate persons. An 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 fact situation.

A copy of the opinion shall be indexed and kept by the Ethics Review Board as part of its records. In addition, copies of the opinion shall be forwarded by the chair of the Ethics Review Board, or the Ethics Compliance Officer, to the person who requested the opinion, to the members of the Ethics Review Board, and to the City Clerk. The City Clerk shall make the opinion available as a public record in accordance with the Local Government Records Act. The Ethics Compliance Officer shall promptly post the opinion on the Internet via the City of San Antonio homepage.

- (c) Civil Sanctions for Violations of the Municipal Campaign Finance Regulations. The following civil sanctions may be imposed by the Ethics Review Board which finds by a preponderance of the evidence that the municipal campaign finance regulations have been violated:

- (1) Letter of Notification. The Ethics Review Board may issue a letter of notification to any individual subject to the municipal campaign finance regulations where the board finds that the violation was clearly unintentional or inadvertent. The letter must advise the person to whom it is directed of any steps to be taken to avoid future violations;
- (2) Letter of Admonition. The Ethics Review Board may issue a letter of admonition to any individual subject to the municipal campaign finance regulations where the board finds that the violation was minor and/or may have been unintentional or inadvertent;
- (3) Letter of Reprimand. The Ethics Review Board may issue a letter of reprimand to any individual subject to the municipal campaign finance regulations where the board finds that the violation was made intentionally or knowingly;

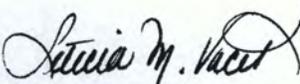
- (4) Referral to Ethics Training. Upon finding of violation of the municipal campaign finance regulations, the Ethics Review Board may require any individual subject to the municipal campaign finance regulations to attend training on these regulations;
- (5) a fine not exceeding five hundred dollars (\$500) where the Board finds that the violation was made intentionally or knowingly. Each day after any deadline 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.
- (d) The rules and procedures set out in Chapter 2, Article III of the City Code (Ethics Code), Sections 2-80 through 2-91 shall apply to the enforcement of this article (municipal campaign finance regulations), including:
- (1) procedures for filing and responding to complaints of violations of the municipal campaign finance regulations;
  - (2) disposition of complaints;
  - (3) the imposition or recommendation of sanctions;
  - (4) extension of deadlines; and
  - (5) the timeliness of filings

**SECTION 7.** This ordinance is effective on January 23, 2005. Beginning with the contributions and expenditures report required by the Texas Election Code due on April 7, 2005, officeholders, candidates and specific purpose committees shall file reports electronically with the Office of the City Clerk. The Information Technology Department shall provide training to all candidates and representatives of specific purpose committees. Individuals may apply for an exemption to the electronic reporting requirements under Section 2-307 of the City Code.

The changes in the City Code's municipal campaign finance regulations reflected in this ordinance apply only to events taking place on or after the effective date of this ordinance. Any events occurring before the effective date of this ordinance are governed by the City Code provisions in effect on that date of that event. The prior versions of the Code are continued in effect for that purpose.

PASSED AND APPROVED this 13th day of January 2005.

  
MAYOR  
Edward D. Garza

ATTEST:   
City Clerk

APPROVED AS TO FORM:   
Andrew Martin  
City Attorney



# Agenda Voting Results

**Name:** 21B.

**Date:** 01/13/05

**Time:** 11:22:54 PM

**Vote Type:** Multiple selection

**Description:** An Ordinance amending Chapter 2, Article VII of the City Code of San Antonio, Texas (Municipal Campaign Finance Code).

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1	Not present			
JOEL WILLIAMS	DISTRICT 2		x		
RON H. SEGOVIA	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5		x		
ENRIQUE M. BARRERA	DISTRICT 6		x		
JULIAN CASTRO	DISTRICT 7		x		
ART A. HALL	DISTRICT 8		x		
CARROLL SCHUBERT	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10		x		
MAYOR ED GARZA	MAYOR		x		

# **Municipal Campaign Finance Regulations**

**City Council Meeting**

**January 13, 2005**

**Item 21 B**

1

## **Ethics Review Board**

**Ordinance establishes new Ethics Review Board as the enforcement authority for the municipal campaign finance regulations in accordance with City Charter Section 166.**

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# **Sanctions**

## **Letter of Notification**

**Board may issue letter of notification where board finds violation inadvertent. Letter will notify of non-compliance and advise on steps to correct.**

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# **Sanctions**

## **Letter of Admonition**

**Board may issue letter of admonition if it finds violation was minor and appeared to be made inadvertently.**

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# Sanctions

## **"Intentionally" – Ethics Code Definition**

**A person acts intentionally, or with intent, with respect to the nature of his conduct when it is his conscious objective or desire to engage in the conduct or cause the result.**

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# Sanctions

## **Referral to Training**

**Upon finding of a violation, board may refer person to training on the municipal campaign finance regulations.**

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## **Amendments**

**Texas Ethics Commission and Texas Election Code treats campaign contributions and officeholder contributions as the same.**

**The term officerholder is added to municipal provisions make this application clear.**

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## **Contribution Cycles**

**The provision defining "election cycle" amended to state that the three election cycles which define time frame for contribution limits apply for all candidates and officeholders.**

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## **City Contractor**

**The provision prohibiting a legal signatory for a high-risk contact from making a campaign contribution to candidate or officeholder amended to use the term political contribution.**

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## **City Contractor**

**Also, contribution prohibition time period amended to begin when response to RFP or RFQ is submitted, rather than when the RFP or RFQ was issued.**

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## **Electronic Filing**

**Upon submission, City Clerk's Office will "lock in" reports and post information on City Website.**

**Individuals may search reports or they may search by category of information, i.e. name of donor, time periods, amounts of donations.**

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## **Electronic Filing**

**Candidates may apply to "opt out" of electronic filing system if they accept no more than \$20,000 in contributions in a calendar year or expend no more than \$20,000 in a calendar year and if that candidate attests that he or she does not use computer equipment to keep records.**

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**PUBLIC NOTICE**

**AN ORDINANCE 100284**

AMENDING CHAPTER 2,  
ARTICLE VII OF THE CITY  
CODE OF SAN ANTONIO,  
TEXAS (MUNICIPAL CAM-  
PAIGN FINANCE REGULA-  
TIONS)

PASSED AND APPROVED  
this 13th day of January, 2005.

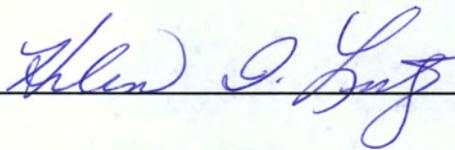
/s/EDWARD D. GARZA  
Mayor

ATTEST:  
/s/ LETICIA M. VACEK  
City Clerk  
2/8

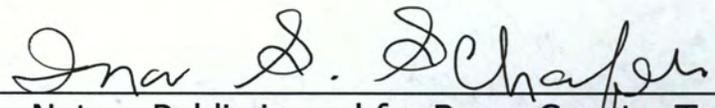
**Affidavit of Publisher**

STATE OF TEXAS,  
  
COUNTY OF BEXAR  
  
CITY OF SAN ANTONIO

Before me, the undersigned authority, on this day personally appeared Helen I. Lutz, who being by me duly sworn, says on oath that she is Publisher of the Commercial Recorder, a newspaper of general circulation in the City of San Antonio, in the State and County aforesaid, and that the City of San Antonio-City Clerk-Ordinance 100284 hereto attached has been published in every issue of said newspaper on the following days, to-wit: February 8, 2005.

  
\_\_\_\_\_

Sworn to and subscribed before me this 8th day of February, 2005.

  
\_\_\_\_\_  
Notary Public in and for Bexar County, Texas

