

**EXHIBIT A TO ORDINANCE NO. _____.
Chapter 2, Article IV., Division V. – Political Contributions**

Mesquite City Code

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Chapter 2 – ADMINISTRATION

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ARTICLE IV. – OFFICIALS AND EMPLOYEES GENERALLY

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DIVISION V. – POLITICAL CONTRIBUTIONS

Sec. 2-166. - Definitions.

The terms used in this division have the meanings ascribed to them in Chapter 251, Texas Election Code, as amended, except as defined in this section.

(a) AFFILIATED means the relationship created when one business entity is the parent or subsidiary of another business entity or when multiple business entities are subsidiaries of the same parent business entity.

(b) CANDIDATE means a person who has filed an application with the City Secretary for a place on the official ballot in an impending election for one or more members of the Mesquite City Council, including Mayor.

(c) CONTRIBUTION means (1), (2) or (3) below:

(1) A direct or indirect transfer of money, goods, services, or any other thing of value and includes an agreement made or other obligation incurred, whether legally enforceable or not, to make a transfer. The term includes a loan or extension of credit, other than those expressly excluded by this subdivision, and a guarantee of a loan or extension of credit, including a loan described by this subdivision.

(2) An expenditure made to advocate or influence the election of a candidate and that is made in cooperation, consultation, or in concert with the candidate's campaign. The following is considered a contribution within the meaning of this definition:

(A) the expenditure is made at the request or suggestion of the candidate's campaign;

(B) the individual or political committee suggests the expenditure and the candidate's campaign assents to the suggestion;

(C) the individual or political committee making the expenditure communicates with the candidate's campaign before making the expenditure;

(D) the candidate's campaign has solicited funds for or directed funds to the individual or political committee making the expenditure, but only if the

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expenditure or direction occurred in the twelve (12) months before the election that the expenditure seeks to influence; or

(E) the individual or political committee making the expenditure uses information from the candidate's campaign to design, prepare, or pay for the expenditure unless that same information is available to the general public.

(3) A transfer of money to a political committee for the purpose of the political committee making a political contribution to a candidate.

(4) The term does not include:

(A) a loan made in the due course of business by a corporation that is legally engaged in the business of lending money and that has conducted the business continuously for more than one year before the loan is made.

(d) DOMESTIC PARTNER means an individual who, on a continuous basis, lives in the same household and shares the common resources of life in a close, personal, intimate, committed relationship with another individual. A domestic partner may be of the same or opposite gender as the other individual and is not married to or related by blood to the other individual.

(e) PERSON shall mean and extend to associations, corporations, firms, partnerships, business trusts, individual trusts, estates, and bodies politic and corporate as well as to individuals.

SEC. 2-167 POLITICAL CONTRIBUTION LIMITATION.

(a) A person, including an individual's child under ten (10) years of age, shall not, in total, make a political contribution of more than:

(1) \$500 per City election in support of, or opposition to, a single candidate for election to Places 1, 2, 3, 4, 5, or 6, on the City Council; and

(2) \$5,000 per City election in support of, or opposition to, a single candidate for election of Mayor.

(b) Except as otherwise prohibited, each individual is entitled to contribute the full amount of the limitation established in Subsection (a), regardless of marital status.

(c) A political committee shall not:

(1) make a political contribution of more than \$500 per contributing member per City election to a single candidate for election to Places 1, 2, 3, 4, 5, or 6 on the Mesquite City Council; and

(2) make a political contribution of more than \$5,000 per contributing member per City election to a single candidate for election to Mayor.

(d) No person shall knowingly make or authorize a political contribution in the name of or on behalf of another person or knowingly permit his or her name to be used to effect such a political

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contribution, and no City Council Member, including Mayor, or candidate shall knowingly accept a political contribution made by one person in the name of another person.

(e) For the purpose of this section, an initial election and any runoff election for the initial election are considered as separate City elections.

(f) The amount of the political contribution limits set forth in this section are cumulative, such that the total of all political contributions of a person or political committee per City election shall not exceed the limits of this section.

(g) The amount of the political contribution limits set forth in this section shall be modified each year with the adoption of the budget to increase or decrease in accordance with the most recently published federal government Bureau of Labor Statistics Indicator, Consumer Price Index (CPI-U) U.S. City Average. The most recently published Consumer Prices Index for August 2020 shall be used as a base of 100 and the adjustment thereafter will be to the nearest \$50.00.

SEC. 2-168 DISCLOSURES BY POLITICAL COMMITTEES.

(a) A general purpose political committee that makes a political contribution to a City Council Member, including Mayor, or candidate, or to support or oppose a City measure, shall file with the City Secretary:

(1) a copy of the latest campaign treasurer designation, a verified statement of the number of contributing members of the committee, and a copy of the monthly reports filed with the Texas Ethics Commission:

- (A) for the three months immediately preceding the date of the contribution; and
- (B) for the two months immediately following the date of the contribution; or

(2) if the political committee does not file monthly reports with the Texas Ethics Commission, then reports on the dates and covering the reporting periods required by state law for candidates or measures shall be filed, whichever apply.

(b) A general purpose political committee shall make its initial filing with the City Secretary no later than five business days following the date of its first political contribution to a City Council Member, including Mayor, or a candidate, or to support or oppose a City measure, the initial filing to include the required campaign treasurer designation, the verified statement of the number of contributing members of the committee, and copies of reports filed with the Texas Ethics Commission for the preceding three months, if the committee files monthly with the Texas Ethics Commission. Subsequent monthly reports filed by general purpose political committees must be filed with the City Secretary by the deadline and covering the reporting periods designated in Chapter 254, Texas Election Code, for monthly reports filed with the Texas Ethics Commission.

(c) Specific purpose political committees must file campaign reports with the City Secretary in accordance with Chapter 254, Texas Election Code.

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(d) A candidate receiving a political contribution from a political committee shall notify in writing the political committee of the requirements of this section.

SEC. 2-169 POLITICAL CONTRIBUTIONS BY APPLICANTS IN ZONING CASES AND PUBLIC SUBSIDY MATTERS AND BY BIDDERS AND PROPOSERS ON CITY CONTRACTS.

(a) In this section:

(1) APPLICANT means any person who:

(A) owns all or part of the property that is the subject of a zoning case or public subsidy matter;

(B) is a parent, child, spouse, or other family member within the first degree of consanguinity or affinity, of a person that owns all or part of the property that is the subject of a change of zoning case or public subsidy matter;

(C) is a representative of the property owner in connection with the zoning case or public subsidy matter, and, if the representative is an entity, includes any individual who holds with the entity any position described in Paragraph (1)(E)(i) through (vii) of this subsection;

(D) is affiliated with the property owner; or

(E) if the property owner is an entity, is an individual who holds any of the following positions with the entity or with any affiliated business entity:

(i) the chief executive officer, chief financial officer, or chief operating officer, or any person with equivalent duties, powers, and functions;

(ii) a member of the board of directors of a corporation;

(iii) a general partner of a general partnership or limited partnership;

(iv) a manager of a limited liability company that is managed by managers;

(v) a member of a limited liability company that is managed by members entitled to manage the company;

(vi) a member of the board of directors of a cooperative association; or

(vii) a trust manager of a real estate investment trust.

(2) COUNCIL TERM means the two (2) year period members of the Mesquite City Council, including the Mayor, serve as elected officials, including any period of continuation of service under Texas Constitution Article 16, Section 17.

(3) PUBLIC SUBSIDY MATTER means any of the following:

(A) A tax abatement.

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- (B) A housing tax credit.
- (C) An historic development tax abatement.
- (D) Federal grant money administered by the City.
- (E) Tax increment financing.
- (F) An economic development grant or loan.

(b) An applicant in a change of zoning case shall not (either personally or through a representative, employee, or agent) knowingly make a political contribution to a City Council Member, including Mayor, or candidate during the period between the date the first notices of a public hearing to consider the change of zoning case by the City Zoning and Planning Commission are mailed and the later of:

- (1) the council term in which the change of zoning case is withdrawn; or
- (2) the council term in which a final decision on the change of zoning case is made by the City Council either granting or denying the application.

(c) Subsection (b) does not apply to the designation, or change of designation, of a Mesquite Landmark or Historic Preservation Overlay District (H-POD) or an Established Neighborhood Overlay District.

(d) An applicant in a public subsidy matter shall not (either personally or through a representative, employee, or agent) knowingly make a political contribution to a City Council Member, including Mayor, or candidate from the time the application is made or the matter is posted on a City Council agenda, whichever occurs first, until the later of:

- (1) the Council term in which the matter is withdrawn; or
- (2) the Council term in which a final decision on the matter is made by the City Council either granting or denying the matter.

(e) A person responding to a request for bids or request for proposals on a City contract shall not (either personally or through a representative, employee, or agent) knowingly make a political contribution to a City Council Member, including Mayor, or candidate from the time the advertisement or public notification of the request for bids or request for proposals is made until the end of the council term in which the contract is awarded. For purposes of this subsection, "person" includes:

- (1) any individual responding to the request for bids or proposals;
- (2) any entity responding to the request for bids or proposals and its affiliated business entities;

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(3) if the person responding to the request for bids or proposals is an entity, any individual who holds with the entity (or with any affiliated business entity) any position described in Subsection (a)(1)(E)(i) through (vii) of this section;

(4) the parent, child, spouse, or other family member within the first degree of consanguinity or affinity, of any individual described in Paragraph (1) or (3) of this subsection; and

(5) a representative of the bidder or proposer in connection with the City contract, and, if the representative is an entity, includes any individual who holds with the entity any position described in Subsection (a)(1)(E)(i) through (vii) of this section.

(f) This section applies to a contribution made to any specific-purpose political committee that will ultimately contribute to an identified City Council Member, including Mayor, or candidate, and the contributor to the specific-purpose political committee is an applicant in a zoning case or public subsidy matter or is the person responding to a request for bids or proposals on a City contract. Any contribution made to a specific-purpose political committee during the time restrictions imposed by this section is considered to have been made to that City Council Member, including Mayor, or candidate at the time the contribution is made to the specific-purpose political committee and the time restrictions imposed by this section do not apply to when the specific-purpose political committee makes a political contribution to the identified City Council Member, including Mayor, or candidate.

(g) This section applies to a political contribution made by any political committee established, administered, financially supported, or assisted pursuant to state or federal law by a corporation or labor organization that is an applicant in a zoning case or public subsidy matter or that is the person responding to a request for bids or proposals on a City contract. The time restrictions imposed by this section do not apply to when an individual contribution is received by the political committee, but only to when the political committee actually makes the political contribution to the City Council Member, including Mayor, or candidate.

(h) Except as provided in Subsection (g), this section does not apply to a political contribution made to or by any general-purpose political committee.

SEC. 2-170 Recusal

(a) Any Councilmember, Mayor or candidate who receives a political contribution, regardless of amount, prohibited by this division shall recuse themselves from the City Council's consideration of and shall not vote on any of the following for a period of two (2) years beginning on the date the offending political contribution is made:

(1) any matter before the City Council involving an individual (including that individual's employer, entities affiliated with that individual's employer, parent, child, spouse, domestic partner or other family member within the first degree of consanguinity or affinity) that made a contribution in violation of this division;

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- (2) any matter before the City Council involving an entity (including affiliated entities and those persons described in in Section (a)(1)(E)(i) through (vii)) that made a contribution in violation of this division; and
- (3) any matter before the City Council involving an officer, director, employee, representative or affiliated entity of a political committee that made a contribution in violation of this division, and any City measure supported or opposed by any such political committee.