

**INFORMAL STAFF REPORT
TO MAYOR AND CITY COUNCIL**

SUBJECT:

Campaign Financing Ordinance Research

BACKGROUND:

On Sept. 11, 2024, Council Member McGee presented a two-minute pitch to hold a comprehensive work session to examine and reform Denton’s local campaign finance rules. On Sept. 17, 2024, the City Council gave direction to proceed with the two-minute pitch proposal as outlined in Ordinance 24-1725.

DISCUSSION:

Currently, the City of Denton does not have any regulations that restrict or limit campaign contributions. The State of Texas generally does not restrict the amount of money that a person or political committee may contribute to a campaign but does require candidates to appoint a treasurer, file finance reports every six months, and file reports before elections.

The City of Denton has the authority to establish campaign contribution limits so long as the limits do not infringe upon a person’s First Amendment right to free speech and the City can show a perception of corruption justifying such laws. Other Texas cities have adopted local campaign financing limitations as summarized below:

City	Individual Limit	Political Committee Limits	Aggregate Limits
Houston	\$5,000	\$10,000	
San Antonio	Councilor: \$500 Mayor: \$1,000	Councilor: \$500 Mayor: \$1,000	
Dallas	Councilor: \$1,000 Mayor: \$5,000	Councilor: \$1,000 Mayor: \$5,000	
Austin	\$350	\$1,000	\$36,000 from non-Austin Residents
McAllen	Councilor: \$5,000 Mayor: \$10,000 <i>Proposed: \$500</i>	Councilor: \$5,000 Mayor: \$10,000 <i>Proposed: \$500</i>	
San Marcos	\$500		Mayor: \$0.75/Registered Voter Councilor: \$0.50/Registered Voter

In general, limits on campaign contributions made by a candidate to themselves are not limited and there is an indication that attempts to limit self-contributions have not been upheld by courts. Some cities such as Houston, San Antonio, and Dallas, prohibit the acceptance of campaign contributions from people who have a pending matter before the City, such as an application for a permit, proposal to enter into a contract or arrangement, or are involved in ongoing litigation with the City while those activities are ongoing.

In general, the applicable ethics commission of each City has some degree of authority over the enforcement of these limitations and restrictions, such as processing a complaint of a suspected violation of the limits if one is received. Some ordinances allow these commissions to recommend that the City Attorney pursue prosecution of a municipal code violation.

CONCLUSION:

If Council Member McGee wishes to advance the pitch beyond an Informal Staff Report, City Staff will present the information to Agenda Committee with a staff recommendation to route the item through the Board of Ethics prior to Council discussion.

STAFF CONTACT:

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REQUESTOR:

Council Member McGee

PARTICIPATING DEPARTMENTS:

City Attorney's Office

STAFF TIME TO COMPLETE REPORT:

3 Hours