



AGENDA INFORMATION SHEET

DEPARTMENT: City Manager's Office

CM/DCM/ACM: Sara Hensley, City Manager

DATE: November 7, 2024

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding the City Council's direction to move forward with a two-minute pitch to examine and reform the City of Denton local campaign finance rules.

BACKGROUND

On September 17, 2024, Council Member McGee made a two-minute pitch to review and reform the City's local campaign finance rules. The goal is to increase transparency and accountability by limiting or banning contributions from individuals, relatives, self-funding sources, organizations, and developers. The pitch received consensus and the City Auditor's Office conducted the initial research and provided the Council the **attached** Informal Staff Report.

DISCUSSION

The City Auditor's initial research determined the City has no regulations restricting or limiting campaign contributions. The City 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. Generally, the State of Texas does not restrict the amount of money that an individual 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. Some cities such as Houston, San Antonio, and Dallas prohibit the acceptance of campaign contributions from individuals who have a pending matter with 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. 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 or recommending the City Attorney pursue prosecution of a municipal code violation.

STAFF RECOMMENDATION

Staff recommends routing the item to the Board of Ethics to provide a thorough review and obtain feedback prior to a Council Work Session.

EXHIBITS

1. Exhibit 1 – Agenda Information Sheet
2. Exhibit 2 – Informal Staff Report
3. Exhibit 3 – Process Flow Chart

Respectfully submitted:
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Cassey Ogden, Assistant City Manager
Christine Taylor, Assistant City Manager

Prepared by:
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