

## CHAPTER XXII. PUBLIC CONTRACTS

### Current Charter Language:

#### SEC. 11. FINANCIAL INTEREST OF EMPLOYEE OR OFFICER PROHIBITED.

(a) No officer or employee shall have any financial interest, direct or indirect, 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. Any violation of this section shall constitute malfeasance in office, and any officer or employee guilty thereof shall thereby forfeit the officer's or employee's office or position with the city. Any violation of this section, with knowledge, express or implied, of the person or corporation contracting with the city shall render the contract involved voidable by the city manager or the city council.

### Recommendation:

Provide that the prohibition on financial interest in a city contract for appointees to boards and commissions shall be governed by Dallas City Code Chapter 12A and Texas Local Government Code §171 and otherwise clarify common exceptions to financial interest in a city contract that apply to officers and employees.

### Proposed New Language:

#### SEC. 11. FINANCIAL INTEREST OF EMPLOYEE OR OFFICER PROHIBITED.

(a) No officer or employee shall have any financial interest, direct or indirect, 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 when an officer or an employee: (i) acts on behalf of the city [as an officer or employee]; (ii) [and except for] has an ownership interest in a mutual or common investment fund that holds securities or other assets unless the person participates in the management of the fund; or (iii) contracts for general services or other benefits, such as water utilities, park facilities, memberships, or event tickets on the same terms available to a member of the general public. This provision does not apply to a nominee to or member of a city board or commission, except that a city board or commission member must comply with conflict of interest regulations in state law and the Dallas City Code. Any violation of this section shall constitute malfeasance in office, and any officer or employee guilty thereof shall thereby forfeit the officer's or employee's office or position with the city. Any violation of this section, with knowledge, express or implied, of the person or corporation contracting with the city shall render the contract involved voidable by the city manager or the city council.