



Port of Houston Authority

Second Amended and Restated Code of Ethics June 2015

Article I Statement of Purpose

The Port of Houston Authority is committed to lawful and ethical behavior in all of its activities.

Port Commissioners and Employees of the Port of Houston Authority, who are responsible for the management and operations of the Port Authority, hold positions of public trust, shall strive to place the public interest above any private interest, and shall strive to instill confidence in their integrity.

Port Commissioners and Employees shall act in accordance with all applicable laws, regulations, and policies, and observe high standards of ethics in the conduct of their duties and responsibilities.

The restrictions, requirements, and prohibitions of this Port of Houston Authority Code of Ethics shall be interpreted as a standard for conduct that promotes integrity and public trust, and avoids any appearance of private gain, conflict of interest, or efforts to influence the actions and Decisions of the Port of Houston Authority for personal gain or advantage.

Article II Definitions

Capitalized terms used herein shall have the meanings set forth below:

A. “Benefit” means anything reasonably regarded as monetary or pecuniary gain or advantage, including benefit to any other Person in whose welfare the beneficiary has a direct and Substantial Interest.

Source: TEX. PEN. CODE ANN. § 36.01(3).

B. “Business” means a sole proprietorship, partnership, firm, corporation, limited liability company, holding company, joint-stock company, receivership, trust, or any other entity recognized by law.

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Source: TEX. LOC. GOV'T CODE § 171.001(2).

- C. “Code” means this Port of Houston Authority Second Amended and Restated Code of Ethics.
- D. “Commission” means the Port Commission of the Port Authority.
- E. “Commissioner” means a member of the Commission.
- F. “Confidential Information” means any information to which a Commissioner or Employee has access by virtue of his or her position with the Port Authority and (i) to which the public does not generally have access, or (ii) that the Port Authority is required to keep confidential by law, including information that is prohibited from disclosure under Chapter 552, Government Code.

Source: TEX. PEN. CODE ANN. § 39.06(d).

- G. “Contract” means any contract, agreement, binding memorandum of agreement or memorandum of understanding, purchase order, or lease with any Person, whether express or implied, executed or executory, verbal or in writing.
- H. “Decision” means the exercise of discretion of a Commissioner or Employee of the Port Authority.
- I. “Employee” means any employee of the Port Authority. The term “Employee” includes full-time, part-time, hourly, salaried, and temporary Port Authority employees. The term “Employee” does not include officers or employees of the Port Authority’s independent contractors.
- J. “Employment” means any rendering of services for pay.
- K. “First Degree” relation means the relationships of first degree by consanguinity and first degree by affinity as provided by law, i.e. an individual’s spouse, parent, child, father-in-law, mother-in-law, son-in-law, daughters-in-law, step-parent, and step-child. The First Degree relation shall also include spouses of the relatives described above. For the purposes of this Code, an adopted child is considered to be the child of the adoptive parent.

Source: TEX. GOV'T CODE § 573.022–573.025.

- L. “General Counsel” means the person designated as such by the Port Authority.

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M. “Honorarium” means a payment for services rendered in a situation where custom, propriety, or practice prevents a price being set.

N. “Legal Department” means the Legal Department of the Port Authority.

O. “Participate” means to take part in official acts, actions, or proceedings as a Commissioner or Employee through approval, disapproval, Decision, recommendation, investigation, the rendering of advice, the act or performance of a duty, or the failure to act or perform a duty.

P. “Person” means an individual, Business, labor organization, representative, fiduciary, trust, or association.

Q. “Port Authority” means the Port of Houston Authority of Harris County, Texas.

R. “Port Authority First Responders” means (i) Employees who are certified as emergency medical services personnel by the Texas Department of State Health Services; (ii) peace officer Employees whose duties include responding rapidly to an emergency; (iii) permanent, full-time law enforcement officer Employees designated as fire and arson investigators by an appropriate local authority; and (iv) permanent, full-time fire department Employees who are not secretaries, stenographers, clerks, budget analysts, or similar support staff persons or other administrative Employees and who are assigned duties in one or more of the following categories: (a) fire suppression; (b) fire inspection; (c) fire and arson investigation; (d) marine firefighting; (e) aircraft rescue and firefighting; (f) fire training; (g) fire education; (h) fire administration; and (i) any other position necessarily or customarily related to fire prevention or suppression.

Source: TEX. PEN. CODE § 36.10(e).

S. “Port Authority Gift” means a gift, grant, donation, or bequest of money or property accepted under Texas Water Code Section 60.124 that has a value of Five Hundred Dollars (\$500) or more.

Source: TEX. SPEC. DIST. CODE § 5007.228.

T. “Second Degree” means the relationships of second degree by consanguinity and second degree by affinity as provided by law, i.e. an individual’s grandparent, grandchild, sister, brother, sister-in-law, brother-in-law, spouse’s grandparent, spouse’s grandchild, grandparent’s spouse, or grandchild’s spouse. For the purposes of this Code, the Second Degree relation shall also include spouses of the relatives described above. For the purposes of this Code, an adopted child is considered to be the child of the adoptive

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parent.

Source: TEX. GOV'T CODE §§ 573.022–573.025.

U. “Senior Manager” means any of the following Port Authority Employees as designated by title:

Executive Director
Chief Operating Officer
Division Officer (e.g., Chief Financial Officer, General Counsel, Public Information Officer)
Senior Director
Controller

The foregoing list of titles is current as of the date hereof. It shall be deemed to be updated from time-to-time to include equivalent titles based on then-current organizational charts and other records maintained by the Port Authority Human Resources Department.

V. “Substantial Interest” has the meaning set forth in Section IV(C).

Source: Tex. Loc. Gov't Code § 171.002.

W. “Texas Trade Association” means a cooperative and voluntarily joined statewide association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

Source: TEX. SPEC. DIST. CODE § 5007.207.

X. “Third Degree by Consanguinity” means the relationships of third degree by consanguinity as provided by law, i.e. an individual’s great-grandparent, great-grandchild, aunt who is a sister of a parent of the individual, uncle who is a brother of a parent of the individual, nephew who is a child of a brother or sister of the individual, or niece who is a child of a brother or sister of the individual. For the purposes of this Code, an adopted child is considered to be the child of the adoptive parent.

Source: TEX. GOV'T CODE §§ 573.022–573.024.

Y. “Transaction” means the conduct of any activity that results in or may result in an official act or action of the Port Authority.

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Z. “Whistleblower Policy” means the Port Authority Misconduct Reporting Policy as promulgated and from time-to-time amended by the Commission.

AA. “Withdraw” means abstain or recuse oneself from participation.

Article III
Compliance with Law

No Commissioner or Employee shall engage in any Transaction that is prohibited by any law or regulation which is applicable to the Commissioner or Employee by virtue of his or her association with the Port Authority, whether such law or regulation is now existing or hereafter enacted.

An illustrative listing of Texas statutes relevant to the topics addressed by the Code is included in Appendix A. However, this list is intended only as a reference aid and is *not* an exhaustive list of all laws and regulations that may apply to the actions of any Commissioner or Employee.

Article IV
Conflicts of Interest

A. Statement of Policy and Practice.

1. It is the policy of the Port Authority that no Commissioner or Employee may Participate in any discussion, deliberation, vote, or other Decision regarding any matter in which he or she has a conflict of interest.

2. Prior to Participating in any Transaction, it is the responsibility of each Commissioner and Employee to:

- a. Identify potential conflicts of interest;
- b. Disclose such conflicts to (i) the General Counsel or the General Counsel’s designee or, (ii) in the case of an Employee, the Employee’s supervisor;
- c. Withdraw from participating in any discussion, deliberation, vote, or other Decision regarding any matter in which he or she has a conflict of interest; and

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d. In the case of a Senior Manager or Commissioner, file with the General Counsel or the General Counsel's designee an affidavit or other instrument stating the nature and extent of his or her interest.

B. Circumstances that give rise or may give rise to a Conflict of Interest.

1. While the minimum guidelines for identifying and managing conflicts of interest are set forth below, there are a number of circumstances that often give rise to conflicts of interest, and for which Commissioners and Employees should remain especially vigilant. These include:

a. Certain relationships with a Business that holds or is seeking to acquire a Contract with the Port Authority, including:

i. Being employed (whether on a full-time, part-time, contract, or consultant basis) by such Business,

ii. Receiving any type of income or Benefit from such Business, or

iii. Having a Substantial Interest in such Business.

b. Earning a fee or commission in connection with a Transaction in which the Port Authority may engage.

2. The *minimum* standards for identifying and managing conflicts of interest are set forth below. However, every Commissioner and Employee shall use his or her best judgment with respect to conflicts of interest. If a Commissioner or Employee is aware of any circumstance (even if it does not fit into the standards outlined below) that creates a conflict of interest or could give the appearance of a conflict of interest, he or she should disclose the circumstance to (a) the General Counsel or General Counsel's designee or, (b) in the case of an Employee, the Employee's supervisor so that it can be addressed appropriately.

C. Conflict of Interest = a Substantial Interest + Special Economic Effect.

1. A conflict of interest exists when it is reasonably foreseeable that a particular Port Authority action will have a special economic effect (distinguishable from its effect on the general public) on:

a. real property in which a Commissioner or Employee has a Substantial Interest; or

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b. a Business in which a Commissioner or Employee has a Substantial Interest.

Source: TEX. LOC. GOV'T CODE § 171.004(a).

2. The following are Substantial Interests:

a. Substantial Interest in a Business. A Commissioner or Employee has a Substantial Interest in a Business if:

i. The Commissioner or Employee owns 10 percent or more of the voting stock, or shares of the Business;

ii. The Commissioner or Employee owns either 10 percent or more, or \$15,000 or more, of the fair market value of the Business; or

iii. Funds received by the Commissioner or Employee from the Business exceed 10 percent of his or her gross income for the previous year.

Source: TEX. LOC. GOV'T CODE § 171.002(a).

b. Substantial Interest in Real Property. A Commissioner or Employee has a Substantial Interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.

Source: TEX. LOC. GOV'T CODE § 171.002(b).

c. Substantial Interest Because of Third-Party Substantial Interest. A Commissioner or Employee has a Substantial Interest in a real property or Business if a Person related in the First Degree to the Commissioner or Employee has a Substantial Interest (as defined in Sections IV(C)(2)(a) or (b) above) in such Contract, real property, or Business.

Source: TEX. LOC. GOV'T CODE § 171.002(c).

D. Non-Participation and Disclosure. If it is reasonably foreseeable that a Port Authority action on a particular matter would confer a special economic effect (distinguishable from its effect on the public) on real property or a Business in which a Commissioner or Employee has a Substantial Interest:

1. The Commissioner or Employee shall not Participate in any discussion,

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deliberation, vote, or other Decision on the matter.

Source: TEX. LOC. GOV'T CODE § 171.004(a).

2. The Commissioner or Employee shall, before the discussion, deliberation, vote or other Decision occurs, disclose the nature and extent of his or her interest (a) to the General Counsel or General Counsel's designee or, (b) in the case of an Employee, to the Employee's supervisor.

Source: TEX. LOC. GOV'T CODE § 171.004(a).

3. A Senior Manager or Commissioner shall also file with the General Counsel or the General Counsel's designee an affidavit or other instrument stating the nature and extent of his or her interest.

Source: TEX. LOC. GOV'T CODE § 171.004(a).

4. If a Commissioner is required to file and does file an affidavit under Section IV(D)(3), the Commissioner is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the Commission is are likewise required to file and do file affidavits of similar interests on the same official action.

Source: TEX. LOC. GOV'T CODE § 171.004(c).

5. The Commission shall take a separate vote on any budget item specifically dedicated to a Contract with a Business entity in which a Commissioner has a substantial interest. Except as provided by Section IV(D)(4), the affected Commissioner may not Participate in that separate vote. The Commissioner may vote on a final budget if the Commissioner has complied with this Section IV(D), and the matter in which the Commissioner is concerned has been resolved.

Source: TEX. LOC. GOV'T CODE § 171.005.

E. Commissioner and Executive Director Disclosure Statements.

1. A Port Commissioner or Executive Director shall file a conflicts disclosure statement in accordance with Texas Local Government Code Chapter 176 if:

a. the Port Commissioner or Executive Director, or a First Degree relative of the Port Commissioner or Executive Director, has an Employment or other business relationship with a Person that results in the Port Commissioner or Executive

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Director, or the First Degree relative, receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the Port Commissioner or Executive Director becomes aware that:

i. a Contract has been executed between the Port Authority and the Person; or

ii. the Port Authority is considering entering into a Contract with the Person; or

b. the Port Commissioner or Executive Director, or First Degree relative of the Port Commissioner or Executive Director, receives one or more Benefits from a Person that have an aggregate value of more than \$250 in the 12-month period preceding the date the Port Commissioner or Executive Director becomes aware that:

i. a Contract has been executed between the Port Authority and the Person; or

ii. the Port Authority is considering entering into a Contract with the Person.

Source: TEX. LOC. GOV'T CODE § 176.003(a).

2. The Port Commissioner or Executive Director is not required to file a conflicts disclosure statement in relation to a gift accepted by the Port Commissioner or Executive Director, or First Degree relative of the Port Commissioner or Executive Director if the gift is:

- a. given by a First Degree relative of the Person accepting the gift;
- b. a political contribution as defined by Title 15, Election Code; or
- c. food, lodging, transportation, or entertainment accepted as a guest.

Source: TEX. LOC. GOV'T CODE § 176.003(a-1).

3. The Port Commissioner or Executive Director shall file the conflicts disclosure statement with the General Counsel of the Port Authority entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of the statement under Section V(E)(1).

Source: TEX. LOC. GOV'T CODE § 176.003(b).

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F. Disclosure of Property Interest.

1. A Commissioner or Employee who has a legal or equitable interest in property that is to be acquired with public funds shall file an affidavit within 10 days before the date on which the property is to be acquired by purchase or condemnation.

Source: TEX. GOV'T CODE § 553.002(a).

2. The affidavit must: (1) state the name of the public servant; (2) state the public servant's office, public title, or job designation; (3) fully describe the property; (4) fully describe the nature, type, and amount of interest in the property, including the percentage of ownership interest; (5) state the date when the Person acquired an interest in the property; (6) include a verification as follows: "I swear that the information in this affidavit is personally known by me to be correct and contains the information required by Section 553.002, Government Code"; and (7) contain an acknowledgement of the same type required for recording a deed in the deed records of the county.

Source: TEX. GOV'T CODE § 553.002(b).

3. The affidavit must be filed with: (1) the county clerk of the county in which the Commissioner or Employee resides; and (2) the county clerk of each county in which the property is located.

Source: TEX. GOV'T CODE § 553.002(c).

G. Investments. No Commissioner or Employee shall make personal investments that could reasonably be expected to create a substantial conflict between the Commissioner's or Employee's private interest and the public interest.

Source: TEX. SPEC. DIST. CODE § 5007.213(a)(4).

H. Director or Officer of Another Business. A Commissioner or Employee who serves as a director or officer of another Business, and regardless of whether he or she receives compensation for such service, (i) shall disclose such service to the General Counsel or General Counsel's designee or, in the case of an Employee, to the Employee's supervisor prior to any Port Authority Decision, including any deliberation or vote, to be taken with respect to such Business, (ii) shall not Participate in any Decision, including any deliberation or vote, concerning such Business, and, (iii) in the case of a Senior Manager or Commissioner, shall file with the General Counsel or the General Counsel's designee an affidavit or other instrument stating the nature and extent of his or her interest.

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I. Acting as Surety. No Commissioner or Employee shall act as Surety for a Business that has work, business, or a Contract with the Port Authority, or act as a surety on any official bond required of an officer of the Port Authority.

Source: TEX. LOC. GOV'T CODE § 171.003(a)(2)–(3).

J. Texas Trade Associations. A Person may not be a member of the Commission or may not be an Employee employed in a “bona fide executive, administrative, or professional capacity,” as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.), if:

1. The Person is an officer, employee, or paid consultant of a Texas Trade Association in a field relating to maritime commerce, the members of which are regulated by the Port Authority; or

2. The Person’s spouse is an officer, manager, or paid consultant of a Texas Trade Association in a field relating to maritime commerce, the members of which are regulated by the Port Authority.

Source: TEX. SPEC. DIST. CODE § 5007.207(a)–(b).

K. Lobbyists. A Person may not be a Commissioner or act as the general counsel to the Commission or the Port Authority if the Person is required to register as a lobbyist under Chapter 305, Government Code, because of the Person's activities for compensation on behalf of a profession related to the operation of the Port Authority.

Source: TEX. SPEC. DIST. CODE § 5007.207(c).

L. Ineligible Commissioners. A Person may not be a Commissioner if the Person or an individual related to the Person in the First Degree:

1. Is employed by or participates in the management of a Business or other organization regulated by or receiving money from the Port Authority; or

2. Uses or receives a substantial amount of tangible goods, services, or money from the Port Authority other than compensation or reimbursement authorized by law for Commission membership, attendance, or expenses.

Source: TEX. SPEC. DIST. CODE § 5007.207(d).

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M. Circumstances not Specifically Described. It is the responsibility of each Commissioner and Employee to strive to protect and preserve the public's trust in the Port Authority. If a Commissioner or Employee becomes aware of any existing or potential circumstance which impairs or might appear to impair a Commissioner's or Employee's independence and objectivity in the discharge of his or her responsibilities, even if such circumstance is not specified in this Code, he or she should report it to (a) the General Counsel or General Counsel's designee or, (b) in the case of an Employee, the Employee's supervisor.

Article V
Abuse of Public Office

Commissioners and Employees, as public servants, shall not: (i) use their status for pecuniary gain, or the granting or exchanging of favored treatment to Persons, Businesses, or others; (ii) conduct their activities to influence, or provide the opportunity to influence, government Decisions for personal gain or advantage; or (iii) otherwise bring discredit on or to the Port Authority.

A. Violation of Law. No Commissioner or Employee shall violate a law relating to the Commissioner's or Employee's position in order to obtain a Benefit or harm or defraud another.

Source: TEX. PEN. CODE ANN. § 39.02(a)(1).

B. Benefits.

1. Commissioners and Employees shall comply with all laws regarding the acceptance of gifts and Benefits, and shall additionally comply with the requirements set out below.

2. The Port Authority may accept a Port Authority Gift only if, not later than the ninetieth (90th) day after the date the Port Authority receives the Port Authority Gift, the Commission acknowledges the acceptance of the Port Authority Gift in an open meeting. The minutes of the Commission shall record (i) the name of the donor of any Port Authority Gift accepted by the Commission, (ii) a description of the Port Authority Gift, and (iii) a statement of the purpose of the Port Authority Gift.

Source: TEX. SPEC. DIST. CODE § 5007.228.

3. No Commissioner or Employee shall accept or solicit any Benefit, gift, favor, or service that might reasonably tend to influence the Commissioner or Employee

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in the discharge of official duties or that the Commissioner or Employee knows or should know is being offered with the intent to influence the Commissioner's or Employee's official conduct.

Source: TEX. SPEC. DIST. CODE § 5007.213(a)(1).

4. No Commissioner or Employee shall intentionally or knowingly solicit, accept, or agree to accept any Benefit:

a. For having exercised the Commissioner's or Employee's official powers or performed the Commissioner's or Employee's official duties in favor of another;

b. As consideration for the Commissioner's or Employee's opinion, recommendation, vote, exercise of discretion, or other Decision as a public servant;

c. As consideration for the Commissioner's or Employee's vote, recommendation, exercise of official discretion, or other Decision in a judicial or administrative proceeding;

d. As consideration for a violation of a duty imposed by law on the Commissioner or Employee; or

e. That is a political contribution as defined by Title 15, Election Code, or that is an expenditure made and reported in accordance with Chapter 305, Government Code (regarding the registration of lobbyists), if the Benefit was offered, conferred, solicited, accepted, or agreed to pursuant to an express agreement to take or withhold a specific exercise of official discretion if such exercise of official discretion would not have been taken or withheld but for the Benefit.

Source: TEX. SPEC. DIST. CODE § 5007.213(a)(5); TEX. PEN. CODE § 36.02(a)(1)–(4).

5. Except as allowed in Sections V(B)(8)(a)-(h) below, no Commissioner or Employee who is a hearing examiner who conducts hearings in contested cases shall solicit, accept, or agree to accept any Benefit from any Person (i) who is appearing before the Port Authority in a contested case, (ii) who is doing business with the Port Authority, or (iii) who the Commissioner or Employee knows is interested in any matter before the Commissioner or Employee. *The exception provided by Section V(B)(8)(i) below does not apply to a benefit under this Section V(B)(5).*

Source: TEX. PEN. CODE § 36.08(g).

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6. Except as allowed in Section V(B)(8) below:

a. No Commissioner or Employee shall solicit, accept, or agree to accept any Benefit from a Person the Commissioner or Employee knows to be subject to regulation, inspection, or investigation by such Commissioner or Employee or the Port Authority.

Source: TEX. PEN. CODE § 36.08(a).

b. No Commissioner or Employee shall solicit, accept, or agree to accept any Benefit from a Person the Commissioner or Employee knows to be in the custody of such Employee or Commissioner or the Port Authority Police Department.

Source: TEX. PEN. CODE § 36.08(b).

c. No Commissioner or Employee shall solicit, accept, or agree to accept any Benefit from a Person against whom the Commissioner or Employee knows litigation is pending or contemplated by such Employee or Commissioner or the Port Authority.

Source: TEX. PEN. CODE § 36.08(c).

d. No Commissioner or Employee who exercises discretion in connection with Contracts, purchases, payments, claims, or other pecuniary Transactions of the Port Authority shall solicit, accept, or agree to accept any Benefit from a Person the Commissioner or Employee knows is interested in or likely to become interested in any Contract, purchase, payment, claim, or Transaction involving the exercise of the Commissioner's or Employee's discretion.

Source: TEX. PEN. CODE § 36.08(d).

e. No Commissioner or Employee shall solicit, accept, or agree to accept any Benefit from a Person the Commissioner or Employee knows is interested in or likely to become interested in any judicial or administrative proceeding before such Employee or Commissioner or the Port Authority.

Source: TEX. PEN. CODE § 36.08(e).

7. Honorarium. No Commissioner or Employee shall solicit, accept, or agree to accept an Honorarium in consideration for services that the Commissioner or Employee would not have been requested to perform but for the Commissioner's or

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Employee's official position or duties. This section does not prohibit a Commissioner or Employee from accepting transportation and lodging expenses in connection with a conference or similar event in which the Commissioner or Employee renders services, such as addressing an audience or engaging in a seminar, to the extent that those services are more than merely perfunctory, or from accepting meals in connection with such an event.

Source: TEX. PEN. CODE § 36.07.

8. A Commissioner or Employee may accept the following Benefits:

a. A fee prescribed by law to be received by the Commissioner or Employee, or any other Benefit to which the Commissioner or Employee is lawfully entitled or for which he or she gives legitimate consideration, in a capacity other than as a Commissioner or Employee.

Source: TEX. PEN. CODE § 36.10(a)(1).

b. A gift or other Benefit conferred on account of kinship or on account of a personal, professional, or business relationship independent of the Commissioner's or Employee's relationship with the Port Authority.

Source: TEX. PEN. CODE § 36.10(a)(2).

c. A Benefit to a Commissioner required to file a statement under Chapter 572, Government Code, or a Commissioner or Employee required to file a report under Title 15, Election Code, that is derived from a function in honor or appreciation of the recipient if:

i. the Benefit and the source of any benefit in excess of \$50 is reported in the statement; and

ii. the Benefit is used solely to defray the expenses that accrue in the performance of duties or activities in connection with the Commissioner's or Employee's office which are nonreimbursable by Port Authority.

Source: TEX. PEN. CODE § 36.10(a)(3).

d. a political contribution as defined by Title 15, Election Code;

Source: TEX. PEN. CODE § 36.10(a)(4).

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e. A Benefit, excluding cash or a negotiable instrument, with a value of less than the amount permitted from time-to-time under state law, which as of the date hereof is Fifty Dollars (\$50).

Source: TEX. PEN. CODE § 36.10(a)(6).

f. A Benefit issued by another governmental entity that allows the use of property or facilities owned, leased, or operated by the governmental entity.

Source: TEX. PEN. CODE § 36.10(a)(7).

g. A Benefit consisting of transportation, lodging, and meals described by Section V(B)(7) above.

Source: TEX. PEN. CODE § 36.10(a)(8).

h. Port Authority First Responders may accept a Benefit consisting of complimentary legal advice or legal services relating to a will, power of attorney, advance directive, or other estate planning document provided through a program or clinic that is operated by a local bar association or the State Bar of Texas, if the program or clinic is approved by the Executive Director of the Port Authority.

Source: TEX. PEN. CODE § 36.10(a)(9).

i. A Benefit consisting of food, lodging, transportation, or entertainment accepted as a guest; provided that the receipt of such Benefit is disclosed in writing to the General Counsel and otherwise disclosed by the recipient in accordance with any applicable laws, including Texas Government Code Chapter 572. *The exception provided by this Section V(B)(8)(i) does not apply to Benefit to a hearing officer described in Section V(B)(5) above.*

Source: TEX. PEN. CODE § 36.10(b), 36.08(g).

C. Nepotism.

1. Restrictions on Commissioners.

a. No Commissioner shall appoint, confirm the appointment of, or vote for the appointment or confirmation of the appointment of an individual who is related to *any* Commissioner within the First Degree or Second Degree, or within the Third Degree by Consanguinity.

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Source: TEX. GOV'T CODE § 573.041.

b. No Commissioner shall Participate in any deliberation or voting on the appointment, reappointment, confirmation of the appointment or reappointment, Employment, re-employment, change in status, compensation, or dismissal of an individual employed by the Port Authority and related to the Commissioner within the First Degree or Second Degree, or within the Third Degree by Consanguinity, if that action applies only to such individual and is not taken regarding a bona fide class or category of Employees.

Source: TEX. GOV'T CODE § 573.062(b).

c. No Trading. No Commissioner shall appoint, confirm the appointment of, or vote for the appointment or confirmation of the appointment of an individual who is related to an Employee within the First Degree or Second Degree, or within the Third Degree by Consanguinity, in whole or partial consideration for the Employee appointing, confirming the appointment, or voting for the appointment or confirmation of the appointment of an individual related to the Commissioner within the First Degree or Second Degree, or within the Third Degree by Consanguinity.

Source: TEX. GOV'T CODE § 573.044.

2. Restrictions on Employees.

a. No Employee with the authority to appoint, confirm the appointment of, or vote for the appointment or confirmation of the appointment of Port Authority personnel, whether such authority is granted by statute or delegated by the Commission or by the Executive Director, shall exercise that authority in favor of an individual who is related to the Employee within the First Degree or Second Degree, or within the Third Degree by Consanguinity.

Source: TEX. GOV'T CODE § 573.041.

b. No Employee shall Participate in any deliberation or voting on the appointment, reappointment, confirmation of the appointment or reappointment, Employment, reemployment, change in status, compensation, or dismissal of an individual employed by the Port Authority and related to the Employee within the First Degree or Second Degree, or within the Third Degree by Consanguinity, if that action applies only to such individual and is not taken regarding a bona fide class or category of Employees.

Source: TEX. GOV'T CODE § 573.062(b).

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c. No Employee with the authority to vote, elect, confirm, or hire Port Authority personnel, whether such authority is granted by statute or delegated by the Commission or by the Executive Director, shall exercise that authority in favor of an individual who is related to any Commissioner within the First Degree or Second Degree, or within the Third Degree by Consanguinity.

d. No Trading. No Employee with the authority to appoint, confirm the appointment of, or vote for the appointment or confirmation of the appointment of Port Authority personnel, whether such authority is granted by statute or delegated by the Commission or by the Executive Director, shall exercise that authority in favor of any individual who is related to another Employee or Commissioner within the First Degree or Second Degree, or within the Third Degree by Consanguinity, in exchange for the other Employee or Commissioner appointing, confirming the appointment, or voting for the appointment or confirmation of the appointment of an individual related to the first Employee within the First Degree or Second Degree, or within the Third Degree by Consanguinity.

Source: TEX. GOV'T CODE § 573.044.

3. Continuous Employment. This Section V(C) shall not prevent the retention or advancement of an individual who has been continuously employed in his or her position with the Port Authority for a period of at least thirty (30) days immediately prior to (a) the appointment of a Commissioner related to such individual within the First Degree or Second Degree, or within the Third Degree by Consanguinity, or (b) the hiring or promotion of an Employee related to such individual within the First Degree or Second Degree; provided, however, that the Commissioner or Employee so related to that individual shall not Participate in any deliberation or voting on the appointment, reappointment, confirmation of the appointment or reappointment, Employment, reemployment, change in status, compensation, or dismissal relating to that individual if that action applies only to such individual and is not taken regarding a bona fide class or category of Employees.

Source: TEX. GOV'T CODE § 573.062.

4. Exception for Personal Attendant. This Section V(C) shall not prevent the appointment or Employment of a personal attendant by and for a Commissioner or Employee who, because of physical infirmities, is required to have a personal attendant.

Source: TEX. GOV'T CODE § 573.061(5).

5. Removal from Position. A Commissioner or Employee who violates this

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Section V(C) may be subject to mandatory removal from the Commissioner's or Employee's position in accordance with Texas Government Code Section 573.081.

D. Employment.

1. No Commissioner or Employee shall accept Employment or compensation that could reasonably be expected to impair the Commissioner's or Employee's independence of judgment in the performance of the Commissioner's or Employee's official duties.

Source: TEX. SPEC. DIST. CODE § 5007.213(a)(3).

2. No Senior Manager shall engage in any outside Employment without first securing approval by the Executive Director or his designee in writing.

3. The Executive Director shall not engage in any outside Employment without first securing the approval, in writing, of the Commission.

E. Former Commissioners and Employees.

1. No former Commissioner or Executive Director shall make any communication to or appearance before any Commissioner or Employee before the second anniversary of the date the former Commissioner or Executive Director ceased to be a Commissioner or Executive Director if the communication or appearance is made: (1) with the intent to influence; and (2) on behalf of any Person in connection with any matter on which the Person seeks official action.

Source: TEX. GOV'T CODE § 572.054(a).

2. No former Commissioner or Employee shall represent any Person or receive any Benefit or compensation for services rendered on behalf of any Person regarding a particular matter in which the former Commissioner or Employee Participated during the period of Port Authority service or Employment, either through personal involvement or because the case or proceeding was a matter within the former Commissioner's or Employee's official responsibility, without the specific approval of the Commission.

Source: TEX. GOV'T CODE § 572.0054(b).

3. The Port Authority shall not enter into any Contract (other than a Contract subject to competitive bids) with any Person employing or represented by a former Employee, who has been, within the preceding 12-month period, an Employee of

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the Port Authority, if the Contract relates to a matter for which the former Employee had responsibility while representing the Port Authority, without the specific approval of the Commission.

F. Misuse of Public Property.

1. No Commissioner or Employee shall intentionally or knowingly use property, services, personnel, or any other thing of value belonging to the Port Authority in a manner contrary to:

- a. Any agreement by which the Commissioner or Employee holds the property;
- b. The Commissioner's or Employee's oath of office or Contract of Employment;
- c. Any law, including provisions of the General Appropriations Act specifically relating to government property, that prescribes the manner of custody or disposition of such property; and
- d. The limited purpose for which the property was delivered to or received by the Commissioner or Employee.

Source: TEX. PEN. CODE §§ 39.01, 39.02(a)(2).

2. Discounts or awards given for travel, such as frequent flyer miles, rental car or hotel discounts, or food coupons, shall not be considered property or things of value belonging to the Port Authority.

Source: TEX. PEN. CODE § 39.02(d)

G. Misuse or Disclosure of Official Information. No Commissioner or Employee shall:

1. Rely upon Confidential Information to acquire or aid another to acquire a pecuniary interest in any property, Business, Transaction, or other enterprise that may be affected by the Confidential Information;
2. Speculate or aid another to speculate on the basis of the Confidential Information;
3. Rely upon Confidential Information to coerce another into suppressing or

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failing to report such Confidential Information to a law enforcement agency;

4. Otherwise use or disclose Confidential Information for a nongovernmental purpose with the intent to obtain a Benefit or with the intent to harm or defraud another;

5. Solicit or obtain Confidential Information from another Commissioner or Employee with the intent to obtain a Benefit or with the intent to harm or defraud another; or

6. Accept Employment or engage in a Business or professional activity that the Commissioner or Employee might reasonably expect would require or induce the Commissioner or Employee to disclose Confidential Information.

Source: TEX. PEN. CODE § 39.06; TEX. SPEC. DIST. CODE § 5007.213(a)(2).

Article VI

Discrimination, Harassment, Reporting, and Retaliation

A. It is the policy of the Port Authority to promote an atmosphere of respect, equality, and safety, and to provide a workplace free of discrimination and harassment. Any instance of discrimination, harassment, or misconduct shall be reported promptly, investigated fully, and addressed appropriately.

B. All Commissioners and Employees shall adhere strictly to the laws of equal employment opportunity and unlawful harassment, and the Whistleblower Policy.

C. A violation of any of these laws or policy is a violation of this Code and is subject to any additional penalties and sanctions provided herein.

D. Any act of retaliation against a Commissioner or Employee for reporting discrimination, harassment, and misconduct is a violation of this Code, and is subject to any additional penalties and sanctions provided herein.

Article VII

Penalties for Violation of the Code

The following penalties for conduct in violation of this Code may be imposed in addition to any penalties that may be imposed by law, regulation, or other applicable Port Authority policy. The applicability of this Code shall in no way limit the penalties available under any other Port Authority policy or standards, or any applicable law or

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regulation.

A. Commissioners.

1. A Commissioner who is found by the Commission to have violated this Code may be subject to official reprimand by vote of a majority of the Commission.

2. In the event that the Commission determines that the violation of this Code by the Commissioner constitutes grounds from removal from office pursuant to state law, including Texas Government Code Chapter 573, Texas Special District Local Laws Code Chapter 5007, and Texas Water Code Chapters 61 and 62, such Commissioner may be subject to recommendation by a majority of the Commission that the Commissioner be removed from office by the authority that appointed him or her.

B. Executive Director. The Executive Director, if found by the Commission to have violated this Code, may be subject to official reprimand, suspension, or dismissal from Employment (subject to the terms of any Contract of Employment) by vote of a majority of the Commission.

C. Employees. The Executive Director or other authorized Port Authority official may impose such sanctions and penalties against an Employee who is found to have violated this Code as may be appropriate, including official reprimand, suspension, or dismissal from Employment.

D. Contractors and Other Interested Persons. Any Person or Business that offers, confers, or agrees to confer any Benefit:

1. As consideration for a Commissioner's or Employee's opinion, recommendation, vote, other exercise of discretion, or other Decision as a public servant, or

2. In exchange for the Commissioner's or Employee's exercise of his or her official powers or performance of his or her official duties,

or that otherwise takes part in the violation of any provision of this Code, may have its existing Port Authority Contracts terminated, may be excluded from future business with Port Authority for a period of time determined by the Port Authority, and may be subject to other action by the Port Authority.

E. No Waiver. The failure of the Commission or Port Authority to enforce this Code, or exercise any other rights or remedies hereunder, with respect to the conduct of any Commissioner, Employee, or third party, shall not constitute a waiver of the right to

enforce its provisions or exercise its rights or remedies with respect to any other conduct of any Persons.

Article VIII
Reporting under the Whistleblower Policy

A violation of this Code constitutes Misconduct as defined in the Whistleblower Policy and is subject to the reporting requirements, investigation processes, and penalties set forth in the Whistleblower Policy.

Article IX
Acknowledgement and Training

A. Initial Responsibilities of Commissioners and Employees.

1. Each new Commissioner, within three (3) business days after qualifying for office, shall receive a copy of this Code, read it thoroughly, and sign the attached Acknowledgement of Receipt, Understanding, and Compliance.

Source: TEX. SPEC. DIST. CODE § 5007.211(c).

2. Each new Employee, within three (3) business days following the commencement of Employment, shall receive a copy of this Code, read it thoroughly, and sign the attached Acknowledgement of Receipt, Understanding, and Compliance.

Source: TEX. SPEC. DIST. CODE § 5007.211(c).

3. Prior to voting, deliberating, or being counted as a Commissioner in attendance at a meeting of the Commission, each Commissioner shall complete a training program that complies with Texas Special District Local Laws Code Section 5007.209.

B. Annual Responsibilities of Commissioners and Employees.

1. During February of each calendar year, or as soon thereafter as reasonably practicable, each Commissioner and each Employee shall thoroughly review this Code, and sign the attached Acknowledgement of Receipt, Understanding, and Compliance, thereby affirming his or her adherence to this Code.

Source: TEX. SPEC. DIST. CODE § 5007.214.

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2. During February of each calendar year, or as soon thereafter as reasonably practicable, the Executive Director of the Port Authority, each Commissioner, and each Senior Manager shall attend an ethics training and review seminar prepared by the Legal Department of the Port Authority or qualified outside counsel.

3. Not later than April 30 each year, each Commissioner shall file the financial statement required of state officers under Subchapter B, Chapter 572, Texas Government Code, with the General Counsel of the Port Authority and the Texas Ethics Commission.

Source: TEX. SPEC. DIST. CODE § 5007.208; TEX. GOV'T CODE § 572.026(a).

Article X
Construction, Application, and Severability

A. The restrictions, requirements, and prohibitions of this Code shall be interpreted in the broadly to promote the best interests of the Port Authority.

B. The propriety of any official act of action taken by, or Transaction involving, a Commissioner or Employee prior to the effective date of this Code as amended shall not be affected by the amendment of this Code.

C. The invalidity of any provision of this Code shall not be deemed to affect the validity of any other provision. In the event that any provision of this Code is held to be invalid, the remaining provisions shall be deemed to be in full force and effect.

Appendix A
Illustrative Texas Statutes

- Texas Government Code Ch. 553 Disclosure by Public Servant of Interest in Property to Be Acquired with Public Funds
- Texas Government Code Ch. 572 Personal Financial Disclosure, Standards of Conduct, and Conflict of Interest
- Texas Government Code Ch. 573 Degrees of Relationship; Nepotism Prohibitions
- Texas Local Government Code Ch. 171 Regulation of Conflicts of Interest of Officers of Municipalities, Counties, and Certain Other Local Governments
- Texas Local Government Code Ch. 176 Disclosure of Certain Relationships with Local Government Officers; Providing Public Access to Certain Information
- Texas Penal Code Sec. 36.02 Bribery
- Texas Penal Code Sec. 36.07 Acceptance of Honorarium
- Texas Penal Code Sec. 36.08 Gift to Public Servant by Person Subject to His Jurisdiction
- Texas Penal Code Sec. 39.02 Abuse of Official Capacity
- Texas Penal Code Sec. 39.06 Misuse of Official Information
- Texas Special District Local Laws Code Section 5007.207 Conflict of Interest
- Texas Special District Local Laws Code Section 5007.209 Port Commissioner Training
- Texas Special District Local Laws Code Section 5007.210 Removal From Office
- Texas Special District Local Laws Code Section 5007.213 Standards of Conduct; Ethics Policy
- Texas Special District Local Laws Code Section 5007.214 Ethics Affirmation and Hotline
- Texas Special District Local Laws Code Section 5007.228 Acceptance of Gifts
- Texas Water Code Sec. 60.413 Criminal Penalty

**Port of Houston Authority
CODE OF ETHICS**



Acknowledgement of Receipt, Understanding, and Compliance

1. I hereby acknowledge receipt of a copy of the Port of Houston Authority's Code of Ethics.
2. I have read and understand the Code of Ethics and shall comply with its provisions.

Signature:

Name: _____
(please print)

Date: _____