

modified reporting threshold. The complainant also alleges that the respondents failed to include the right-of-way notice on the committee's political advertising signs designed to be seen from the road.

III. Facts Supported by Credible Evidence

Credible evidence available to the commission supports the following findings of fact:

1. The complaint named 12 respondents as members of a political committee that was formed to support a school bond election held on October 16, 1999. The bonds were defeated. The committee filed a campaign treasurer appointment on October 8, 1999, and elected modified reporting.
2. The committee also filed an 8-day before election report on October 8, 1999, disclosing that the committee had accepted \$1,810 in political contributions and made \$1,657 in political expenditures. The committee did not itemize these contributions and expenditures, and the report discloses that the activity occurred during the period from September 8, 1999, to October 8, 1999.
3. On October 10, 1999, the treasurer filed a corrected report and good-faith affidavit to disclose that the committee intended to accept more than \$500 in political contributions and make more than \$500 in political expenditures. The committee filed a final report on November 30, 1999, which itemized expenditures, including expenditures made before the campaign treasurer was appointed.
4. In support of the allegation that the group is a political committee, the complainant submitted a card which urged the reader to vote for the bond measure. The card indicates that the committee paid for the printing of the card. The complainant also submitted a sign urging the reader to vote for the bond measure. The sign includes a statement that the committee paid for the sign but does not include a right-of-way notice.
5. The respondent representing the committee submitted a copy of the printer's invoice which shows that the treasurer paid \$387.53 for cards and signs. The complainant swears that he observed the signs posted next to two state highways.

IV. Findings and Conclusions of Law

The facts described in Section III support the following findings and conclusions of law:

1. A political committee may not knowingly accept political contributions totaling more than \$500 or make or authorize political expenditures totaling more than \$500 at a time when a campaign treasurer appointment is not in effect. Section 253.031(b), Election Code.
2. Because the committee's 8-day before election report and its final report disclosed that the committee accepted more than \$500 in political contributions and made more than \$500 in

political expenditures before October 8, 1999, the date on which the committee appointed its campaign treasurer, there is credible evidence that the committee violated Section 253.031(b), Election Code.

3. A specific-purpose committee may elect modified reporting if the committee does not intend to accept political contributions that exceed \$500 or make political expenditures that exceed \$500 in connection with the election. Section 254.181, Election Code. A committee may elect modified reporting when it files a campaign treasurer appointment or by filing an amendment to the campaign treasurer appointment. A committee that elects modified reporting is not required to file pre-election reports for that election cycle. If the committee exceeds the threshold after the thirtieth day before an election, however, the committee must file a report within 48 hours and must file any pre-election reports due after that date. Section 254.183, Election Code.
4. Because the committee filed the campaign treasurer appointment on October 8, 1999, which was the due date for the 8-day before election report, and filed a campaign finance report the same day disclosing that it had exceeded the \$500 thresholds, there is credible evidence that the committee did not violate Section 254.183, Election Code.
5. The sign constitutes political advertising because it supports a measure and appears on a sign. *See* Section 251.001(16), Election Code. Political advertising signs designed to be seen from a road are required to include the right-of-way notice. Section 255.007, Election Code. Because the sign submitted with the complaint was designed to be seen from a road and did not include the right-of-way notice, there is credible evidence that the committee violated Section 255.007, Election Code.

V. Representations and Agreement by Respondents

By signing this ORDER and AGREED RESOLUTION and returning it to the commission:

1. The respondents neither admit nor deny the facts described under Section III and the commission's findings and conclusions of law described under Section IV, and consent to the entry of this ORDER and AGREED RESOLUTION solely for the purpose of resolving and settling this sworn complaint.
2. The respondents consent to the entry of this Order before any adversarial evidentiary hearings or argument before the commission, and before any formal adjudication of law or fact by the commission. The respondents waive any right to a hearing before the commission or an administrative law judge, and further waive any right to a post-hearing procedure established or provided by law.
3. Notwithstanding any other provisions of this ORDER and AGREED RESOLUTION, the respondents understand and agree that the commission will consider the respondents to have committed the violations described under Section IV, Paragraphs 2 and 5, if it is necessary to

consider a sanction to be assessed in any future sworn complaint proceedings against the respondents.

VI. Confidentiality

This ORDER and AGREED RESOLUTION describes a violation that the commission has determined is neither technical nor *de minimis*. Accordingly, this ORDER and AGREED RESOLUTION is not confidential under Section 571.140, Government Code, and may be disclosed by members and staff of the commission.

VII. Sanction

After considering the seriousness of the violations described under Sections III and IV, including the nature, circumstances, consequences, extent, and gravity of the violations, after considering the fact that no previous violations by these respondents are known to the commission, and after considering the sanction necessary to deter future violations, the commission imposes a \$200 civil penalty for the violation described under Section IV, Paragraph 2.

VIII. Order

The commission hereby ORDERS:

1. that this proposed AGREED RESOLUTION be presented to the respondents;
2. that if the respondents consent to the proposed AGREED RESOLUTION, this ORDER and AGREED RESOLUTION is a final and complete resolution of SC-991241;
3. that the respondents may consent to the proposed AGREED RESOLUTION only by an authorized representative signing an original of this document and mailing the signed original and the \$200 civil penalty to the Texas Ethics Commission, P.O. Box 12070, Austin, Texas 78711, no later than August 11, 2000; and
4. that the executive director shall promptly refer SC-991241 to either the commission or to an administrative law judge to conduct hearings on the commission's behalf and to propose findings of fact and conclusions of law to the commission in accordance with law if the respondents do not agree to the resolution of SC-991241 as proposed in this ORDER and AGREED RESOLUTION.

AGREED to by the respondent on this _____ day of _____, 2000.

Ronnie Hutchison, Respondent
On behalf of the Capital Improvement
Committee and other named respondents

EXECUTED ORIGINAL received by the commission on: _____.

Texas Ethics Commission

By: _____
Tom Harrison, Executive Director