



## TEXAS ETHICS COMMISSION MEETING MINUTES

### Public Agenda

November 21, 2019, 9:01 a.m.  
Capitol Extension, Room E1.014  
Austin, Texas 78701



**COMMISSIONERS PRESENT:** Chad M. Craycraft, Chair; Mary K. “Katie” Kennedy, Vice Chair; Randall H. Erben, Chris Flood, Patrick W. Mizell, Richard S. Schmidt, Joseph O. Slovacek and Steven D. Wolens

**COMMISSIONERS NOT PRESENT:** None.

**STAFF PRESENT:** Margie Castellanos, Nick Espinosa, Betty Gallegos, Jessie Haug, Cristina Hernández, Jordan Hunn, Haksoon Andrea Low, Natalie McDermon, Amy Padilla, Anne Temple Peters, Scarlett Scalzo, Ian Steusloff, Jim Tinley, and Preston Tom.

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### MINUTES

This meeting was recorded. These minutes are a summary record of the Commission’s actions at the meeting. For a detailed record of discussions and statements made by persons speaking at the meeting, please consult either the video recording available to view online at: <http://www.house.state.tx.us/video-audio/capitol-events/>, or the audio recordings on file at the Commission’s office.

**Agenda Item 1: Call to Order/Roll Call.**

The meeting was called to order by Chair Craycraft. Anne Temple Peters, Executive Director, called the roll. All Commissioners were present

**Agenda Item 2: Discussion regarding dates for next Commission meeting.**

Chair Craycraft briefed the Commission on this agenda item. Chair Craycraft and Commissioners Erben, Mizell and Slovacek responded with questions and comments. Tentative dates for the next Commission meeting, subject to change, are February 27-28, 2020.

**Agenda Item 3: Approve minutes for the following meetings:**

- **Executive Session – June 27, 2019;**
- **Formal Hearing – June 27, 2019; and**
- **Public Meeting – June 28, 2019.**

Chair Craycraft briefed the Commission on this agenda item. Motion by Commissioner Schmidt to adopt the minutes in Agenda Item 3; second by Commissioner Wolens. **Motion passed by a vote of eight ayes.**

**Agenda Item 4:** Possible executive session pursuant to Section 551.074, Government Code (Personnel Matters): Discussion of and possible action on personnel matters, including the salaries of Commission staff, including the Executive Director and General Counsel.

The Commission went into Executive Session at 9:04 am, and returned at 9:45 am. Motion by Commissioner Wolens to raise the salaries of the Executive Director and General Counsel to the maximum allowable salary, effective on October 1, 2019; second by Commissioner Flood. **Motion passed by a vote of eight ayes.**

**Agenda Item 5:** Discussion and possible action on appeals of determinations made under Ethics Commission Rules §§18.25 and 18.26 relating to administrative waiver or reduction of a fine, for the following filers:

1. Buddie J. Hahn (00019336)
2. Cooke W. Kelsey (00082053)
3. Andrew Morris (00081811)
4. Maria T. Jackson (00062432)
5. MarySue Louisa Femath (00082067)
6. Kevin Kennedy, Campaign Treasurer, Texans for Fairness (82818)
7. Scott J. Utley, Campaign Treasurer, Parker County Republican Party (00055725)
8. Robert Cody Garrett (00080020)
9. Robert Cody Garrett, Campaign Treasurer, 427 PAC (Cody Garrett for RRC (00066927)
10. Aron Ra (00081345)
11. Shaun McDade Nelson, Campaign Treasurer, Texas Stonewall Democratic Caucus (GPAC) (00054064)
12. Warren Blake Baker (00082398)

Commissioner Wolens addressed the Commission. Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Commissioner Slovacek and Mr. Steusloff responded with questions and comments. Motion by Commissioner Slovacek to accept staff recommendations on Agenda Item 5, numbers 1 through 12; second by Commissioner Flood. **Motion passed by a vote of eight ayes.**

**Agenda Item 6:** Discussion and possible action regarding the termination of a campaign treasurer appointment for the following inactive filers:

1. Johnathan B. Brohawn (00082383)
2. Calab W. Homoth (00082729)
3. Jeffrey A. Payne (00081830)
4. Tony C. Teal (00082665)
5. Gilberto Velasquez, Jr. (00069924)
6. Kory D. Watkins (00081678)
7. Lee B. Weaver (00082141)
8. Ronald Hamilton, Treasurer, Citizen Input PAC (00080002)

9. Alan Sandersen, Treasurer, Fort Bend Business PAC (00068461)
10. Gary L. Moody, Treasurer, Neighbors for McLendon – Chisholm (00082708)
11. Santiago Manrique, Treasurer, Opportunities for Brownsville PAC (00082679)
12. Douglas L. Foshee, Treasurer, Texas Aspires (00069647)
13. Lucius O'Dell, Treasurer, Texans for Conservative Government PAC (00082571)
14. Josh Lyrock, Treasurer, Texans for Ethical Local Leadership (00082824)

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Mizell to adopt staff recommendations and terminate the treasurer appointments of the individuals and political committees in Agenda Item 6, numbers 1 through 14; second by Commissioner Erben. **Motion passed by a vote of eight ayes.**

**Agenda Item 7: Discussion and possible action on the adoption or proposal and publication in the Texas Register of an amendment to Ethics Commission Rule §18.21, regarding the jurisdiction to consider a request to waive or reduce a fine assessed for failure to file a timely report or for filing a correction to a report.**

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Flood to adopt an amendment to Ethics Commission Rule §18.21; second by Vice Chair Kennedy. **Motion passed by a vote of eight ayes.**

**Agenda Item 8: Discussion and possible action on the adoption or proposal and publication in the Texas Register of amendments to Ethics Commission Rule §18.31, regarding the adjustments of reporting thresholds, and Ethics Commission Rules that are affected by the adoption of an amendment to Ethics Commission Rule §18.31, including §§20.62, 20.65, 20.217, 20.219, 20.220, 20.221, 20.275, 20.279, 20.301, 20.303, 20.313, 20.329, 20.331, 20.333, 20.401, 20.405, 20.431, 20.433, 20.434, 20.435, 20.553, 20.555, 22.1, 22.6, 22.7, 34.41, and 34.43.**

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Erben to adopt amendments to Ethics Commission Rules §§18.31, 20.62, 20.65, 20.217, 20.219, 20.220, 20.221, 20.275, 20.279, 20.301, 20.303, 20.313, 20.329, 20.331, 20.333, 20.401, 20.405, 20.431, 20.433, 20.434, 20.435, 20.553, 20.555, 22.1, 22.6, 22.7, 34.41, and 34.43; second by Commissioner Wolens. **Motion passed by a vote of eight ayes.**

**Agenda Item 9: Discussion and possible action on the proposal and publication in the Texas Register of new Ethics Commission Rules §12.86, regarding motions for continuance in preliminary review hearings.**

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Vice Chair Kennedy and Commissioner Flood responded with questions and comments. Motion by Commissioner Wolens to publish in the Texas Register new Ethics Commission Rules §12.86; second by Commissioner Slovacek. **Motion passed by a vote of eight ayes.**

**Agenda Item 10: Discussion and possible action on the proposal and publication in the Texas Register of new Ethics Commission Rule §12.174, regarding the summary disposition of a matter in a formal hearing.**

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Vice Chair Kennedy, Commissioner Schmidt and Mr. Steusloff responded with questions and comments. Motion by Vice Chair Kennedy to publish in the Texas Register new Ethics Commission Rule §12.174; second by Commissioner Mizell. **Motion passed by a vote of eight ayes.**

**Agenda Item 11: Discussion and possible action on the proposal and publication in the Texas Register of new Ethics Commission Rules §§18.10 and 18.11, regarding the procedures for waiving or reducing fines assessed for corrected reports, and an amendment to Ethics Commission Rule §18.9, regarding corrected and amended reports.**

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Vice Chair Kennedy and Mr. Steusloff responded with questions and comments. Motion by Vice Chair Kennedy to publish in the Texas Register new Ethics Commission Rules §§18.10 and 18.11 and an amendment to Ethics Commission Rule §18.9; second by Commissioner Wolens. **Motion passed by a vote of eight ayes.**

**Agenda Item 12: Discussion and possible action on the proposal and publication in the Texas Register of an amendment to Ethics Commission Rule §12.29, regarding the issuance of subpoenas by a respondent's attorney.**

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Craycraft, Vice Chair Kennedy, Commissioners Flood, Mizell, Schmidt, Slovacek and Wolens, and Mr. Steusloff responded with questions and comments. Chair Craycraft appointed Vice Chair Kennedy and Commissioner Mizell to a subcommittee to work with staff on revising the proposed amendment. No action was taken.

**Agenda Item 13: Discussion and possible action on the proposal and publication in the Texas Register of the repeal of Ethics Commission Rules §22.5, regarding corporate and labor organization contributions to direct campaign expenditure committees, and amendments to Ethics Commission Rules §§20.1 and 22.6, regarding definitions of terms in Title 15 of the Election Code that are in conflict with, or made obsolete by, legislation passed in the 86th Legislative Session.**

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Motion by Commissioner Wolens to publish in the Texas Register the repeal of Ethics Commission Rules §§20.1(5), (8) and (14), 22.5 and 22.6; second by Vice Chair Kennedy. **Motion passed by a vote of eight ayes.**

**Agenda Item 14:** Discussion and possible action on the proposal and publication in the Texas Register of: (1) amendments to Ethics Commission Rules §§20.1 and 24.18, regarding hybrid political committees and the designation of corporate political contributions for administrative purposes; and (2) new Ethics Commission Rules §§22.35 and 24.19, regarding political contributions to political committees by corporations and labor organizations.

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Chair Craycraft, Vice Chair Kennedy, Commissioner Wolens, and Mr. Steusloff responded with questions and comments. Chair Craycraft appointed himself and Commissioner Erben to a subcommittee to work with staff on revising the proposed new and amended rules. No action was taken.

**Agenda Item 15:** Discussion and possible action on the proposal and publication in the Texas Register of the repeal of Ethics Commission Rules §§22.33, 27.1, and 27.101, regarding expenditure limits in the Judicial Campaign Fairness Act that were repealed by legislation passed in the 86th Legislative Session.

Ian Steusloff, General Counsel, briefed the Commission on this agenda item. Vice Chair Kennedy, Commissioner Mizell and Mr. Steusloff responded with questions and comments. Motion by Commissioner Flood to publish in the Texas Register the repeal of Ethics Commission Rules §§22.33, 27.1 and 27.101; second by Commissioner Mizell. **Motion passed by a vote of eight ayes.**

**Agenda Item 16:** Discussion of, and possible action on, any unfinished business from the Executive Session or Public Meeting held on November 20, 2019.

Commissioners Mizell addressed the Commission. Chair Craycraft, Vice Chair Kennedy, Commissioners Erben, Flood, Mizell, Schmidt, Slovacek and Wolens responded with questions and comments. Motion by Commissioner Mizell to reconsider the vote on Item 3 of the November 20, 2019 Public Meeting, concerning the timing of the implementation of the change to EAO-550; second by Commissioner Flood. **Motion passed by a vote of eight ayes.** Motion by Commissioner Mizell to delay implementation of the change to EAO-550 until after March 1, 2020; second by Commissioner Flood. **Motion passed by a vote of seven ayes (Commissioner Wolens voted no).**

**Agenda Item 17:** Adjourn.

Motion by Chair Craycraft to adjourn. **Commission meeting adjourned by unanimous consent.**

Meeting adjourned at 11:04 a.m.