

AMENDING THE FEDERAL ELECTION CAMPAIGN ACT OF 1971 TO PERMIT
CANDIDATES FOR ELECTION FOR FEDERAL OFFICE TO DESIGNATE AN
INDIVIDUAL WHO WILL BE AUTHORIZED TO DISBURSE FUNDS OF THE
AUTHORIZED CAMPAIGN COMMITTEES OF THE CANDIDATE IN THE
EVENT OF THE DEATH OF THE CANDIDATE

JULY 5, 2016.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mrs. MILLER of Michigan, from the Committee on House
Administration, submitted the following

R E P O R T

[To accompany H.R. 4734]

[Including cost estimate of the Congressional Budget Office]

The Committee on House Administration, to whom was referred the bill (H.R. 4734) to amend the Federal Election Campaign Act of 1971 to permit candidates for election for Federal office to designate an individual who will be authorized to disburse funds of the authorized campaign committees of the candidate in the event of the death of the candidate, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE AND SUMMARY

The Committee on House Administration, to whom was referred the bill (H.R. 4734) to amend the Federal Election Campaign Act of 1971 to permit candidates for election for Federal office to designate an individual who will be authorized to disburse funds of the authorized campaign committees of the candidate in the event of the death of the candidate, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

BACKGROUND AND NEED FOR THE LEGISLATION

H.R. 4734 permits candidates for election to federal office to designate an individual who will be authorized to disburse funds of the authorized campaign committees of the candidate in the event of the death of the candidate and to provide instructions regarding the disbursement of such funds by the designee. The bill also al-

lows the candidate to designate a second individual to perform those functions in the event of the death or incapacity of the designee. This limited authority to direct the disbursement of funds is provided notwithstanding any state law authorizing any other person to direct the disbursement of the campaign's funds.

H.R. 4734 amends section 302 of the Federal Election Campaign Act of 1971, by adding a section providing that a candidate for federal office may submit to the Federal Election Commission a signed, written statement designating an individual to be authorized to direct the disbursement of the funds of the authorized campaign committees of the candidate in the event of the death of the candidate, and may also provide instructions regarding the disbursement of such funds. H.R. 4734 also allows for a second designee to be appointed in the event of the death or incapacity of the original designee. The Federal Election Commission is directed to develop such forms as are necessary to implement H.R. 4734.

CONCLUSION

H.R. 4734 provides a common sense solution to ensure campaign funds are disbursed in accordance with the candidate's wishes.

INTRODUCTION AND REFERRAL

On March 14, 2016, Rep. Robert Brady (PA-1) introduced H.R. 4734, which was referred to the Committee on House Administration.

HEARINGS

There were no legislative hearings held on H.R. 4734.

COMMITTEE CONSIDERATION

On May 17, 2016, the Committee on House Administration met to consider H.R. 4734. The Committee ordered the bill reported favorably to the House without amendment by voice vote with a quorum present.

COMMITTEE RECORD VOTES

In compliance with House rule XIII, clause 3(b), requiring the results of each record vote on an amendment or motion to report, together with the names of those voting for and against, to be printed in the Committee report, the Committee states that there were no record votes during the Committee's consideration of H.R. 4734.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

In compliance with House rule XIII, clause 3(c)(1), the Committee states that the findings and recommendations of the Committee, based on oversight activities under House rule X, clause 2(b)(1), are incorporated into the general discussion section of this report.

STATEMENT OF BUDGET AUTHORITY AND RELATED ITEMS

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison pre-

pared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the enclosed cost estimate for H.R. 4734, from the Director of the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 9, 2016.

Hon CANDICE MILLER,
*Chairman, Committee on House Administration,
House of Representatives, Washington, DC.*

DEAR MADAM CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4734, a bill to amend the Federal Election Campaign Act of 1971 to permit candidates for election for federal office to designate an individual who will be authorized to disburse funds of the authorized campaign committees of the candidate in the event of the death of the candidate.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

KEITH HALL.

Enclosure.

H.R. 4734—A bill to amend the Federal Election Campaign Act of 1971 to permit candidates for election for federal office to designate an individual who will be authorized to disburse funds of the authorized campaign committees of the candidate in the event of the death of the candidate

H.R. 4734 would amend federal law to allow a candidate for federal office the option of granting an individual the responsibility of disbursing campaign funds in the event of the candidate's death. Under current law, that role lies with the campaign treasurer. Under the bill, the Federal Election Commission (FEC) would be responsible for regulating such designations and for registering information filed by candidates.

Based on information from the FEC, CBO estimates that implementing H.R. 4734 would cost about \$500,000 in 2017; such spending would be subject to the availability of appropriated funds. That amount includes one-time computer-related expenses as well as the cost of issuing new regulations. In future years, the legislation would increase general administrative costs of the FEC, but we estimate that those costs would be insignificant.

Enacting H.R. 4734 would not affect direct spending or revenues; therefore, pay-as-you go procedures do not apply. CBO estimates that enacting H.R. 4734 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 4734 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

PERFORMANCE GOALS AND OBJECTIVES

In compliance with House rule XIII, clause 3(c)(4), the Committee states that the general discussion section of this report includes a statement of the general performance goals and objectives, including outcome-related goals and objectives.

DUPLICATION OF FEDERAL PROGRAMS

In compliance with Sec. 3(g)(2) of H. Res. 5 (114th Congress), the Committee states that no provision of the bill establishes or reauthorizes: (1) a program of the Federal Government known to be duplicative of another Federal program; (2) a program included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139; or (3) a program related to a program identified in the most recent Catalog of Federal Domestic Assistance, published pursuant to the Federal Program Information Act (Pub. L. No. 95-220, as amended by Pub. L. No. 98-169).

DISCLOSURE OF DIRECTED RULE MAKINGS

In compliance with Sec. 3(i) of H. Res. 5 (114th Congress), the following statement is made concerning directed rule makings: The Committee estimates that the bill requires no directed rule makings within the meaning of such section.

INFORMATION RELATING TO UNFUNDED MANDATES

This information is provided in accordance with section 423 of the Unfunded Mandates Reform Act of 1995 (Pub. L. No. 104-4). The Committee has determined that the bill contains no unfunded mandate on the private sector, nor does it impose a Federal intergovernmental mandate on State, local, or tribal governments.

CONSTITUTIONAL AUTHORITY STATEMENT

Congress has the power to enact this legislation pursuant to Article 1, Section 4.: “The Times, Places and Manner of holding Elections for Senators and Representatives, shall be prescribed in each State by the Legislature thereof; but the Congress may at any time by Law make or alter such Regulations, except as to the Places of choosing Senators.”

ADVISORY ON EARMARKS

In accordance with House rule XXI, clause 9, the Committee states that H.R. 4734 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

FEDERAL ELECTION CAMPAIGN ACT OF 1971

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TITLE III—DISCLOSURE OF FEDERAL CAMPAIGN FUNDS

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ORGANIZATION OF POLITICAL COMMITTEES

SEC. 302. (a) Every political committee shall have a treasurer. No contribution or expenditure shall be accepted or made by or on behalf of a political committee during any period in which the office of treasurer is vacant. No expenditures shall be made for or on behalf of a political committee without the authorization of the treasurer or his or her designated agent.

(b)(1) Every person who receives a contribution for an authorized political committee shall, no later than 10 days after receiving such contribution, forward to the treasurer such contribution, and if the amount of the contribution is in excess of \$50 the name and address of the person making the contribution and the date of receipt.

(2) Every person who receives a contribution for a political committee which is not an authorized committee shall—

(A) if the amount of the contribution is \$50 or less, forward to the treasurer such contribution no later than 30 days after receiving the contribution; and

(B) if the amount of the contribution is in excess of \$50, forward to the treasurer such contribution, the name and address of the person making the contribution, and the date of receipt of the contribution, no later than 10 days after receiving the contribution.

(3) All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

(c) The treasurer of a political committee shall keep an account of—

(1) all contributions received by or on behalf of such political committee;

(2) the name and address of any person who makes any contribution in excess of \$50, together with the date and amount of such contribution by any person;

(3) the identification of any person who makes a contribution or contributions aggregating more than \$200 during a calendar year, together with the date and amount of any such contribution;

(4) the identification of any political committee which makes a contribution, together with the date and amount of any such contribution; and

(5) the name and address of every person to whom any disbursement is made, the date, amount, and purpose of the disbursement, and the name of the candidate and the office sought by the candidate, if any, for whom the disbursement was made, including a receipt, invoice, or canceled check for each disbursement in excess of \$200.

(d) The treasurer shall preserve all records required to be kept by this section and copies of all reports required to be filed by this title for 3 years after the report is filed. For any report filed in electronic format under section 304(a)(11), the treasurer shall retain a machine-readable copy of the report as the copy preserved under the preceding sentence.

(e)(1) Each candidate for Federal office (other than the nominee for the office of Vice President) shall designate in writing a political committee in accordance with paragraph (3) to serve as the principal campaign committee of such candidate. Such designation shall be made no later than 15 days after becoming a candidate. A candidate may designate additional political committees in accordance with paragraph (3) to serve as authorized committees of such candidate. Such designation shall be in writing and filed with the principal campaign committee of such candidate in accordance with subsection (f)(1).

(2) Any candidate described in paragraph (1) who receives a contribution, or any loan for use in connection with the campaign of such candidate for election, or makes a disbursement in connection with such campaign, shall be considered, for purposes of this Act, as having received the contribution or loan, or as having made the disbursement, as the case may be, as an agent of the authorized committee or committees of such candidate.

(3)(A) No political committee which supports or has supported more than one candidate may be designated as an authorized committee, except that—

(i) the candidate for the office of President nominated by a political party may designate the national committee of such political party as a principal campaign committee, but only if that national committee maintains separate books of account with respect to its function as a principal campaign committee; and

(ii) candidates may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.

(B) As used in this section, the term “support” does not include a contribution by any authorized committee in amounts of \$2,000 or less to an authorized committee of any other candidate.

(4) The name of each authorized committee shall include the name of the candidate who authorized such committee under paragraph (1). In the case of any political committee which is not an authorized committee, such political committee shall not include the name of any candidate in its name.

(5) The name of any separate segregated fund established pursuant to section 316(b) shall include the name of its connected organization.

(f)(1) Notwithstanding any other provision of this Act, each designation, statement, or report of receipts or disbursements made by

an authorized committee of a candidate shall be filed with the candidate's principal campaign committee.

(2) Each principal campaign committee shall receive all designations, statements, and reports required to be filed with it under paragraph (1) and shall compile and file such designations, statements, and reports in accordance with this Act.

(g)(1) Designations, statements, and reports required to be filed under this Act by a candidate for the office of Senator, by the principal campaign committee of such candidate, and by the Republican and Democratic Senatorial Campaign Committees shall be filed with the Secretary of the Senate, who shall receive such designations, statements, and reports, as custodian for the Commission.

(2) The Secretary of the Senate shall forward a copy of any designation, statement, or report filed with the Secretary under this subsection to the Commission as soon as possible (but no later than 2 working days) after receiving such designation, statement, or report.

(3) All designations, statements, and reports required to be filed under this Act, except designations, statements, and reports filed in accordance with paragraph (1), shall be filed with the Commission.

(4) The Secretary of the Senate shall make the designations, statements, and reports received under this subsection available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such designations, statements, and reports in the same manner as the Commission under section 311(a)(5).

(h)(1) Each political committee shall designate one or more State banks, federally chartered depository institutions, or depository institutions the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, as its campaign depository or depositories. Each political committee shall maintain at least one checking account and such other accounts as the committee determines at a depository designated by such committee. All receipts received by such committee shall be deposited in such accounts. No disbursements may be made (other than petty cash disbursements under paragraph (2)) by such committee except by check drawn on such accounts in accordance with this section.

(2) A political committee may maintain a petty cash fund for disbursements not in excess of \$100 to any person in connection with a single purchase or transaction. A record of all petty cash disbursements shall be maintained in accordance with subsection (c)(5).

(i) When the treasurer of a political committee shows that best efforts have been used to obtain, maintain, and submit the information required by this Act for the political committee, any report or any records of such committee shall be considered in compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

(j)(1) *Each candidate may, with respect to each authorized committee of the candidate, designate an individual who shall be responsible for disbursing funds in the accounts of the committee in the event of the death of the candidate, and may also designate an-*

other individual to carry out the responsibilities of the designated individual under this subsection in the event of the death or incapacity of the designated individual or the unwillingness of the designated individual to carry out the responsibilities.

(2) In order to designate an individual under this subsection, the candidate shall file with the Commission a signed written statement (in a standardized form developed by the Commission) that contains the name and address of the individual and the name of the authorized committee for which the designation shall apply, and that may contain the candidate's instructions regarding the disbursement of the funds involved by the individual. At any time after filing the statement, the candidate may revoke the designation of an individual by filing with the Commission a signed written statement of revocation (in a standardized form developed by the Commission).

(3) Upon the death of a candidate who has designated an individual for purposes of paragraph (1), funds in the accounts of each authorized committee of the candidate may be disbursed only under the direction and in accordance with the instructions of such individual, subject to the terms and conditions applicable to the disbursement of such funds under this Act or any other applicable Federal or State law (other than any provision of State law which authorizes any person other than such individual to direct the disbursement of such funds).

(4) Nothing in paragraph (3) may be construed to grant any authority to an individual who is designated pursuant to this subsection other than the authority to direct the disbursement of funds as provided in such paragraph, or may be construed to affect the responsibility of the treasurer of an authorized committee for which funds are disbursed in accordance with such paragraph to file reports of the disbursements of such funds under section 304(a).

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 303. (a) Each authorized campaign committee shall file a statement of organization no later than 10 days after designation pursuant to section 302(e)(1). Each separate segregated fund established under the provisions of section 316(b) shall file a statement of organization no later than 10 days after establishment. All other committees shall file a statement of organization within 10 days after becoming a political committee within the meaning of section 301(4).

(b) The statement of organization of a political committee shall include—

- (1) the name, address, and type of committee;
- (2) the name, address, relationship, and type of any connected organization or affiliated committee;
- (3) the name, address, and position of the custodian of books and accounts of the committee;
- (4) the name and address of the treasurer of the committee;
- (5) if the committee is authorized by a candidate, the name, address, office sought, and party affiliation of the candidate; **[and]**
- (6) a listing of all banks, safety deposit boxes, or other depositories used by the committee**[.]; and**
- (7) *in the case of an authorized committee of a candidate who has designated an individual under section 302(j) (including a*

second individual designated to carry out the responsibilities of that individual under such section in the event of that individual's death or incapacity or unwillingness to carry out the responsibilities) to disburse funds from the accounts of the committee in the event of the death of the candidate, a copy of the statement filed by the candidate with the Commission under such section (as well as a copy of any subsequent statement of revocation filed by the candidate with the Commission under such section).

(c) Any change in information previously submitted in a statement of organization shall be reported in accordance with section 302(g) no later than 10 days after the date of the change.

(d)(1) A political committee may terminate only when such a committee files a written statement, in accordance with section 302(g), that it will no longer receive any contributions or make any disbursements and that such committee has no outstanding debts or obligations.

(2) Nothing contained in this subsection may be construed to eliminate or limit the authority of the Commission to establish procedures for—

(A) the determination of insolvency with respect to any political committee;

(B) the orderly liquidation of an insolvent political committee, and the orderly application of its assets for the reduction of outstanding debts; and

(C) the termination of an insolvent political committee after such liquidation and application of assets.

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