

**H.R. 186: TO AMEND THE FEDERAL ELECTIONS
CAMPAIGN ACT OF 1971 TO PERMIT CAN-
DIDATES 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**

HEARING
BEFORE THE
**COMMITTEE ON HOUSE
ADMINISTRATION**
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRTEENTH CONGRESS
SECOND SESSION

HELD IN WASHINGTON, DC, JUNE 25, 2014

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H.R. 186: TO AMEND THE FEDERAL ELECTIONS 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

WEDNESDAY, JUNE 25, 2014

HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOUSE ADMINISTRATION,
Washington, DC

The committee met, pursuant to call, at 11:04 a.m., in room 1310, Longworth House Office Building, Hon. Candice S. Miller (chairman of the committee) presiding.

Present: Representatives Miller, Harper, Brady, and Vargas.

Staff Present: Sean Moran, Staff Director; John Clocker, Deputy Staff Director; Bob Sensenbrenner, Deputy General Counsel; Yael Barash, Legislative Clerk; Erin Sayago, Communications Director; Kyle Anderson, Minority Staff Director; Matt Pinkus, Minority Senior Policy Advisor; Matt DeFreitas, Minority Professional Staff; Khalil Abboud, Minority Deputy Counsel; Thomas Hicks, Minority Senior Counsel; Mike Harrison, Minority Chief Counsel; Greg Abbott, Minority Professional Staff; and Eddie Flaherty, Minority Chief Clerk.

The CHAIRMAN. I now call to order the Committee on House Administration's hearing regarding H.R. 186 that was introduced by the gentleman from North Carolina, Representative Walter Jones.

The hearing record will remain open for 5 legislative days so that members may submit any materials that they wish to be included therein.

And a quorum is present, so we can proceed.

This hearing is for the committee to receive testimony on H.R. 186 from one of our colleagues in the U.S. House, the distinguished gentleman who represents North Carolina's Third Congressional District, Representative Walter Jones. And we are going to hear from Representative Jones on the necessity and the importance of this bill that he has introduced.

And we certainly thank you for your attendance here today.

Mr. JONES. Thank you.

The CHAIRMAN. H.R. 186 is a bill to amend the Federal Elections Campaign Act of 1971 in regards to who may distribute campaign funds for a candidate's federal election campaign. Under current federal law, only the campaign treasurer is authorized to disburse campaign funds, and that includes disbursing these funds in the event that the candidate should even pass away.

Should Representative Jones' bill become law, it would allow candidates running for federal office the opportunity to designate an additional individual, separate from the campaign treasurer, who would be authorized to distribute campaign funds in the event of the death of the candidate.

Essentially, this bill would provide candidates more flexibility when they are forming out their campaign for Federal office and allow them the additional choice on who should have the responsibility over managing their campaign funds.

When individuals donate to a candidate, they are also donating to specific beliefs and values. This bill that we are discussing today will ensure that should the candidate pass away, those same beliefs and values are carried forward.

Of course, every candidate running for office hopes to hire a campaign treasurer who is not only capable, but someone who would know and respect our wishes should anything happen. Given today's cumbersome campaign regulatory environment, sometimes candidates must make a choice to hire an individual they might not know personally very well.

H.R. 186 will provide a clear designation for those who should have responsibility over campaign funds should the unforeseen happen. And this bill will task the Federal Election Commission, who is already responsible for receiving and registering such information filed by candidates, to update their forms and regulations.

This is an important bill. It is also a nonpartisan bill.

The House has also passed previous versions of this bill in every Congress since the 110th Congress. Not knowing a candidate's wishes on how campaign funds may not be the most common problem, but it is certainly a problem that has precedence. And today we have an easy solution before us, again that has bipartisan support.

Again, I want to thank the witness for being here today and would now like to recognize my ranking member, my colleague, Mr. Brady, for the purpose of an opening statement.

Mr. BRADY. Yes. I would first like to thank Chairman Miller for holding this hearing, and thank my good friend from North Carolina, Walter Jones, for his tireless work promoting this bill.

Currently, the Federal Election Campaign Act offers no guidance on disbursing funds in the event of a candidate's death. H.R. 186 seeks to amend the Federal Election Campaign Act by allowing a candidate to designate an individual of his or her choosing to disburse campaign funds in the event of the candidate's death and to provide specific instruction on how it should be done.

Similar bills were passed in this House in the last three Congresses, and the Federal Election Commission stands ready to implement the bill should it become law. I have been a longtime supporter of this bill, and it is my hope that this commonsense proposal will pass into law.

You know, as the chairman said, when we first become Members of Congress, it is conventional wisdom that we would get a treasurer that was probably—in my case it was, it is no longer now, but it was—that we would get maybe an attorney—no disrespect to attorneys, but I guess a little disrespect to them—or an accountant that we think would be a credible name that makes us look more credible, especially running for election, at times running for re-election.

And we have had many, many instances in the past where, quite recently, one organization did that for four or five House Members, and for them to wake up one morning to find out that their funds were almost gone. And the major issue is there is no way to recoup it. Persons that violated that trust were probably incarcerated, maybe fined, but they could never get their money back.

So that happens when even candidates are alive. God forbid, God forbid, God forbid, three times, if a sitting Congressman should pass away and their money is entrusted to someone who they think would be looked upon as credible in the community where they run or in the establishment. But that person most of the time does not really know the wishes of a Congressperson. It would be up to them to do whatever they want, however they want, according to the guidelines of the law of how to disburse the funds.

So it would only be logical, and it is a logical and commonsense bill, that we would have somebody that would be close to us, a family member, which a lot of us shy away from from time to time putting them as a treasurer because of the way it may look. But that person, the family member, would know best what the candidate, deceased Congressperson, would want to have done with his remaining funds, what charities they would like, what other candidates they may want to support, all according to law.

So this is just a commonsense bill that kind of protects. And I thank Congressman Jones for your perseverance, your determination. And I feel your frustration from time to time because I know you have a personal story.

And it just protects 435 here and another hundred over in the Senate side that we can rest assured that whatever money we do have at the time of our passing would be distributed the way we would want if we were here. And the only way to do that is to implement this bill.

Again, it is a commonsense bill, it is the right thing to do. We hear too many horror stories out there. And we do work hard. And fundraising is a major pain in the neck for a lot of us, and we don't all like to do it, but we have to do it to be able to maintain who we are. And we do have the opportunity then to help other people and help other charities.

So, again, it is just a commonsense bill. And I applaud the Congressman for again coming back up here. And hopefully we can get it done. And because it is such a good bill, when we send it over to the Senate, in their wisdom, they tack things onto it, you know, and that kind of weighs the bill down and then it doesn't happen.

So I will do the best that I can, and I have had conversations with the Senate, to try to make it as clean as it leaves here, because we did not do that in the past. We let this bill go out clean. We didn't tack anything onto it. Hopefully, they won't do that. And

I think that I am totally confident that we could be able to pass it here and pass it there. And, as we said, the Federal Election Commission is waiting for it to happen so they can implement it also.

So, again, I thank the chairman for convening this hearing, and thank you for sticking with us again and trying to get this done. We passed it when I was the chairman. We passed it when I was the ranking member. I look forward to passing it again while I am the ranking member.

So thank you, Madam Chairman.

The CHAIRMAN. I thank the gentleman very much.

Any other comments from members?

With that, I would like to introduce our witness. Representative Walter Jones was first sworn in to the U.S. House of Representatives in 1995 after serving 10 years as an elected member of the North Carolina General Assembly. Since entering office, he has been a strong voice for fighting for effective, commonsense government that returns power and control back to the people. His dedication and commitment to providing tax relief for American families, retirement security for our Nation's seniors, a strong national defense, and a quality education for every child has earned him respect amongst his colleagues on both sides of the political aisle. He has been a leader in fighting the U.S. trade deficit and leveling the trade playing field for American workers as well.

Currently serving his 10th term, he is also a member of the House Committee on Armed Services. And he has concentrated on safeguarding the wellbeing of our Nation's veterans and our men and women on active duty.

We want to thank you for joining us today. We have received your written testimony. And the chair now recognizes our witness, Mr. Walter Jones.

STATEMENT OF THE HON. WALTER B. JONES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

Mr. JONES. Madam Chairman, thank you and the ranking member for the opportunity to bring this bill forward. And thank you for your understanding of the bill. You and the ranking member made very excellent comments about the intent of the bill, the content of the bill, and the importance. I would just like in my brief time to share my story and why I would get involved in a bill like this.

In 1992, my father, Congressman Walter Jones, Sr., died in office. He had announced he was not running for reelection, but he died in September of that year, before the November election. And he was under the old system. We have changed that system now. But he was under the old system where the proceeds in his campaign account could go as part of his estate.

And his treasurer, a wonderful, fine gentleman, a lawyer, was an honorable man. But he said that, based on the law, I cannot release these funds. And he was following the law, and we all understood that. But it got just complicated.

And as you and the ranking member have said, in the time of death for a sitting Member of Congress, or a candidate for a congressional office, there is not a worse time for the family than to

try to figure out how you go ahead and recover from the loss of the loved one. And it just seemed to me, working with my staff—my legislative director is sitting behind me, Josh Bowlen—that we decided a few years ago to put this bill in. Obviously, as you both have said, this is noncontroversial. It is not partisan at all. I would call it a family relief consideration act when the Member should die in office.

We were able to work through the situation involving my father. But with the campaigns today and the cost of running for office—not me, if you check my—go on Open Secrets you will see I have got about \$100,000 in my account. So this is about my colleagues in the House. And as Mr. Brady said, hopefully we could get this through the Senate. And I know you feel that way, Madam Chairman.

This is about thinking about pain and suffering and hurt should any of us die in office or if we were candidates who had not been elected and we should be killed in a car accident or a plane crash or have a natural death. This is just to bring some peace and comfort to the family by allowing the candidate to designate, working with the Federal Election Commission, whom he or she would like to disburse those funds, what charities, what churches, what campaign accounts or party accounts. And it is really, as you have explained and my little explanation, it is that simple.

The CHAIRMAN. Thank the gentleman very much.

[The statement of Mr. Jones follows:]

**Statement of Congressman Walter Jones
House Administration Committee Hearing on H.R. 186
June 25, 2014**

- Madame Chairwoman, I'd like to thank you and Ranking Member Brady for your help in scheduling a hearing on this bill today.

- H.R. 186 is non-controversial and supported by members on both sides of the aisle.

- This committee, as well as the House of Representatives, has approved this bill by voice vote in each of the past three congresses (in 2008, 2009 and 2012).

- The bill would allow candidates for Federal office to submit a simple statement to the FEC to designate an individual to disburse funds from the candidate's authorized campaign accounts in the event of the candidate's death.

- It would also allow candidates the option to provide instructions regarding the disbursement of such funds.

- The bill is needed because federal law does not directly address the disposition of campaign funds when a candidate dies.

- H.R. 186 will give candidates peace of mind knowing that funds in their campaign accounts will be disbursed in a manner consistent with their wishes.

- I urge members to support this non-controversial, common-sense measure, and I thank you for your time.

The CHAIRMAN. And you and I and Mr. Brady have talked about this on the House floor as well on a number of different times. I really have to tell the truth, and thinking about your bill, I hadn't really thought it all the way through, right? You think you are never going to die, right? You are thinking, all right, just raising money and whatever you are doing. And what you would think if you did die, what kinds of charities that you normally support that you would like to see get X amount of the dollars or the various candidates, et cetera. And yet, as you say, under the current law, the treasurers that we select, you know, you could have a Republican treasurer giving money to a Democrat or a Democrat giving money to a Republican, or who knows what, right? It depends, right?

But, you know, certainly I think most of us hope that we have individuals that would carry out our wishes. But most of us aren't really thinking about what our wishes actually are. I mean, it is not like drawing a will up, right?

Mr. JONES. Yes, ma'am.

The CHAIRMAN. But yet in today's world—I mean, you talk about Open Secrets. You can go on Open Secrets, you see that I have over \$900,000 in my account right now. Well, that is some serious money. And there are some charities that I would want to get much of that money and candidates and various things. But yet you have to make sure that you have a treasurer, because it is up to the treasurer, not your campaign manager or your spouse or whoever, to determine where those dollars are going. And there are lots of candidates that have millions of dollars in their account. Again, we hope the unforeseen never happens. But who knows, right?

Mr. JONES. Absolutely.

The CHAIRMAN. And so I think it is just a very commonsense type of thing to make sure that individuals who are donating to our respective campaigns, understand what our values are and the kind of ideologies that we all have, our partisan persuasion, et cetera, that those funds will be distributed in a way that is consistent with what they were thinking when they were donating to our campaigns as well.

So I am very much in support of this bill. And I agree with Mr. Brady. And I know it has passed. I voted for it in the past in other Congresses. But it gets to the Senate, doesn't get very far. So hopefully we will be able to see that it actually becomes law. It is totally bipartisan, it is just something that I think needs to evolve as campaigns have evolved over the years and the amounts of money that are left in campaign accounts are there as well.

How do you think the FEC would implement the bill if it became law? I know you have had some conversation with them on that in the past.

Mr. JONES. Yes, ma'am. Madam Chairman, they have actually testified during one of the hearings on this legislation. And they seem—they are in support. If this is the will of the Congress, they very much see the value of having this ability for the Member to designate that family member, as you made reference to, whomever that person might be. And they would be able to fully disclose this on the Internet. It would be part of the package of the candidate

that files the paperwork to be a candidate or the incumbent when he or she files their proper paperwork with the Federal Election Commission.

The CHAIRMAN. Okay. That was really my only question. And as you have already answered, it has to be publicly disclosed. Everything that we do, any time you make any changes to any kind of campaign, the Campaign Act or campaign finance, et cetera, I think the operative phrase always has to be public disclosure so that the public is fully aware of whatever is happening. And so to have that kind of public disclosure I think is absolutely critical and the appropriate thing to do.

At this time, I have no other questions and would ask the gentleman from Pennsylvania to ask questions.

Mr. BRADY. Just briefly, as we sit here today as sitting Congresspeople, we can do by law, follow the law, and disburse whatever campaign funds we have to, the way we want to, through our treasurer. If this bill passes, none of that changes. The regulations are exactly the same. And the filing is exactly the same as long as that account stays open, and the transparency is exactly the same.

The only thing is that our treasurer now does not have the right to do that, our designee, whoever we think knows our wishes while we are not here because it would be somebody, naturally, that would be closer to us than our treasurer would be, and they then have the task or the ability to be able to spend that money that we have left over under the same exact guidelines that we have sitting right here today. Is that correct?

Mr. JONES. Yes, sir.

Mr. BRADY. Well, then, again I say this is a commonsense protection bill that I thank you for bringing forward.

Mr. JONES. It is that simple as just adding one line and allows you to designate who would disburse your money should something happen to you. It is that simple.

Mr. BRADY. Thank you. I appreciate it. Thank you.

Thank you, Madam Chair.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi.

Mr. HARPER. Thank you, Congressman Jones. And I appreciate very much you bringing this bill forward. And we fully support it and look forward to its progress and ultimate passage.

And I have no questions, Madam Chair.

Mr. JONES. Thank you, Mr. Harper. Thank you.

The CHAIRMAN. The Chair recognizes the gentleman from California.

Mr. VARGAS. Thank you very much, Madam Chair.

I also thank you for bringing it forward again, appreciate all the work that you have put into it and fully support it. Thank you, sir.

Mr. JONES. Thank you, Mr. Vargas. Thank you.

The CHAIRMAN. Thank you very much for coming.

Mr. JONES. Thank you.

The CHAIRMAN. We certainly appreciate it and appreciate your, as the ranking member has said, the persistence and tenacity with this. And we will help move this along. We hope this committee

will have a markup on the bill in the very, very near future and push it along to the floor as well.

Mr. JONES. Thank you so much. Thank you.

The CHAIRMAN. Thank you.

Without objection, all members will have 5 legislative days to submit to the chair additional written questions for the witnesses, which we will forward and ask the witness to respond as promptly as he can so that those answers may be part of the record.

And with that, the hearing is adjourned. I thank all the members and the witness.

[Whereupon, at 11:22 a.m., the committee was adjourned.]