

**AGENDA DOCUMENT NO. 10-69**



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

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November 10, 2010

**AGENDA ITEM**

**For Meeting of 11-18-10**

**MEMORANDUM**

TO: The Commission

FROM: Christopher Hughey *pch*  
Acting General Counsel

Rosemary C. Smith *RCs*  
Associate General Counsel

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Assistant General Counsel

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Attorney

Subject: Draft AO 2010-26 (Baird)

Attached is a proposed draft of the subject advisory opinion. We request that this draft be placed on the agenda for November 18, 2010

Attachment

1 ADVISORY OPINION 2010-26

2

3 The Honorable Brian Baird

**DRAFT**

4 Member of Congress

5 2350 Rayburn HOB

6 Washington, D.C. 20515

7

8 Dear Representative Baird:

9           We are responding to your advisory opinion request concerning the application of  
10 the Federal Election Campaign Act of 1971, as amended (the “Act”), and Commission  
11 regulations, to the use of campaign funds from Representative Baird’s campaign  
12 committee (“Baird for Congress”) to pay temporary storage costs associated with your  
13 planned move back to your home State following your retirement from Congress at the  
14 end of the current term.

15           The Commission concludes that under the circumstances you describe, the cost of  
16 such temporary storage is an ordinary and necessary expense incurred in connection with  
17 your duties as a holder of Federal office. Therefore, the use of campaign funds to pay  
18 this cost is not personal use of campaign funds, and is permissible under the Act and  
19 Commission regulations.

20 ***Background***

21           The facts presented in this advisory opinion are based on your letter received on  
22 October 1, 2010.

23           Representative Brian Baird is a Member of the U.S. House of Representatives  
24 from Washington State’s 3rd District. Representative Baird plans to retire from Congress  
25 at the expiration of the current congressional term and is planning to move himself and

1 his family out of his Washington, D.C. residence and back to his home in Washington  
2 State.

3 As part of the preparations for the move, the Baird family moved almost one-  
4 half of its personal household items into a commercial, off-site storage facility. This was  
5 done solely to create additional space in the Washington, D.C. house to facilitate the  
6 family's preparation for the move. It was not done to create more living space or to make  
7 a material improvement to the house. The items at the storage facility are fully packed  
8 and will remain in storage for approximately four months, from mid-August to mid-  
9 December 2010. The Baird family will not access them until the actual move to  
10 Washington State takes place.

11 Representative Baird states that the Baird family is paying the full and normal  
12 rental charge to store the items. Neither Representative Baird nor the members of his  
13 family have any personal, commercial, or political affiliation with the storage company.

14 ***Question Presented***

15 *May a retiring Member of Congress use campaign funds to pay the cost of*  
16 *temporarily storing household items as part of the Member's preparations for moving*  
17 *himself and his family back to the Member's home State?*

18 ***Legal Analysis and Conclusions***

19 Yes, the retiring Member of Congress may use campaign funds to pay the cost of  
20 temporarily storing the household items because payments for these expenses are not  
21 personal use of campaign funds under 2 U.S.C. 439a.

22 The Act identifies six categories of permissible uses of contributions accepted by  
23 a Federal candidate. They are: (1) otherwise authorized expenditures in connection with

1 the candidate's campaign for Federal office; (2) ordinary and necessary expenses  
2 incurred in connection with the duties of the individual as a holder of Federal office;  
3 (3) contributions to organizations described in 26 U.S.C. 170(c); (4) transfers, without  
4 limitation, to national, State, or local political party committees; (5) donations to State  
5 and local candidates subject to the provisions of State law; and (6) any other lawful  
6 purpose not prohibited by 2 U.S.C. 439a(b). 2 U.S.C. 439a(a); *see also* 11 CFR  
7 113.2(a)-(e).

8 Under the Act, contributions accepted by a candidate may not be converted to  
9 "personal use" by any person. 2 U.S.C. 439a(b)(1); 11 CFR 113.2(e). The Act and  
10 Commission regulations define "personal use" as any use of funds "to fulfill any  
11 commitment, obligation, or expense of a person that would exist irrespective of the  
12 candidate's election campaign or individual's duties as a holder of Federal office."  
13 2 U.S.C. 439a(b)(2); *see also* 11 CFR 113.1(g).

14 The Act and Commission regulations provide that the use of campaign funds to  
15 pay for certain items enumerated in a non-exhaustive list are *per se* personal use. *See*  
16 2 U.S.C. 439a(b)(2)(A)-(I); 11 CFR 113.1(g)(1)(i)(A)-(J). The payment involved here is  
17 not for an item on this list. For items not on the list, the Commission determines on a  
18 case-by-case basis whether an expense would fall within the definition of "personal use."  
19 11 CFR 113.1(g)(1)(ii).

20 The Commission has considered whether Members of Congress may use  
21 campaign funds to move themselves, family members, or household or office furnishings  
22 between their home States and Washington, D.C. on several previous occasions. In  
23 Advisory Opinion 1980-138 (Murkowski), the Commission concluded that a Senator-

1 elect could use campaign funds to pay the expense of moving himself and his family to  
2 Washington, D.C., because the expense was an “ordinary and necessary expense”  
3 incurred in connection with the duties of a Federal officeholder.<sup>1</sup> In Advisory Opinion  
4 1987-11 (Zorinsky), the Commission treated expenses associated with closing a deceased  
5 Senator’s Washington, D.C. office and moving his surviving spouse back to the home  
6 State as “ordinary and necessary expenses in connection with the duties of a Federal  
7 officeholder.” Subsequently, in Advisory Opinion 1996-14 (de la Garza), the  
8 Commission concluded that a retiring Member of Congress could use campaign funds to  
9 pay for the cost of moving from his house in the Washington, D.C. area to his home State  
10 and to pay for the cost of transporting his personal household effects and furnishings to  
11 his residence in his home State. In that advisory opinion, the Commission reasoned that  
12 because a Member’s moving expenses from his home State to the Washington, D.C. area  
13 are ordinary and necessary to the Member’s assumption of office, moving expenses  
14 associated with the Member’s return to his home State upon retirement are also ordinary  
15 and necessary expenses incurred in connection with ending his duties as a Federal  
16 officeholder.

17 The request states that the sole purpose of the temporary storage is to facilitate the  
18 preparation of Representative Baird’s house for sale, and that the house is being sold  
19 solely for the purpose of moving Representative Baird and his family back to his home

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<sup>1</sup> When the Commission issued Advisory Opinion 1980-138 (Murkowski), neither the Act nor Commission regulations contained the “irrespective” test. The Commission relied on Advisory Opinion 1980-138 (Murkowski) as a basis for the “irrespective” test incorporated into the regulations in 1995. *See* Explanation and Justification for Final Rules on Expenditures; Reports by Political Committees; Personal Use of Campaign Funds, 60 FR 7862, 7863 (Feb. 9, 1995). This regulatory test was later codified by Congress in enacting the Bipartisan Campaign Reform Act. *See* Bipartisan Campaign Reform Act of 2002, Pub. L. No. 107-155, sec. 301, 116 Stat. 81, 95-96 (2002); 2 U.S.C. 439a(b)(2).

1 State as a consequence of his retirement from Congress. Under these circumstances, the  
2 cost of temporarily storing the household items and effects is a part of the cost of moving  
3 Representative Baird's family and its household items back to the home State upon the  
4 officeholder's retirement from Congress. Based on the representations in the instant  
5 advisory opinion request, the Commission concludes that Representative Baird may use  
6 campaign funds to pay the costs of temporarily storing his household items in a  
7 commercial storage facility.

8 As such, the cost is an ordinary and necessary expense incurred in connection  
9 with Representative Baird's duties as a Federal officeholder. 2 U.S.C. 439a(a)(2); 11  
10 CFR 113.2(a); *see also* Advisory Opinions 1980-138 (Murkowski), 1987-11 (Zorinsky),  
11 and 1996-14 (de la Garza). Accordingly, the cost is not incurred to fulfill a commitment,  
12 obligation, or expense of a person that would exist irrespective of Representative Baird's  
13 duties as a holder of Federal office. 2 U.S.C. 439a(b)(2); 11 CFR 113.1(g).  
14 Consequently, payment of this cost with campaign funds would not be a conversion of  
15 campaign contributions to personal use, and would not be prohibited by the Act or  
16 Commission regulations.

17 Baird for Congress must report all expenses that it makes consistent with this  
18 advisory opinion. This should be done by reporting the expenses as "other  
19 disbursements" on line 21 of FEC Form 3, "Report of Receipts and Disbursements for an  
20 Authorized Committee," with the specific payee(s) and purpose noted. *See* 2 U.S.C.  
21 434(b)(4); 11 CFR 104.3(b)(2) and (4)(vi); Advisory Opinion 1996-14 (de la Garza). If  
22 Representative Baird has already expended personal funds to pay for temporarily storing  
23 his household items in preparation for the move, he may receive reimbursement from

1 Baird for Congress to the extent that he made such payments under the conditions set  
2 forth in this advisory opinion.<sup>2</sup> *See* Advisory Opinion 2008-07 (Vitter).

3         The Commission expresses no opinion regarding the application of the rules of  
4 the U.S. House of Representatives to the proposed activities, because those rules are not  
5 within the Commission's jurisdiction.

6         This response constitutes an advisory opinion concerning the application of the  
7 Act and Commission regulations to the specific transaction or activity set forth in your  
8 request. *See* 2 U.S.C. 437f. The Commission emphasizes that, if there is a change in any  
9 of the facts or assumptions presented, and such facts or assumptions are material to a  
10 conclusion presented in this advisory opinion, then the requestor may not rely on that  
11 conclusion as support for its proposed activity. Any person involved in any specific  
12 transaction or activity which is indistinguishable in all its material aspects from the  
13 transaction or activity with respect to which this advisory opinion is rendered may rely on  
14 this advisory opinion. *See* 2 U.S.C. 437f(c)(1)(B). Please note that the analysis or  
15 conclusions in this advisory opinion may be affected by subsequent developments in the  
16 law including, but not limited to, statutes, regulations, advisory opinions and case law.

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<sup>2</sup> Baird for Congress must amend its prior reports for the reporting periods during which Representative Baird made the payments and report Representative Baird's payments as entries on Schedule D, describing the nature of the debt and the purpose as storage expenses to be reimbursed, and including in that description the name and address of Representative Baird's payee. When Baird for Congress reimburses Representative Baird, it must report the expenditures on line 17 of Schedule B, noting the purpose as reimbursement for storage expenses and cross-referencing the descriptions on Schedule D. *See* Advisory Opinion 2008-07 (Vitter).

1 The cited advisory opinions are available on the Commission's website, [www.fec.gov](http://www.fec.gov), or  
2 directly from the Commission's Advisory Opinion searchable database at  
3 <http://saos.nictusa.com/saos/searchao>.

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On behalf of the Commission,

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Matthew S. Petersen

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Chairman