

106TH CONGRESS
1ST SESSION

H. R. 2796

To amend chapter 11 of title 31, United States Code, to establish a Debt Reduction Lockbox, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 5, 1999

Mr. TANNER (for himself, Mr. STENHOLM, Mr. JOHN, Mr. CRAMER, Mr. MINGE, Mr. BOYD, Mr. HILL of Indiana, Mr. SANDLIN, Mr. TURNER, Ms. SANCHEZ, Mr. PHELPS, Mr. MCINTYRE, Mr. THOMPSON of California, and Mr. MOORE) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committees on Ways and Means, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend chapter 11 of title 31, United States Code, to establish a Debt Reduction Lockbox, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Debt Reduction
5 Lockbox Act of 1999”.

1 **SEC. 2. PROTECTION OF SOCIAL SECURITY SURPLUSES.**

2 (a) POINTS OF ORDER TO PROTECT SOCIAL SECUR-
3 RITY SURPLUSES.—Section 312 of the Congressional
4 Budget Act of 1974 is amended by adding at the end the
5 following new subsection:

6 “(g) POINTS OF ORDER TO PROTECT SOCIAL SECUR-
7 RITY SURPLUSES.—

8 “(1) CONCURRENT RESOLUTIONS ON THE
9 BUDGET.—It shall not be in order in the House of
10 Representatives or the Senate to consider any con-
11 current resolution on the budget, or conference re-
12 port thereon or amendment thereto, that would set
13 forth an on-budget deficit for any fiscal year.

14 “(2) SUBSEQUENT LEGISLATION.—It shall not
15 be in order in the House of Representatives or the
16 Senate to consider any bill, joint resolution, amend-
17 ment, motion, or conference report if—

18 “(A) the enactment of that bill or resolu-
19 tion as reported;

20 “(B) the adoption and enactment of that
21 amendment; or

22 “(C) the enactment of that bill or resolu-
23 tion in the form recommended in that con-
24 ference report, would cause or increase an on-
25 budget deficit for any fiscal year.

1 “(3) DEFINITION.—For purposes of this sec-
2 tion, the term ‘on-budget deficit’, when applied to a
3 fiscal year, means the deficit in the budget as set
4 forth in the most recently agreed to concurrent reso-
5 lution on the budget pursuant to section 301(a)(3)
6 for that fiscal year.”.

7 (b) CONTENT OF CONCURRENT RESOLUTION ON THE
8 BUDGET.—Section 301(a) of the Congressional Budget
9 Act of 1974 is amended by redesignating paragraphs (6)
10 and (7) as paragraphs (7) and (8), respectively, and by
11 inserting after paragraph (5) the following new paragraph:

12 “(6) the receipts, outlays, and surplus or deficit
13 in the Federal Old-Age and Survivors Insurance
14 Trust Fund and the Federal Disability Insurance
15 Trust Fund, combined, established by title II of the
16 Social Security Act;”.

17 (c) SUPER MAJORITY REQUIREMENT.—(1) Section
18 904(c)(1) of the Congressional Budget Act of 1974 is
19 amended by inserting “312(g),” after “310(d)(2),”.

20 (2) Section 904(d)(2) of the Congressional Budget
21 Act of 1974 is amended by inserting “312(g),” after
22 “310(d)(2),”.

1 **SEC. 3. REMOVING SOCIAL SECURITY FROM BUDGET PRO-**
2 **NOUNCEMENTS.**

3 (a) IN GENERAL.—Any official statement issued by
4 the Office of Management and Budget, the Congressional
5 Budget Office, or any other agency or instrumentality of
6 the Federal Government of surplus or deficit totals of the
7 budget of the United States Government as submitted by
8 the President or of the surplus or deficit totals of the con-
9 gressional budget, and any description of, or reference to,
10 such totals in any official publication or material issued
11 by either of such Offices or any other such agency or in-
12 strumentality, shall exclude the outlays and receipts of the
13 old-age, survivors, and disability insurance program under
14 title II of the Social Security Act (including the Federal
15 Old-Age and Survivors Insurance Trust Fund and the
16 Federal Disability Insurance Trust Fund) and the related
17 provisions of the Internal Revenue Code of 1986.

18 (b) SEPARATE SOCIAL SECURITY BUDGET DOCU-
19 MENTS.—The excluded outlays and receipts of the old-age,
20 survivors, and disability insurance program under title II
21 of the Social Security Act shall be submitted in separate
22 Social Security budget documents.

23 **SEC. 4. ESTABLISHMENT OF DEBT REDUCTION LOCKBOX.**

24 (a) ESTABLISHMENT OF DEBT REDUCTION
25 LOCKBOX.—(1) Chapter 11 of title 31, United States

1 Code, is amended by adding at the end the following new
2 section:

3 **“§ 1120. Debt reduction lockbox**

4 “(a) There is established within the Treasury a sepa-
5 rate account to be known as the ‘Debt Reduction
6 Lockbox’, which shall be used to retire publicly held debt
7 obligations of the United States Government.

8 “(b) Out of any money in the Treasury not otherwise
9 appropriated, there are appropriated to the Debt Reduc-
10 tion Lockbox the following amounts:

11 “(1) For fiscal year 2000, \$7,000,000,000.

12 “(2) For fiscal year 2001, \$19,000,000,000.

13 “(3) For fiscal year 2002, \$41,000,000,000.

14 “(4) For fiscal year 2003, \$37,500,000,000.

15 “(5) For fiscal year 2004, \$42,500,000,000.

16 “(6) For fiscal year 2005, \$46,000,000,000.

17 “(7) For fiscal year 2006, \$64,500,000,000.

18 “(8) For fiscal year 2007, \$73,000,000,000.

19 “(9) For fiscal year 2008, \$78,500,000,000.

20 “(10) For fiscal year 2009, \$89,000,000,000.

21 “(c) The Secretary of the Treasury shall use all funds
22 in the Debt Retirement Account to purchase publicly held
23 debt obligations of the United States or to redeem matur-
24 ing publicly held debt obligations when they become due.
25 For such purpose, such obligations may be acquired only

1 by purchase of outstanding obligations at the market
2 price.

3 “(d)(1) Before the submission of the President’s
4 budget under section 1105(a) for each of the fiscal years
5 2001 through 2004, the amount in subsection (b) for each
6 fiscal year through 2004 shall be adjusted by an amount
7 equal to the change in the budget surplus for that fiscal
8 year as a result of economic and technical changes deter-
9 mined by the Office of Management and Budget pursuant
10 to paragraph (2). In no event shall any such adjustment
11 be made that would cause the Deficit Reduction Lockbox
12 to be less than zero.

13 “(2) At the end of each fiscal year, the Director of
14 the Office of Management and Budget shall compute the
15 projected budget surplus for the fiscal year using up-to-
16 date economic and technical assumptions. Such director
17 shall calculate the changes in the projected budget surplus
18 as a result of differences in economic and technical as-
19 sumptions contained in the report issued by the Director
20 of the Congressional Budget Office in ‘The Economic and
21 Budget Outlook: An Update’, published on July 1, 1999.
22 The Director of the Office of Management and Budget
23 shall compute the difference (if any) in the budget surplus
24 projections as a result of economic and technical changes

1 from the economic and technical assumptions used in such
2 report.

3 “(e) Notwithstanding any other provision of law, the
4 amounts in the Debt Reduction Lockbox—

5 “(1) shall not be available for appropriation, ob-
6 ligation, expenditure, or transfer, except as specified
7 in subsection (c); and

8 “(2) shall be exempt from reduction under any
9 order issued under part C of the Balanced Budget
10 and Emergency Deficit Control Act of 1985 and
11 shall be excluded from and not taken into account
12 for purposes of any budget enforcement procedures
13 under that part.”.

14 (2) CONFORMING AMENDMENT.—The chapter anal-
15 ysis for chapter 11 of title 31, United States Code, is
16 amended by adding after the item relating to section 1119
17 the following new item:

“1120. Debt Reduction Lockbox.”.

18 (b) LISTING OF THE ACCOUNT AMONG GOVERNMENT
19 TRUST FUNDS.—Section 1321(a) of title 31, United
20 States Code, is amended by adding at the end the fol-
21 lowing new paragraph:

22 “(92) Debt Reduction Lockbox.”.

23 (c) REQUIREMENT FOR THE PRESIDENT TO REPORT
24 ANNUALLY ON THE STATUS OF THE LOCKBOX.—Section
25 1105(a) of title 31, United States Code, is amended by

1 inserting after paragraph (30) the following new para-
 2 graph:

3 “(31) information about the Debt Reduction
 4 Lockbox, including a separate statement of amounts
 5 in and Federal debt redeemed by that Lockbox.”.

6 **SEC. 5. PROTECTION OF DEBT REDUCTION LOCKBOX.**

7 (a) POINTS OF ORDER TO PROTECT DEBT REDUC-
 8 TION LOCKBOX.—Section 312 of the Congressional Budg-
 9 et Act of 1974 (as amended by section 2) is further
 10 amended by adding at the end the following new sub-
 11 section:

12 “(h) POINTS OF ORDER TO PROTECT DEBT REDUC-
 13 TION LOCKBOX.—

14 “(1) CONCURRENT RESOLUTIONS ON THE
 15 BUDGET.—It shall not be in order in the House of
 16 Representatives or the Senate to consider any con-
 17 current resolution on the budget, or conference re-
 18 port thereon or amendment thereto, that would set
 19 forth an amount in the Debt Reduction Lockbox for
 20 any fiscal year that is less than the amount set forth
 21 in section 1120 of title 31, United States Code.

22 “(2) SUBSEQUENT LEGISLATION.—It shall not
 23 be in order in the House of Representatives or the
 24 Senate to consider any bill, joint resolution, amend-
 25 ment, motion, or conference report if—

1 “(A) the enactment of that bill or resolu-
2 tion as reported;

3 “(B) the adoption and enactment of that
4 amendment; or

5 “(C) the enactment of that bill or resolu-
6 tion in the form recommended in that con-
7 ference report, would cause an on-budget sur-
8 plus for any fiscal year that is less than the
9 amount set forth in the most recent concurrent
10 resolution on the budget for the Debt Reduction
11 Lockbox.

12 “(3) DEFINITION.—For purposes of this sec-
13 tion, the term ‘on-budget surplus’, when applied to
14 a fiscal year, means the surplus in the budget as set
15 forth in the most recently agreed to concurrent reso-
16 lution on the budget pursuant to section 301(a)(3)
17 for that fiscal year.”.

18 (b) CONTENT OF CONCURRENT RESOLUTION ON THE
19 BUDGET.—Section 301(a) of the Congressional Budget
20 Act of 1974 (as amended by section 2) is further amended
21 by redesignating paragraphs (7) and (8) as paragraphs
22 (8) and (9), respectively, and by inserting after paragraph
23 (6) the following new paragraph:

24 “(7) the amount of the Debt Reduction
25 Lockbox;”.

1 (c) SUPER MAJORITY REQUIREMENT.—(1) Section
 2 904(c)(1) of the Congressional Budget Act of 1974 is
 3 amended by inserting “312(h),” after “312(g),”.

4 (2) Section 904(d)(2) of the Congressional Budget
 5 Act of 1974 is amended by inserting “312(h),” after
 6 “312(g),”.

7 **SEC. 6. DEBT REDUCTION DIVIDEND FOR SOCIAL SECU-**
 8 **RITY.**

9 (a) FUNDS TO BE RESERVED FOR SOCIAL SECURITY
 10 AND MEDICARE REFORM.—Section 201 of the Social Se-
 11 curity Act (42 U.S.C. 401) is amended by adding at the
 12 end the following new subsection:

13 “(n) DEBT REDUCTION DIVIDEND.—(1) The Sec-
 14 retary of the Treasury shall determine on or before Octo-
 15 ber 1 of each fiscal year the debt reduction dividend for
 16 such fiscal year. The debt reduction dividend for a fiscal
 17 year is an amount equal to the excess of—

18 “(A) \$229,000,000,000, over

19 “(B) total net interest expenditures by the Fed-
 20 eral Government during the preceding fiscal year.

21 “(2) There is hereby reserved for social security and
 22 medicare reform for each fiscal year beginning on or after
 23 October 1, 1999, amounts equal in the aggregate to 100
 24 percent of the debt reduction dividend for such fiscal year.

1 Of the amounts so reserved, 75 percent is for social secu-
2 rity reform and 25 percent for medicare reform.”.

3 (b) PAYGO EXEMPTION.—(1) Any transfer of funds
4 to the Federal Old-Age and Survivors Insurance Trust
5 Fund and the Federal Disability Insurance Trust Fund
6 or to the Federal Hospital Insurance Trust Fund equal
7 to or less than the amount reserved in section 201(n) of
8 the Social Security Act for each such fund that are in-
9 cluded in social security reform legislation or medicare re-
10 form legislation, as applicable, shall not count as an outlay
11 for purpose of the pay-as-you-go requirement contained in
12 section 252 of the Balanced Budget and Emergency Def-
13 icit Control Act of 1985 and shall be exempt from any
14 sequestration under that Act.

15 (2)(A) For purposes of paragraph (1), the term “so-
16 cial security reform legislation” refers to legislation that
17 the chief actuary of the Social Security Administration
18 certifies legislation extends the solvency of the Federal
19 Old-Age and Survivors Insurance Trust Fund and the
20 Federal Disability Insurance Trust Fund, taken together,
21 for 75 years.

22 (B) For purposes of paragraph (1), the term “medi-
23 care reform legislation” refers to legislation that the chief
24 actuary of the Health Care Financing Administration cer-

- 1 tifies extends the solvency of the Federal Hospital Insur-
- 2 ance Trust Fund for 20 years.

