

113TH CONGRESS
2D SESSION

H. R. 5184

To establish a National Regulatory Budget, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2014

Mr. SCALISE (for himself and Mr. COLLINS of Georgia) introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committees on the Judiciary, Ways and Means, Rules, and Appropriations, 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 establish a National Regulatory Budget, 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 “National Regulatory
5 Budget Act of 2014”.

1 **SEC. 2. ESTABLISHMENT OF THE OFFICE OF REGULATORY**
 2 **ANALYSIS.**

3 (a) IN GENERAL.—Part I of title 5, United States
 4 Code, is amended by inserting after chapter 6 the fol-
 5 lowing:

6 **“CHAPTER 6A—NATIONAL REGULATORY**
 7 **BUDGET AND OFFICE OF REGU-**
 8 **LATORY ANALYSIS**

“Sec.

“651. Definitions.

“652. Office of Regulatory Analysis; establishment; powers.

“653. Functions of Office of Regulatory Analysis; Executive branch agency com-
 pliance.

“654. Public disclosure of estimate methodology and data; privacy.

“655. National Regulatory Budget; timeline.

“656. Executive branch agency cooperation mandatory; information sharing.

“657. Enforcement.

“658. Regulatory Analysis Advisory Board.

9 **“§ 651. Definitions**

10 “In this chapter:

11 “(1) **AGGREGATE COSTS.**—The term ‘aggregate
 12 costs’, with respect to a covered Federal rule, means
 13 the sum of—

14 “(A) the direct costs of the covered Fed-
 15 eral rule; and

16 “(B) the regulatory costs of the covered
 17 Federal rule.

18 “(2) **COVERED FEDERAL RULE.**—The term
 19 ‘covered Federal rule’ means—

20 “(A) a rule (as defined in section 551);

1 “(B) an information collection requirement
2 given a control number by the Office of Man-
3 agement and Budget; or

4 “(C) guidance or a directive that—

5 “(i) is not described in subparagraph
6 (A) or (B);

7 “(ii)(I) is mandatory in its application
8 to regulated entities; or

9 “(II) represents a statement of agency
10 position that regulated entities would rea-
11 sonably construe as reflecting the enforce-
12 ment or litigation position of the agency;
13 and

14 “(iii) imposes not less than
15 \$25,000,000 in annual costs on regulated
16 entities.

17 “(3) DIRECT COSTS.—The term ‘direct costs’
18 means—

19 “(A) expenditures made by an Executive
20 branch agency that relate to the promulgation,
21 administration, or enforcement of a covered
22 Federal rule; or

23 “(B) costs incurred by an Executive
24 branch agency, a Government corporation, the
25 United States Postal Service, or any other in-

1 strumentality of the Federal Government be-
2 cause of a covered Federal rule.

3 “(4) DIRECTOR.—The term ‘Director’ means
4 the Director of the Office of Regulatory Analysis es-
5 tablished under section 652(b).

6 “(5) EXECUTIVE BRANCH AGENCY.—The term
7 ‘Executive branch agency’ means—

8 “(A) an Executive department (as defined
9 in section 101); and

10 “(B) an independent establishment (as de-
11 fined in section 104).

12 “(6) REGULATED ENTITY.—The term ‘regu-
13 lated entity’ means—

14 “(A) a for-profit private sector entity (in-
15 cluding an individual who is in business as a
16 sole proprietor);

17 “(B) a not-for-profit private sector entity;
18 or

19 “(C) a State or local government.

20 “(7) REGULATORY COSTS.—The term ‘regu-
21 latory costs’ means all costs incurred by a regulated
22 entity because of covered Federal rules.

1 at the expiration of a term may continue to
2 serve until a successor is appointed.

3 “(3) POWERS.—

4 “(A) APPOINTMENT OF DEPUTY DIREC-
5 TORS, OFFICERS, AND EMPLOYEES.—

6 “(i) IN GENERAL.—The Director may
7 appoint Deputy Directors, officers, and
8 employees, including attorneys, in accord-
9 ance with chapter 51 and subchapter III of
10 chapter 53.

11 “(ii) TERM OF DEPUTY DIRECTORS.—
12 A Deputy Director shall serve until the ex-
13 piration of the term of office of the Direc-
14 tor who appointed the Deputy Director
15 (and until a successor to that Director is
16 appointed), unless sooner removed by the
17 Director.

18 “(B) CONTRACTING.—

19 “(i) IN GENERAL.—The Director may
20 contract for financial and administrative
21 services (including those related to budget
22 and accounting, financial reporting, per-
23 sonnel, and procurement) with the General
24 Services Administration, or such other
25 Federal agency as the Director determines

1 appropriate, for which payment shall be
2 made in advance, or by reimbursement,
3 from funds of the Office of Regulatory
4 Analysis in such amounts as may be
5 agreed upon by the Director and the head
6 of the Federal agency providing the serv-
7 ices.

8 “(ii) SUBJECT TO APPROPRIATIONS.—
9 Contract authority under clause (i) shall be
10 effective for any fiscal year only to the ex-
11 tent that appropriations are available for
12 that purpose.

13 **“§ 653. Functions of Office of Regulatory Analysis; Ex-**
14 **ecutive branch agency compliance**

15 “(a) ANNUAL REPORT REQUIRED.—

16 “(1) IN GENERAL.—Not later than January 30
17 of each year, the Director shall submit to the Com-
18 mittee on Homeland Security and Governmental Af-
19 fairs of the Senate, the Committee on Small Busi-
20 ness and Entrepreneurship of the Senate, the Com-
21 mittee on Oversight and Government Reform of the
22 House of Representatives, and the Committee on
23 Small Business of the House of Representatives a
24 report on national regulatory costs (referred to in

1 this section as the ‘Report’) that includes the infor-
2 mation specified under paragraph (2).

3 “(2) CONTENTS.—Each Report shall include
4 the following:

5 “(A) An estimate, for the fiscal year dur-
6 ing which the Report is submitted and for the
7 preceding fiscal year, of each of the following:

8 “(i) The regulatory costs imposed by
9 each Executive branch agency on regulated
10 entities.

11 “(ii) The aggregate costs imposed by
12 each Executive branch agency.

13 “(iii) The aggregate costs imposed by
14 all Executive branch agencies combined.

15 “(iv) The direct costs incurred by the
16 Federal Government because of covered
17 Federal rules issued by each Executive
18 branch agency.

19 “(v) The sum of the costs described in
20 clauses (iii) and (iv).

21 “(vi) The regulatory costs imposed by
22 each Executive branch agency on small
23 businesses, small organizations, and small
24 governmental jurisdictions (as those terms
25 are defined in section 601).

1 “(vii) The sum of the costs described
2 in clause (vi).

3 “(B) An analysis of any major changes in
4 estimation methodology used by the Office of
5 Regulatory Analysis since the previous annual
6 report.

7 “(C) An analysis of any major estimate
8 changes caused by improved or inadequate data
9 since the previous annual report.

10 “(D) Recommendations, both general and
11 specific, regarding the following:

12 “(i) How regulations may be stream-
13 lined, simplified, and modernized.

14 “(ii) Regulations that should be re-
15 pealed.

16 “(iii) How the Federal Government
17 may reduce the costs of regulations with-
18 out diminishing the effectiveness of regula-
19 tions.

20 “(E) Any other information that the Direc-
21 tor determines may be of assistance to Congress
22 in determining the National Regulatory Budget
23 required under section 655.

24 “(b) REGULATORY ANALYSIS OF NEW RULES.—

1 “(1) REQUIREMENT.—The Director shall pub-
2 lish in the Federal Register and on the website of
3 the Office of Regulatory Analysis a regulatory anal-
4 ysis of each proposed covered Federal rule issued by
5 an Executive branch agency, and each proposed
6 withdrawal or modification of a covered Federal rule
7 by an Executive branch agency, that—

8 “(A) imposes costs on a regulated entity;

9 or

10 “(B) reduces costs imposed on a regulated
11 entity.

12 “(2) CONTENTS.—Each regulatory analysis
13 published under paragraph (1) shall include—

14 “(A) an estimate of the change in regu-
15 latory cost of each proposed covered Federal
16 rule (or proposed withdrawal or modification of
17 a covered Federal rule); and

18 “(B) any other information or rec-
19 ommendation that the Director may choose to
20 provide.

21 “(3) TIMING OF REGULATORY ANALYSIS.—

22 “(A) INITIAL REGULATORY ANALYSIS.—
23 Not later than 60 days after the date on which
24 the Director receives a copy of a proposed cov-
25 ered Federal rule from the head of an Execu-

1 tive branch agency under paragraph (4), the
2 Director shall publish an initial regulatory anal-
3 ysis.

4 “(B) REVISED REGULATORY ANALYSIS.—
5 The Director may publish a revised regulatory
6 analysis at any time.

7 “(4) NOTICE TO DIRECTOR OF PROPOSED COV-
8 ERED FEDERAL RULE.—The head of an Executive
9 branch agency shall provide a copy of each proposed
10 covered Federal rule to the Director in a manner
11 prescribed by the Director.

12 “(c) EFFECTIVE DATES.—

13 “(1) IN GENERAL.—Except as provided in para-
14 graph (2), a covered Federal rule may not take ef-
15 fect earlier than 75 days after the date on which the
16 head of the Executive branch agency proposing the
17 covered Federal rule submits a copy of the proposed
18 covered Federal rule to the Director in the manner
19 prescribed by the Director under subsection (b)(4).

20 “(2) EXCEPTION.—If the head of the Executive
21 branch agency proposing a covered Federal rule de-
22 termines that the public health or safety or national
23 security requires that the covered Federal rule be
24 promulgated earlier than the date specified under
25 paragraph (1), the head of the Executive branch

1 agency may promulgate the covered Federal rule
2 without regard to paragraph (1).

3 **“§ 654. Public disclosure of estimate methodology and**
4 **data; privacy**

5 “(a) PRIVACY.—The Director shall comply with all
6 relevant privacy laws, including—

7 “(1) the Confidential Information Protection
8 and Statistical Efficiency Act of 2002 (44 U.S.C.
9 3501 note);

10 “(2) section 9 of title 13; and

11 “(3) section 6103 of the Internal Revenue Code
12 of 1986.

13 “(b) DISCLOSURE.—

14 “(1) IN GENERAL.—To the maximum extent
15 permitted by law, the Director shall disclose, by pub-
16 lication in the Federal Register and on the website
17 of the Office of Regulatory Analysis, the method-
18 ology and data used to generate the estimates in the
19 report on national regulatory costs required pursu-
20 ant to section 653.

21 “(2) GOAL OF DISCLOSURE.—In disclosing the
22 methodology and data under paragraph (1), the Di-
23 rector shall seek to provide sufficient information so
24 that outside researchers may replicate the results
25 contained in the report on national regulatory costs.

1 **“§ 655. National Regulatory Budget; timeline**

2 “(a) DEFINITION.—In this section:

3 “(1) ANNUAL AGENCY REGULATORY COST
4 CAP.—The term ‘annual agency regulatory cost cap’
5 means the maximum amount of regulatory costs that
6 an Executive branch agency may impose in a fiscal
7 year.

8 “(2) ANNUAL OVERALL REGULATORY COST
9 CAP.—The term ‘annual overall regulatory cost cap’
10 means the maximum amount of regulatory costs that
11 all Executive branch agencies combined may impose
12 in a fiscal year.

13 “(3) NATIONAL REGULATORY BUDGET.—The
14 term ‘National Regulatory Budget’ means an Act of
15 Congress that establishes, for a fiscal year—

16 “(A) the annual overall regulatory cost
17 cap; and

18 “(B) an annual agency regulatory cost cap
19 for each Executive branch agency.

20 “(b) COMMITTEE DEADLINES.—

21 “(1) REFERRAL.—Not later than March 31 of
22 each year—

23 “(A) the Committee on Small Business
24 and Entrepreneurship of the Senate shall refer
25 to the Committee on Homeland Security and
26 Governmental Affairs of the Senate a bill that

1 sets forth a National Regulatory Budget for the
2 fiscal year beginning on October 1 of that year;
3 and

4 “(B) the Committee on Small Business of
5 the House of Representatives shall refer to the
6 Committee on Oversight and Government Re-
7 form of the House of Representatives a bill that
8 sets forth a National Regulatory Budget for the
9 fiscal year beginning on October 1 of that year.

10 “(2) REPORTING.—Not later than May 31 of
11 each year—

12 “(A) the Committee on Homeland Security
13 and Governmental Affairs of the Senate shall
14 report a bill establishing a National Regulatory
15 Budget for the fiscal year beginning on October
16 1 of that year; and

17 “(B) the Committee on Oversight and Gov-
18 ernment Reform of the House of Representa-
19 tives shall report a bill establishing a National
20 Regulatory Budget for the fiscal year beginning
21 on October 1 of that year.

22 “(c) PASSAGE.—Not later than July 31 of each year,
23 the House of Representatives and the Senate shall each
24 pass a bill establishing a National Regulatory Budget for
25 the fiscal year beginning on October 1 of that year.

1 “(d) PRESENTMENT.—Not later than September 15
2 of each year, Congress shall pass and present to the Presi-
3 dent a National Regulatory Budget for the fiscal year be-
4 ginning on October 1 of that year.

5 “(e) DEFAULT BUDGET.—

6 “(1) IN GENERAL.—If a National Regulatory
7 Budget is not enacted with respect to a fiscal year,
8 the most recently enacted National Regulatory
9 Budget shall apply to that fiscal year.

10 “(2) DEFAULT INITIAL BUDGET.—

11 “(A) CALCULATION.—If a National Regu-
12 latory Budget is not enacted with respect to a
13 fiscal year, and no National Regulatory Budget
14 has previously been enacted—

15 “(i) the annual agency regulatory cost
16 cap for an Executive branch agency for the
17 fiscal year shall be equal to the amount of
18 regulatory costs imposed by that Executive
19 branch agency on regulated entities during
20 the preceding fiscal year, as estimated by
21 the Director in the annual report sub-
22 mitted to Congress under section 653(a);
23 and

1 “(ii) the annual overall regulatory cost
2 cap for the fiscal year shall be equal to the
3 sum of the amounts described in clause (i).

4 “(B) EFFECT.—For purposes of section
5 657, an annual agency regulatory cost cap de-
6 scribed in subparagraph (A) that applies to a
7 fiscal year shall have the same effect as if the
8 annual agency regulatory cost cap were part of
9 a National Regulatory Budget applicable to
10 that fiscal year.

11 “(f) INITIAL BUDGET.—The first National Regu-
12 latory Budget shall be with respect to fiscal year 2016.

13 **“§ 656. Executive branch agency cooperation manda-
14 tory; information sharing**

15 “(a) EXECUTIVE BRANCH AGENCY COOPERATION
16 MANDATORY.—Not later than 45 days after the date on
17 which the Director requests any information from an Ex-
18 ecutive branch agency, the Executive branch agency shall
19 provide the Director with the information.

20 “(b) MEMORANDA OF UNDERSTANDING REGARDING
21 CONFIDENTIALITY.—

22 “(1) IN GENERAL.—An Executive branch agen-
23 cy may require the Director to enter into a memo-
24 randum of understanding regarding the confiden-
25 tiality of information provided by the Executive

1 branch agency to the Director under subsection (a)
2 as a condition precedent to providing any requested
3 information.

4 “(2) DEGREE OF CONFIDENTIALITY OR DATA
5 PROTECTION.—An Executive branch agency may not
6 require a greater degree of confidentiality or data
7 protection from the Director in a memorandum of
8 understanding entered into under paragraph (1)
9 than the Executive branch agency itself must adhere
10 to.

11 “(3) SCOPE.—A memorandum of understanding
12 entered into by the Director and an Executive
13 branch agency under paragraph (1) shall—

14 “(A) be general in scope; and

15 “(B) govern all pending and future re-
16 quests made to the Executive branch agency by
17 the Director.

18 “(c) SANCTIONS FOR NON-COOPERATION.—

19 “(1) IN GENERAL.—Any discretionary appro-
20 priations made available to an Executive branch
21 agency for a fiscal year shall be reduced pursuant to
22 paragraph (2) if, during that fiscal year, the Direc-
23 tor finds that—

1 “(A) the Executive branch agency has
2 failed to timely provide information that the Di-
3 rector requested under subsection (a);

4 “(B) the Director has provided notice of
5 the failure described in subparagraph (A) to the
6 Executive branch agency;

7 “(C) the Executive branch agency has
8 failed to cure the failure described in subpara-
9 graph (A) within 30 days of being notified
10 under subparagraph (B); and

11 “(D) the information that the Director re-
12 quested under subsection (a)—

13 “(i) is in the possession of the Execu-
14 tive branch agency; or

15 “(ii) may reasonably be developed by
16 the Executive branch agency.

17 “(2) RESCISSION.—Subject to paragraph (3),
18 on the date that the Director of the Office of Man-
19 agement and Budget, in consultation with the Office
20 of Federal Financial Management and Financial
21 Management Service, makes a finding under para-
22 graph (1) that an Executive branch agency is non-
23 cooperative, there is rescinded one-half of 1 percent
24 of the unobligated discretionary appropriations avail-
25 able to such agency.

1 “(3) APPEALS.—

2 “(A) IN GENERAL.—The Director of the
3 Office of Management and Budget may reduce
4 the amount of the rescission under paragraph
5 (2), or except as provided in subparagraph (B),
6 waive, a sanction imposed under paragraph (1)
7 if the Director finds that—

8 “(i) the sanction is unwarranted;

9 “(ii) the sanction is disproportionate
10 to the gravity of the failure;

11 “(iii) the failure has been cured; or

12 “(iv) providing the requested informa-
13 tion would adversely affect national secu-
14 rity.

15 “(B) NO WAIVER FOR HISTORICALLY NON-
16 COMPLIANT AGENCIES.—The Director of the
17 Office of Management and Budget may not
18 waive a sanction imposed on an Executive
19 branch agency under paragraphs (1) and (2) if
20 the Executive branch agency has a history of
21 non-compliance with requests for information
22 by the Director of the Office of Regulatory
23 Analysis under subsection (a).

24 “(d) NATIONAL SECURITY.—The Director may not
25 require an Executive branch agency to provide information

1 under subsection (a) that would adversely affect national
2 security.

3 **“§ 657. Enforcement**

4 “(a) EXCEEDING ANNUAL AGENCY REGULATORY
5 COST CAP.—An Executive branch agency that exceeds the
6 annual agency regulatory cost cap imposed by the Na-
7 tional Regulatory Budget for a fiscal year may not pro-
8 mulgate a new covered Federal rule that increases regu-
9 latory costs until the Executive branch agency no longer
10 exceeds the annual agency regulatory cost cap imposed by
11 the applicable National Regulatory Budget.

12 “(b) DETERMINATION OF DIRECTOR.—

13 “(1) IN GENERAL.—An Executive branch agen-
14 cy may not promulgate a covered Federal rule unless
15 the Director determines, in conducting the regu-
16 latory analysis of the covered Federal rule under
17 section 653(b)(3)(A) that, after the Executive
18 branch agency promulgates the covered Federal rule,
19 the Executive branch agency will not exceed the an-
20 nual agency regulatory cost cap for that Executive
21 branch agency.

22 “(2) TIMING.—The Director shall make a de-
23 termination under paragraph (1) with respect to a
24 proposed covered Federal rule not later than 60

1 days after the Director receives a copy of the pro-
2 posed covered Federal rule under section 653(b)(4).

3 “(c) EFFECT OF VIOLATION OF THIS SECTION.—

4 “(1) NO FORCE OR EFFECT.—A covered Fed-
5 eral rule that is promulgated in violation of this sec-
6 tion shall have no force or effect.

7 “(2) JUDICIAL ENFORCEMENT.—Any party
8 may bring an action in a district court of the United
9 States to declare that a covered Federal rule has no
10 force or effect because the covered Federal rule was
11 promulgated in violation of this section.

12 **“§ 658. Regulatory Analysis Advisory Board**

13 “(a) ESTABLISHMENT OF BOARD.—In accordance
14 with the Federal Advisory Committee Act (5 U.S.C. App.),
15 the Director shall—

16 “(1) establish a Regulatory Analysis Advisory
17 Board; and

18 “(2) appoint not fewer than 9 and not more
19 than 15 individuals as members of the Regulatory
20 Analysis Advisory Board.

21 “(b) QUALIFICATIONS.—The Director shall appoint
22 individuals with technical and practical expertise in eco-
23 nomics, law, accounting, science, management, and other
24 areas that will aid the Director in preparing the annual

1 report on national regulatory costs required under section
2 653.”.

3 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

4 (1) TABLE OF CHAPTERS.—The table of chap-
5 ters for part I of title 5, United States Code, is
6 amended by inserting after the item relating to
7 chapter 6 the following:

“6A. National Regulatory Budget and Office of Regulatory Analysis 651”.

8 (2) INTERNAL REVENUE CODE OF 1986.—Sec-
9 tion 6103(j) of the Internal Revenue Code of 1986
10 is amended by adding at the end the following:

11 “(7) OFFICE OF REGULATORY ANALYSIS.—
12 Upon written request by the Director of the Office
13 of Regulatory Analysis established under section 652
14 of title 5, United States Code, the Secretary shall
15 furnish to officers and employees of the Office of
16 Regulatory Analysis return information for the pur-
17 pose of, but only to the extent necessary for, an
18 analysis of regulatory costs.”.

19 **SEC. 3. REPORT ON DUPLICATIVE PERSONNEL; REPORT ON**
20 **REGULATORY ANALYSIS.**

21 (a) REPORT ON DUPLICATIVE PERSONNEL.—Not
22 later than December 31, 2014, the Director shall submit
23 to Congress a report determining positions in the Federal
24 Government that are—

1 (1) duplicative of the work performed by the
2 Office of Regulatory Analysis established under sec-
3 tion 652 of title 5, United States Code; or

4 (2) otherwise rendered cost ineffective by the
5 work of the Office of Regulatory Analysis.

6 (b) REPORT ON REGULATORY ANALYSIS.—

7 (1) REPORT REQUIRED.—Not later than June
8 30, 2015, the Director shall provide to Congress a
9 report analyzing the practice with respect to, and
10 the effectiveness of—

11 (A) chapter 6 of title 5, United States
12 Code (commonly known as the “Regulatory
13 Flexibility Act”);

14 (B) the Small Business Regulatory En-
15 forcement Fairness Act of 1996 (5 U.S.C. 601
16 note);

17 (C) chapter 35 of title 44, United States
18 Code (commonly known as the “Paperwork Re-
19 duction Act”);

20 (D) each Executive order that mandates
21 economic analysis of Federal regulations; and

22 (E) Office of Management and Budget cir-
23 culars, directives, and memoranda that mandate
24 the economic analysis of Federal regulation.

1 (2) RECOMMENDATIONS.—The report under
2 paragraph (1) shall include recommendations about
3 how Federal regulatory analysis may be improved.

4 **SEC. 4. ADMINISTRATIVE PROCEDURE.**

5 (a) DEFINITION OF “RULE”.—Section 551(4) of title
6 5, United States Code, is amended by inserting after “re-
7 quirements of an agency” the following: “, whether or not
8 the agency statement amends the Code of Federal Regula-
9 tions and including, without limitation, a statement de-
10 scribed by the agency as a regulation, rule, directive, or
11 guidance,”.

12 (b) NOTICE OF PROPOSED RULEMAKING.—Section
13 553(b) of title 5, United States Code, is amended, fol-
14 lowing the flush text, in subparagraph (A) by striking “in-
15 terpretative rules, general statements of policy, or”.

○