

119TH CONGRESS
1ST SESSION

S. 2405

To provide a process for ensuring the United States does not default on its obligations.

IN THE SENATE OF THE UNITED STATES

JULY 23, 2025

Mr. MERKLEY (for himself, Mr. DURBIN, and Mr. KAINE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide a process for ensuring the United States does not default on its obligations.

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 Ceiling Reform
5 Act”.

6 **SEC. 2. SUSPENSION OF THE DEBT CEILING.**

7 (a) IN GENERAL.—

8 (1) AMENDMENTS.—Subchapter I of chapter 31
9 of subtitle III of title 31, United States Code, is
10 amended—

1 (A) in section 3101(b), by inserting “or
2 3101B” after “section 3101A”; and

3 (B) by inserting after section 3101A the
4 following:

5 **“§ 3101B. Suspension of the debt ceiling**

6 “(a) DEFINITION.—In this section, the term ‘joint
7 resolution’ means only a joint resolution—

8 “(1) that is introduced during the period—

9 “(A) beginning on the date a certification
10 described in subsection (b)(1) is received by
11 Congress; and

12 “(B) ending on the date that is 45 cal-
13 endar days after the date described in subpara-
14 graph (A);

15 “(2) which does not have a preamble;

16 “(3) the title of which is only as follows: ‘Joint
17 resolution relating to the disapproval of the Sec-
18 retary of the Treasury’s exercise of authority to sus-
19 pend the debt limit, as submitted under section
20 3101B of title 31, United States Code, on
21 _____’ (with the blank containing the date
22 of such submission); and

23 “(4) the matter after the resolving clause of
24 which is only as follows: ‘That Congress disapproves
25 of the Secretary of the Treasury’s exercise of au-

1 thority to suspend the debt limit, as exercised pursu-
2 ant to the certification submitted under section
3 3101B(b)(1) of title 31, United States Code, on
4 _____.’ (with the blank containing the date
5 of such submission).

6 “(b) SUBMISSIONS TO CONGRESS.—

7 “(1) IN GENERAL.—Not earlier than 60 days,
8 and not later than 46 days, before last day of a sus-
9 pension of the limit under section 3101(b) under
10 this section, or any other provision of law, if the
11 Secretary of the Treasury determines that further
12 borrowing will be necessary to meet existing commit-
13 ments after the end of such suspension, the Sec-
14 retary of the Treasury shall submit to Congress a
15 written certification specifying the end of the period
16 during which such limit should be suspended, which
17 shall be not later than 2 years after the otherwise
18 applicable end of the period of the suspension of the
19 limit under section 3101(b).

20 “(2) EFFECT OF FAILURE TO ENACT DIS-
21 APPROVAL.—

22 “(A) IN GENERAL.—If a joint resolution is
23 not enacted with respect to a certification under
24 paragraph (1) during the 45-calendar-day pe-
25 riod beginning on the date on which Congress

1 receives the certification, section 3101(b) shall
2 not apply for the period—

3 “(i) beginning on the date that is 46
4 calendar days after the date on which Con-
5 gress receives the certification; and

6 “(ii) ending on the date specified by
7 the Secretary of the Treasury in the cer-
8 tification.

9 “(B) SPECIAL RULE RELATING TO OBLIGA-
10 TIONS ISSUED DURING EXTENSION PERIOD.—If
11 a suspension of the limit under section 3101(b)
12 takes effect under subparagraph (A) of this
13 paragraph, effective on the day after the date
14 specified by the Secretary of the Treasury in
15 the applicable certification, the limitation in ef-
16 fect under section 3101(b) shall be increased to
17 the extent that—

18 “(i) the face amount of obligations
19 issued under this chapter and the face
20 amount of obligations whose principal and
21 interest are guaranteed by the United
22 States Government (except guaranteed ob-
23 ligations held by the Secretary of the
24 Treasury) outstanding on the day after the

1 date specified by the Secretary of the
2 Treasury in the certification; exceeds

3 “(ii) the face amount of such obliga-
4 tions outstanding on the day after the
5 most recent day during which the limit
6 under section 3101(b) was not suspended
7 under this section, or any other provision
8 of law.

9 “(C) RESTORING CONGRESSIONAL AU-
10 THORITY OVER THE NATIONAL DEBT.—

11 “(i) EXTENSION LIMITED TO NEC-
12 ESSARY OBLIGATIONS.—An obligation shall
13 not be taken into account under subpara-
14 graph (B)(i) unless the issuance of such
15 obligation was necessary to fund a commit-
16 ment incurred pursuant to law by the Fed-
17 eral Government that required payment be-
18 fore the day after the date specified by the
19 Secretary of the Treasury in the certifi-
20 cation.

21 “(ii) PROHIBITION ON CREATION OF
22 CASH RESERVE DURING EXTENSION PE-
23 RIOD.—The Secretary of the Treasury
24 shall not issue obligations during the pe-
25 riod specified in subparagraph (A) for the

1 purpose of increasing the cash balance
2 above normal operating balances in antici-
3 pation of the expiration of such period.

4 “(3) EFFECT OF ENACTMENT OF DIS-
5 APPROVAL.—If a joint resolution is enacted with re-
6 spect to a certification under paragraph (1) during
7 the 45-calendar-day period beginning on the date on
8 which Congress receives the certification, the suspen-
9 sion of the limit under section 3101(b) described in
10 such paragraph (1) shall end as otherwise provided
11 by law.

12 “(c) EXPEDITED CONSIDERATION IN HOUSE OF
13 REPRESENTATIVES.—

14 “(1) REPORTING AND DISCHARGE.—Any com-
15 mittee of the House of Representatives to which a
16 joint resolution is referred shall report it to the
17 House of Representatives without amendment not
18 later than 5 calendar days after the date of intro-
19 duction of the joint resolution. If a committee fails
20 to report the joint resolution within that period, the
21 committee shall be discharged from further consider-
22 ation of the joint resolution and the joint resolution
23 shall be referred to the appropriate calendar.

24 “(2) PROCEEDING TO CONSIDERATION.—After
25 each committee authorized to consider a joint resolu-

1 tion reports it to the House of Representatives or
 2 has been discharged from its consideration, it shall
 3 be in order, not later than the sixth day after intro-
 4 duction of the joint resolution, to move to proceed
 5 to consider the joint resolution in the House of Rep-
 6 resentatives. All points of order against the motion
 7 are waived. Such a motion shall not be in order after
 8 the House of Representatives has disposed of a mo-
 9 tion to proceed on a joint resolution addressing a
 10 particular submission. The previous question shall be
 11 considered as ordered on the motion to its adoption
 12 without intervening motion. The motion shall not be
 13 debatable. A motion to reconsider the vote by which
 14 the motion is disposed of shall not be in order.

15 “(3) CONSIDERATION.—The joint resolution
 16 shall be considered as read. All points of order
 17 against the joint resolution and against its consider-
 18 ation are waived. The previous question shall be con-
 19 sidered as ordered on the joint resolution to its pas-
 20 sage without intervening motion except 2 hours of
 21 debate equally divided and controlled by the pro-
 22 ponent and an opponent. An amendment to the joint
 23 resolution or a motion to reconsider the vote on pas-
 24 sage of the joint resolution shall not be in order.

25 “(d) EXPEDITED PROCEDURE IN SENATE.—

1 “(1) PLACEMENT ON CALENDAR.—Upon intro-
 2 duction in the Senate, a joint resolution shall be im-
 3 mediately placed on the calendar.

4 “(2) FLOOR CONSIDERATION.—

5 “(A) IN GENERAL.—Notwithstanding rule
 6 XXII of the Standing Rules of the Senate, it is
 7 in order at any time during the period begin-
 8 ning on the day after the date on which Con-
 9 gress receives a certification under subsection
 10 (b)(1) and ending on the date that is 45 cal-
 11 endar days after the date on which the applica-
 12 ble certification described in subsection (b)(1) is
 13 received by Congress (even though a previous
 14 motion to the same effect has been disagreed
 15 to) to move to proceed to the consideration of
 16 the joint resolution, and all points of order
 17 against the joint resolution (and against consid-
 18 eration of the joint resolution) are waived. The
 19 motion to proceed is not debatable. The motion
 20 is not subject to a motion to postpone. A mo-
 21 tion to reconsider the vote by which the motion
 22 is agreed to or disagreed to shall not be in
 23 order. If a motion to proceed to the consider-
 24 ation of the resolution is agreed to, the joint

1 resolution shall remain the unfinished business
2 until disposed of.

3 “(B) CONSIDERATION.—Consideration of
4 the joint resolution, and on all debatable mo-
5 tions and appeals in connection therewith, shall
6 be limited to not more than 10 hours, which
7 shall be divided equally between the majority
8 and minority leaders or their designees. A mo-
9 tion further to limit debate is in order and not
10 debatable. An amendment to, or a motion to
11 postpone, or a motion to proceed to the consid-
12 eration of other business, or a motion to recom-
13 mit the joint resolution is not in order.

14 “(C) VOTE ON PASSAGE.—If the Senate
15 has voted to proceed to a joint resolution, the
16 vote on passage of the joint resolution shall
17 occur immediately following the conclusion of
18 consideration of the joint resolution, and a sin-
19 gle quorum call at the conclusion of the debate
20 if requested in accordance with the rules of the
21 Senate.

22 “(D) RULINGS OF THE CHAIR ON PROCE-
23 DURE.—Appeals from the decisions of the Chair
24 relating to the application of the rules of the

1 Senate to the procedure relating to a joint reso-
 2 lution shall be decided without debate.

3 “(e) COORDINATION WITH ACTION BY OTHER
 4 HOUSE.—

5 “(1) IN GENERAL.—If, before passing the joint
 6 resolution, one House receives from the other a joint
 7 resolution—

8 “(A) the joint resolution of the other
 9 House shall not be referred to a committee; and

10 “(B) the procedure in the receiving House
 11 shall be the same as if no joint resolution had
 12 been received from the other House, except that
 13 the vote on final passage shall be on the joint
 14 resolution of the other House.

15 “(2) TREATMENT OF JOINT RESOLUTION OF
 16 OTHER HOUSE.—If the Senate fails to introduce or
 17 consider a joint resolution under this section, the
 18 joint resolution of the House shall be entitled to ex-
 19 pedited floor procedures under this section.

20 “(3) TREATMENT OF COMPANION MEASURES.—
 21 If, following passage of the joint resolution in the
 22 Senate, the Senate receives the companion measure
 23 from the House of Representatives, the companion
 24 measure shall not be debatable.

25 “(4) CONSIDERATION AFTER PASSAGE.—

1 “(A) IN GENERAL.—If Congress passes a
2 joint resolution, the period beginning on the
3 date the President is presented with the joint
4 resolution and ending on the date the President
5 signs, allows to become law without the signa-
6 ture of the President, or vetoes and returns the
7 joint resolution (but excluding days when either
8 House is not in session) shall be disregarded in
9 computing the calendar day period described in
10 paragraphs (2) and (3) of subsection (b).

11 “(B) DEBATE.—Debate on a veto message
12 in the Senate under this section shall be 1 hour
13 equally divided between the majority and minor-
14 ity leaders or their designees.

15 “(5) VETO OVERRIDE.—If within the calendar
16 day period described in paragraphs (2) and (3) of
17 subsection (b), Congress overrides a veto of a joint
18 resolution, the suspension of the limit under section
19 3101(b) described in paragraph (1) of such sub-
20 section shall end as otherwise provided by law.

21 “(f) RULES OF HOUSE OF REPRESENTATIVES AND
22 SENATE.—Subsections (a), (c), (d), and (e) (except for
23 paragraphs (4)(A) and (5) of such subsection) are enacted
24 by Congress—

1 “(1) as an exercise of the rulemaking power of
2 the Senate and House of Representatives, respec-
3 tively, and as such it is deemed a part of the rules
4 of each House, respectively, but applicable only with
5 respect to the procedure to be followed in that
6 House in the case of a joint resolution, and it super-
7 sedes other rules only to the extent that it is incon-
8 sistent with such rules; and

9 “(2) with full recognition of the constitutional
10 right of either House to change the rules (so far as
11 relating to the procedure of that House) at any time,
12 in the same manner, and to the same extent as in
13 the case of any other rule of that House.”.

14 (2) TRANSITIONAL RULE.—If, on the date of
15 enactment of this Act, the limit under section
16 3101(b) of title 31, United States Code, is not sus-
17 pended, or the period of the suspension of such sec-
18 tion ends less than 46 days after the date of enact-
19 ment of this Act, until the date on which a suspen-
20 sion of such section next takes effect, subsection (b)
21 of section 3101B of title 31, United States Code,
22 shall be applied by substituting for paragraph (1) of
23 such subsection the following:

24 “(1) IN GENERAL.—Not later than 10 days
25 after the date of enactment of this section, if the

1 Secretary of the Treasury determines that further
 2 borrowing will be necessary to meet existing commit-
 3 ments after the date of enactment of this section,
 4 the Secretary of the Treasury shall submit to Con-
 5 gress a written certification specifying the end of the
 6 period during which the limit under section 3101(b)
 7 should be suspended, which shall be—

8 “(A) not later than 2 years after the other-
 9 wise applicable end of the period of the suspen-
 10 sion of the limit under section 3101(b) in effect
 11 on the date of enactment of this section; or

12 “(B) if the limit under such section is not
 13 suspended on the date of enactment of this sec-
 14 tion, not later than 2 years after the date of en-
 15 actment of this subsection.”.

16 (3) CONFORMING AMENDMENT.—The table of
 17 sections for chapter 31 of title 31, United States
 18 Code, is amended by inserting after the item relating
 19 to section 3101A the following:

“3101B. Suspension of the debt ceiling.”.

20 (b) ADDITIONAL INFORMATION ON DEBT.—Section
 21 1105(a)(10) of title 31, United States Code, is amended
 22 by adding at the end the following: “Such information
 23 shall include, as a percentage of the gross domestic prod-
 24 uct of the United States, an estimate of the debt held by

- 1 the public and the debt held by the public net of financial
- 2 assets.”.

