

There was no objection.

# STATUTORY PAY-AS-YOU-GO ACT OF 2009

Mr. SPRATT. Mr. Speaker, pursuant to House Resolution 665, I call up the bill (H.R. 2920) to reinstitute and update the Pay-As-You-Go requirement of budget neutrality on new tax and mandatory spending legislation, enforced by the threat of annual, automatic sequestration, and ask for its immediate consideration.

The Clerk read the title of the bill.

□ 1245

The SPEAKER pro tempore. Pursuant to House Resolution 665, the amendment in the nature of a substitute printed in part A of House Report 111-217, modified by the amendment printed in part B of the report, is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 2920

## SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Statutory Pay-As-You-Go Act of 2009”.

(b) TABLE OF CONTENTS.—

- Sec. 1. Short title; table of contents.
- Sec. 2. Purpose.
- Sec. 3. Definitions.
- Sec. 4. PAYGO estimates and PAYGO scorecards.
- Sec. 5. Annual report and sequestration order.
- Sec. 6. Calculating a sequestration.
- Sec. 7. Current policy adjustment to the CBO estimates.
- Sec. 8. Application of BBEDCA.
- Sec. 9. Technical corrections.
- Sec. 10. Conforming amendments.
- Sec. 11. Exempt programs and activities.

## SEC. 2. PURPOSE.

The purpose of this Act is to reestablish a statutory procedure to enforce a rule of budget neutrality on new revenue and direct spending legislation.

## SEC. 3. DEFINITIONS.

As used in this Act—

(1) The term “BBEDCA” means the Balanced Budget and Emergency Deficit Control Act of 1985.

(2) The definitions set forth in section 3 of the Congressional Budget and Impoundment Control Act of 1974 and in section 250 of BBEDCA shall apply to this Act, except to the extent that they are specifically modified as follows:

(A) The term “outyear” means a fiscal year that occurs one or more years after the budget year.

(B) In section 250(c)(8)(C), the reference to the food stamp program shall be deemed to be a reference to the Supplemental Nutrition Assistance Program.

(3) The term “AMT” means the Alternative Minimum Tax for individuals under sections 55-59 of the Internal Revenue Code of 1986, the term “EGTRRA” means the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16), and the term “JGTRRA” means the Jobs and Growth Tax Relief and Reconciliation Act of 2003 (Public Law 108-27).

(4)(A) The term “budgetary effects” means the amounts by which PAYGO legislation changes direct spending or revenues relative to the baseline and shall be determined on the basis of estimates included by reference in the PAYGO Act or prepared under section 4(d)(3), as applicable. Budgetary effects that increase direct spending or decrease reve-

nues are termed “costs” and budgetary effects that increase revenues or decrease direct spending are termed “savings”.

(B) For purposes of these definitions, off-budget effects shall be counted as budgetary effects unless such changes flow directly from amendments to title II of the Social Security Act and related provisions of the Internal Revenue Code of 1986 and debt service effects shall not be counted as budgetary effects.

(C) Solely for purposes of recording entries on a PAYGO scorecard, provisions in appropriations Acts are also considered to be budgetary effects for purposes of this Act if such provisions make outyear modifications to substantive law, except that provisions for which the outlay effects net to zero over a period consisting of the current year, the budget year, and the 4 subsequent years shall not be considered budgetary effects. For purposes of this paragraph, the term, “modifications to substantive law” refers to changes to or restrictions on entitlement law or other mandatory spending contained in appropriations Acts, notwithstanding section 250(c)(8) of BBEDCA. Provisions in appropriations Acts that are neither outyear modifications to substantive law nor changes in revenues have no budgetary effects for purposes of this Act.

(D) If a provision is designated as an emergency requirement under this Act and is also designated as an emergency requirement under the applicable rules of the House of Representatives, CBO shall not include the cost of such a provision in its estimate of the PAYGO legislation’s budgetary effects.

(5) The term “debit” refers to the net total amount, when positive, by which costs recorded on the PAYGO scorecards for a fiscal year exceed savings recorded on those scorecards for that year.

(6) The term “entitlement law” refers to a section of law which provides entitlement authority.

(7) The term “PAYGO legislation” or a “PAYGO Act” refers to a bill or joint resolution that affects direct spending or revenue relative to the baseline. The budgetary effects of changes in revenues and outyear modifications to substantive law included in appropriation Acts as defined in paragraph (4) shall be treated as if they were contained in PAYGO legislation.

(8) The term “timing shift” refers to a delay of the date on which direct spending would otherwise occur from the ninth outyear to the tenth outyear or an acceleration of the date on which revenues would otherwise occur from the tenth outyear to the ninth outyear.

## SEC. 4. PAYGO ESTIMATES AND PAYGO SCORECARDS.

(a) PAYGO ESTIMATES.—(1) A PAYGO Act shall include by reference an estimate of its budgetary effects as determined under section 308(a)(3) of the Congressional Budget Act of 1974, if timely submitted “for printing in the Congressional Record by the chairs of the Committees on the Budget of the House of Representatives and the Senate, as applicable, before the vote on the PAYGO legislation”. “The Clerk of the House or the Secretary of the Senate, as applicable, shall also incorporate by reference such estimate printed in the relevant portion of the Congressional Record under section 308(a)(3) of the Congressional Budget Act of 1974 into the enrollment of a PAYGO Act.”. Budgetary effects that are not so included shall be determined under section 4(d)(3).

(2)(A) Section 308(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following new paragraph:

“(3) CBO PAYGO ESTIMATES.—Before a vote in either House on a PAYGO Act that, if determined in the affirmative, would clear

such Act for enrollment, the chairs of the Committees on the Budget of the House and Senate as applicable shall request from the Director of the Congressional Budget Office an estimate of the budgetary effects of such Act under the Statutory Pay-As-You-Go Act of 2009. If such an estimate is timely provided, the chairs of the Committees on the Budget of the House of Representatives and the Senate shall post such estimate on their respective committee websites and cause it to be printed in the Congressional Record under the heading ‘PAYGO ESTIMATE’. For purposes of this section, the Director of the Congressional Budget Office shall not count timing shifts in his estimates of the budgetary effects of PAYGO legislation (as defined in section 3 of the Statutory Pay-As-You-Go Act of 2009).”.

(B) The side heading of section 308(a) of the Congressional Budget Act of 1974 is amended by striking “REPORTS ON”.

(b) Section 308 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

“(d) SCOREKEEPING GUIDELINES.—The Director of the Congressional Budget Office shall provide estimates under this section in accordance with the scorekeeping guidelines determined under section 252(d)(5) of the Balanced Budget and Emergency Deficit Control Act of 1985. Upon agreement, the chairs of the Committees on the Budget of the House of Representatives and the Senate shall submit updates to such guidelines for printing in the Congressional Record.”.

(c) CURRENT POLICY ADJUSTMENTS FOR CERTAIN LEGISLATION.—For purposes of calculating budgetary effects under this Act, CBO shall adjust its estimates as described below for any provision of legislation designated as meeting the criteria in subsection (b), (c), or (d) of section 7 and which the chairman of the Committee on the Budget of the House of Representatives or the Senate, as applicable, designates as meeting those criteria. A single piece of legislation may contain provisions designated as meeting criteria in more than one of the subsections listed above. For appropriately designated provisions, CBO shall exclude from its estimates for purposes of this Act any costs of a provision to the extent that those costs, when combined with all other excluded costs of any other previously designated provisions of enacted legislation under the same subsection of section 7, do not exceed the maximum applicable current policy adjustment defined under the applicable subsection of section 7 for the applicable 10-year period, using the most recent baseline estimates supplied by the Congressional Budget Office consistent with section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 used in considering a concurrent resolution on the budget; or, after the beginning of a new calendar year and before consideration of a concurrent resolution on the budget, using the most recent baseline estimates supplied by the Congressional Budget Office consistent with section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985. CBO estimates of legislation containing a current policy designation under this subsection shall include a separate presentation of costs excluded from the calculation of budgetary effects for the legislation, as well as an updated total of all excluded costs of provisions within the same subsection of section 7.

(d) OMB PAYGO SCORECARDS.—

(1) IN GENERAL.—OMB shall maintain and make publicly available a continuously updated document containing two PAYGO scorecards displaying the budgetary effects of PAYGO legislation as determined under section 308 of the Congressional Budget Act of 1974, applying the look-back requirement