

**(c) Implementing guidelines**

No later than 6 months after March 22, 1995, the President shall issue guidelines and instructions to Federal agencies for appropriate implementation of subsections (a) and (b) consistent with applicable laws and regulations.

(Pub. L. 104-4, title II, § 204, Mar. 22, 1995, 109 Stat. 65; Pub. L. 117-286, § 4(a)(1), Dec. 27, 2022, 136 Stat. 4305.)

**Editorial Notes****AMENDMENTS**

2022—Subsec. (b). Pub. L. 117-286 substituted “Chapter 10 of title 5” for “The Federal Advisory Committee Act (5 U.S.C. App.)” in introductory provisions.

**Executive Documents****DELEGATION OF AUTHORITY TO ISSUE GUIDELINES AND INSTRUCTIONS**

Memorandum of President of the United States, Aug. 25, 1995, 60 F.R. 45039, provided:

Memorandum for the Director of the Office of Management and Budget

By the authority vested in me as President by the Constitution and laws of the United States, including section 204(c) of the Unfunded Mandates Reform Act of 1995 (Public Law 104-4) [2 U.S.C. 1534(c)] and section 301 of title 3 of the United States Code, I hereby delegate to the Director of the Office of Management and Budget the authority vested in the President to issue the guidelines and instructions to Federal agencies required by section 204(c) of that Act.

You are authorized and directed to publish this memorandum in the Federal Register.

WILLIAM J. CLINTON.

**§ 1535. Least burdensome option or explanation required****(a) In general**

Except as provided in subsection (b), before promulgating any rule for which a written statement is required under section 1532 of this title, the agency shall identify and consider a reasonable number of regulatory alternatives and from those alternatives select the least costly, most cost-effective or least burdensome alternative that achieves the objectives of the rule, for—

(1) State, local, and tribal governments, in the case of a rule containing a Federal intergovernmental mandate; and

(2) the private sector, in the case of a rule containing a Federal private sector mandate.

**(b) Exception**

The provisions of subsection (a) shall apply unless—

(1) the head of the affected agency publishes with the final rule an explanation of why the least costly, most cost-effective or least burdensome method of achieving the objectives of the rule was not adopted; or

(2) the provisions are inconsistent with law.

**(c) OMB certification**

No later than 1 year after March 22, 1995, the Director of the Office of Management and Budget shall certify to Congress, with a written explanation, agency compliance with this section and include in that certification agencies and rulemakings that fail to adequately comply with this section.

(Pub. L. 104-4, title II, § 205, Mar. 22, 1995, 109 Stat. 66.)

**§ 1536. Assistance to Congressional Budget Office**

The Director of the Office of Management and Budget shall—

(1) collect from agencies the statements prepared under section 1532 of this title; and

(2) periodically forward copies of such statements to the Director of the Congressional Budget Office on a reasonably timely basis after promulgation of the general notice of proposed rulemaking or of the final rule for which the statement was prepared.

(Pub. L. 104-4, title II, § 206, Mar. 22, 1995, 109 Stat. 66.)

**§ 1537. Pilot program on small government flexibility****(a) In general**

The Director of the Office of Management and Budget, in consultation with Federal agencies, shall establish pilot programs in at least 2 agencies to test innovative, and more flexible regulatory approaches that—

(1) reduce reporting and compliance burdens on small governments; and

(2) meet overall statutory goals and objectives.

**(b) Program focus**

The pilot programs shall focus on rules in effect or proposed rules, or a combination thereof.

(Pub. L. 104-4, title II, § 207, Mar. 22, 1995, 109 Stat. 67.)

**§ 1538. Annual statements to Congress on agency compliance**

No later than 1 year after March 22, 1995, and annually thereafter, the Director of the Office of Management and Budget shall submit to the Congress, including the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives, a written report detailing compliance by each agency during the preceding reporting period with the requirements of this subchapter.

(Pub. L. 104-4, title II, § 208, Mar. 22, 1995, 109 Stat. 67.)

**Statutory Notes and Related Subsidiaries****CHANGE OF NAME**

Committee on Governmental Affairs of Senate changed to Committee on Homeland Security and Governmental Affairs of Senate, effective Jan. 4, 2005, by Senate Resolution No. 445, One Hundred Eighth Congress, Oct. 9, 2004.

Committee on Government Reform and Oversight of House of Representatives changed to Committee on Government Reform of House of Representatives by House Resolution No. 5, One Hundred Sixth Congress, Jan. 6, 1999. Committee on Government Reform of House of Representatives changed to Committee on Oversight and Government Reform of House of Representatives by House Resolution No. 6, One Hundred Tenth Congress, Jan. 5, 2007. Committee on Oversight and Government Reform of House of Representatives changed to Committee on Oversight and Reform of