

104TH CONGRESS
2D SESSION

H. R. 3136

To provide for enactment of the Senior Citizens' Right to Work Act of 1996, the Line Item Veto Act, and the Small Business Growth and Fairness Act of 1996, and to provide for a permanent increase in the public debt limit.

IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 1996

Mr. ARCHER introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on the Budget, Rules, the Judiciary, Small Business, and Government Reform and Oversight, 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 provide for enactment of the Senior Citizens' Right to Work Act of 1996, the Line Item Veto Act, and the Small Business Growth and Fairness Act of 1996, and to provide for a permanent increase in the public debt limit.

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 "Contract with America
5 Advancement Act of 1996".

1 **TITLE I—SOCIAL SECURITY**
2 **EARNINGS LIMITATION**
3 **AMENDMENTS**

4 **SEC. 101. SHORT TITLE OF TITLE.**

5 This title may be cited as the “Senior Citizens’ Right
6 to Work Act of 1996”.

7 **SEC. 102. INCREASES IN MONTHLY EXEMPT AMOUNT FOR**
8 **PURPOSES OF THE SOCIAL SECURITY EARN-**
9 **INGS LIMIT.**

10 (a) INCREASE IN MONTHLY EXEMPT AMOUNT FOR
11 INDIVIDUALS WHO HAVE ATTAINED RETIREMENT
12 AGE.—Section 203(f)(8)(D) of the Social Security Act (42
13 U.S.C. 403(f)(8)(D)) is amended to read as follows:

14 “(D) Notwithstanding any other provision of
15 this subsection, the exempt amount which is applica-
16 ble to an individual who has attained retirement age
17 (as defined in section 216(l)) before the close of the
18 taxable year involved shall be—

19 “(i) for each month of any taxable year
20 ending after 1995 and before 1997,
21 \$1,166.66²/₃,

22 “(ii) for each month of any taxable year
23 ending after 1996 and before 1998, \$1,250.00,

1 “(iii) for each month of any taxable year
2 ending after 1997 and before 1999,
3 \$1,333.33 $\frac{1}{3}$,

4 “(iv) for each month of any taxable year
5 ending after 1998 and before 2000,
6 \$1,416.66 $\frac{2}{3}$,

7 “(v) for each month of any taxable year
8 ending after 1999 and before 2001, \$1,500.00,

9 “(vi) for each month of any taxable year
10 ending after 2000 and before 2002,
11 \$2,083.33 $\frac{1}{3}$, and

12 “(vii) for each month of any taxable year
13 ending after 2001 and before 2003,
14 \$2,500.00.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 203(f)(8)(B)(ii) of such Act (42
17 U.S.C. 403(f)(8)(B)(ii)) is amended—

18 (A) by striking “the taxable year ending
19 after 1993 and before 1995” and inserting “the
20 taxable year ending after 2001 and before 2003
21 (with respect to individuals described in sub-
22 paragraph (D)) or the taxable year ending after
23 1993 and before 1995 (with respect to other in-
24 dividuals)”; and

1 (B) in subclause (II), by striking “for
2 1992” and inserting “for 2000 (with respect to
3 individuals described in subparagraph (D)) or
4 1992 (with respect to other individuals)”.

5 (2) The second sentence of section 223(d)(4)(A)
6 of such Act (42 U.S.C. 423(d)(4)(A)) is amended by
7 striking “the exempt amount under section 203(f)(8)
8 which is applicable to individuals described in sub-
9 paragraph (D) thereof” and inserting the following:
10 “an amount equal to the exempt amount which
11 would be applicable under section 203(f)(8), to indi-
12 viduals described in subparagraph (D) thereof, if
13 section 102 of the Senior Citizens’ Right to Work
14 Act of 1996 had not been enacted”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply with respect to taxable years end-
17 ing after 1995.

18 **SEC. 103. CONTINUING DISABILITY REVIEWS.**

19 (a) AUTHORIZATION FOR APPROPRIATIONS FOR CON-
20 TINUING DISABILITY REVIEWS.—Section 201(g)(1)(A) of
21 the Social Security Act (42 U.S.C. 401(g)(1)(A)) is
22 amended by adding at the end the following: “Of the
23 amounts authorized to be made available out of the Fed-
24 eral Old-Age and Survivors Insurance Trust Fund and the
25 Federal Disability Insurance Trust Fund under the pre-

1 ceding sentence, there are hereby authorized to be made
2 available from either or both of such Trust Funds for con-
3 tinuing disability reviews—

4 “(i) for fiscal year 1996, \$260,000,000;

5 “(ii) for fiscal year 1997, \$360,000,000;

6 “(iii) for fiscal year 1998, \$570,000,000;

7 “(iv) for fiscal year 1999, \$720,000,000;

8 “(v) for fiscal year 2000, \$720,000,000;

9 “(vi) for fiscal year 2001, \$720,000,000; and

10 “(viii) for fiscal year 2002, \$720,000,000.

11 For purposes of this subparagraph, the term ‘continuing
12 disability review’ means a review conducted pursuant to
13 section 221(i) and a review or disability eligibility redeter-
14 mination conducted to determine the continuing disability
15 and eligibility of a recipient of benefits under the supple-
16 mental security income program under title XVI, including
17 any review or redetermination conducted pursuant to sec-
18 tion 207 or 208 of the Social Security Independence and
19 Program Improvements Act of 1994 (Public Law 103-
20 296).”.

21 (b) ADJUSTMENT TO DISCRETIONARY SPENDING
22 LIMITS.—Section 251(b)(2) of the Balanced Budget and
23 Emergency Deficit Control Act of 1985 is amended by
24 adding the following new subparagraph:

1 “(H) CONTINUING DISABILITY REVIEWS.—

2 (i) Whenever a bill or joint resolution making
3 appropriations for fiscal year 1996, 1997, 1998,
4 1999, 2000, 2001, or 2002 is enacted that
5 specifies an amount for continuing disability re-
6 views under the heading ‘Limitation on Admin-
7 istrative Expenses’ for the Social Security Ad-
8 ministration, the adjustments for that fiscal
9 year shall be the additional new budget author-
10 ity provided in that Act for such reviews for
11 that fiscal year and the additional outlays flow-
12 ing from such amounts, but shall not exceed—

13 “(I) for fiscal year 1996, \$15,000,000
14 in additional new budget authority and
15 \$60,000,000 in additional outlays;

16 “(II) for fiscal year 1997,
17 \$25,000,000 in additional new budget au-
18 thority and \$160,000,000 in additional
19 outlays;

20 “(III) for fiscal year 1998,
21 \$145,000,000 in additional new budget au-
22 thority and \$370,000,000 in additional
23 outlays;

24 “(IV) for fiscal year 1999,
25 \$280,000,000 in additional new budget au-

1 thority and \$520,000,000 in additional
2 outlays;

3 “(V) for fiscal year 2000,
4 \$317,500,000 in additional new budget au-
5 thority and \$520,000,000 in additional
6 outlays;

7 “(VI) for fiscal year 2001,
8 \$317,500,000 in additional new budget au-
9 thority and \$520,000,000 in additional
10 outlays; and

11 “(VII) for fiscal year 2002,
12 \$317,500,000 in additional new budget au-
13 thority and \$520,000,000 in additional
14 outlays.

15 “(ii) As used in this subparagraph—

16 “(I) the term ‘continuing disability re-
17 views’ has the meaning given such term by
18 section 201(g)(1)(A) of the Social Security
19 Act;

20 “(II) the term ‘additional new budget
21 authority’ means new budget authority
22 provided for a fiscal year, in excess of
23 \$100,000,000, for the Supplemental Secu-
24 rity Income program and specified to pay
25 for the costs of continuing disability re-

1 views attributable to the Supplemental Se-
2 curity Income program; and

3 “(III) the term ‘additional outlays’
4 means outlays, in excess of \$200,000,000
5 in a fiscal year, flowing from the amounts
6 specified for continuing disability reviews
7 under the heading ‘Limitation on Adminis-
8 trative Expenses’ for the Social Security
9 Administration, including outlays in that
10 fiscal year flowing from amounts specified
11 in Acts enacted for prior fiscal years (but
12 not before 1996).”.

13 (c) BUDGET ALLOCATION ADJUSTMENT BY BUDGET
14 COMMITTEE.—Section 606 of the Congressional Budget
15 and Impoundment Control Act of 1974 is amended by
16 adding the following new subsection:

17 “(e) CONTINUING DISABILITY REVIEW ADJUST-
18 MENT.—

19 “(1) IN GENERAL.—(A) For fiscal year 1996,
20 upon the enactment of the Contract with America
21 Advancement Act of 1996, the Chairmen of the
22 Committees on the Budget of the Senate and House
23 of Representatives shall make the adjustments re-
24 ferred to in subparagraph (C) to reflect \$15,000,000
25 in additional new budget authority and \$60,000,000

1 in additional outlays for continuing disability reviews
2 (as defined in section 201(g)(1)(A) of the Social Se-
3 curity Act).

4 “(B) When the Committee on Appropriations
5 reports an appropriations measure for fiscal year
6 1997, 1998, 1999, 2000, 2001, or 2002 that speci-
7 fies an amount for continuing disability reviews
8 under the heading ‘Limitation on Administrative Ex-
9 penses’ for the Social Security Administration, or
10 when a conference committee submits a conference
11 report thereon, the Chairman of the Committee on
12 the Budget of the Senate or House of Representa-
13 tives (whichever is appropriate) shall make the ad-
14 justments referred to in subparagraph (C) to reflect
15 the additional new budget authority for continuing
16 disability reviews provided in that measure or con-
17 ference report and the additional outlays flowing
18 from such amounts for continuing disability reviews.

19 “(C) The adjustments referred to in this sub-
20 paragraph consist of adjustments to—

21 “(i) the discretionary spending limits for
22 that fiscal year as set forth in the most recently
23 adopted concurrent resolution on the budget;

24 “(ii) the allocations to the Committees on
25 Appropriations of the Senate and the House of

1 Representatives for that fiscal year under sec-
2 tions 302(a) and 602(a); and

3 “(iii) the appropriate budgetary aggregates
4 for that fiscal year in the most recently adopted
5 concurrent resolution on the budget.

6 “(D) The adjustments under this paragraph for
7 any fiscal year shall not exceed the levels set forth
8 in section 251(b)(2)(H) of the Balanced Budget and
9 Emergency Deficit Control Act of 1985 for that fis-
10 cal year. The adjusted discretionary spending limits,
11 allocations, and aggregates under this paragraph
12 shall be considered the appropriate limits, alloca-
13 tions, and aggregates for purposes of congressional
14 enforcement of this Act and concurrent budget reso-
15 lutions under this Act.

16 “(2) REPORTING REVISED SUBALLOCATIONS.—
17 Following the adjustments made under paragraph
18 (1), the Committees on Appropriations of the Senate
19 and the House of Representatives may report appro-
20 priately revised suballocations pursuant to sections
21 302(b) and 602(b) of this Act to carry out this sub-
22 section.

23 “(3) DEFINITIONS.—As used in this section,
24 the terms ‘continuing disability reviews’, ‘additional
25 new budget authority’, and ‘additional outlays’ shall

1 have the same meanings as provided in section
2 251(b)(2)(H)(ii) of the Balanced Budget and Emer-
3 gency Deficit Control Act of 1985.”.

4 (d) USE OF FUNDS AND REPORTS.—

5 (1) IN GENERAL.—The Commissioner of Social
6 Security shall ensure that funds made available for
7 continuing disability reviews (as defined in section
8 201(g)(1)(A) of the Social Security Act) are used, to
9 the greatest extent practicable, to maximize the com-
10 bined savings in the old-age, survivors, and disability
11 insurance, supplemental security income, medicare,
12 and medicaid programs.

13 (2) REPORT.—The Commissioner of Social Se-
14 curity shall provide annually (at the conclusion of
15 each of the fiscal years 1996 through 2002) to the
16 Congress a report on continuing disability reviews
17 which includes—

18 (A) the amount spent on continuing dis-
19 ability reviews in the fiscal year covered by the
20 report, and the number of reviews conducted,
21 by category of review;

22 (B) the results of the continuing disability
23 reviews in terms of cessations of benefits or de-
24 terminations of continuing eligibility, by pro-
25 gram; and

1 (C) the estimated savings over the short-,
2 medium-, and long-term to the old-age, survi-
3 vors, and disability insurance, supplemental se-
4 curity income, medicare, and medicaid pro-
5 grams from continuing disability reviews which
6 result in cessations of benefits and the esti-
7 mated present value of such savings.

8 (e) OFFICE OF CHIEF ACTUARY IN THE SOCIAL SE-
9 CURITY ADMINISTRATION.—

10 (1) IN GENERAL.—Section 702 of the Social
11 Security Act (42 U.S.C. 902) is amended—

12 (A) by redesignating subsections (c) and
13 (d) as subsections (d) and (e), respectively; and

14 (B) by inserting after subsection (b) the
15 following new subsection:

16 “Chief Actuary

17 “(c)(1) There shall be in the Administration a Chief
18 Actuary, who shall be appointed by, and in direct line of
19 authority to, the Commissioner. The Chief Actuary shall
20 be appointed from individuals who have demonstrated, by
21 their education and experience, superior expertise in the
22 actuarial sciences. The Chief Actuary shall serve as the
23 chief actuarial officer of the Administration, and shall ex-
24 ercise such duties as are appropriate for the office of the
25 Chief Actuary and in accordance with professional stand-

1 ards of actuarial independence. The Chief Actuary may
2 be removed only for cause.

3 “(2) The Chief Actuary shall be compensated at the
4 highest rate of basic pay for the Senior Executive Service
5 under section 5382(b) of title 5, United States Code.”.

6 (2) EFFECTIVE DATE OF SUBSECTION.—The
7 amendments made by this subsection shall take ef-
8 fect on the date of the enactment of this Act.

9 **SEC. 104. ENTITLEMENT OF STEPCHILDREN TO CHILD’S IN-**
10 **SURANCE BENEFITS BASED ON ACTUAL DE-**
11 **PENDENCY ON STEPPARENT SUPPORT.**

12 (a) REQUIREMENT OF ACTUAL DEPENDENCY FOR
13 FUTURE ENTITLEMENTS.—

14 (1) IN GENERAL.—Section 202(d)(4) of the So-
15 cial Security Act (42 U.S.C. 402(d)(4)) is amended
16 by striking “was living with or”.

17 (2) EFFECTIVE DATE.—The amendment made
18 by paragraph (1) shall apply with respect to benefits
19 of individuals who become entitled to such benefits
20 for months after the third month following the
21 month in which this Act is enacted.

22 (b) TERMINATION OF CHILD’S INSURANCE BENE-
23 FITS BASED ON WORK RECORD OF STEPPARENT UPON
24 NATURAL PARENT’S DIVORCE FROM STEPPARENT.—

1 (1) IN GENERAL.—Section 202(d)(1) of the So-
2 cial Security Act (42 U.S.C. 402(d)(1)) is amend-
3 ed—

4 (A) by striking “or” at the end of subpara-
5 graph (F);

6 (B) by striking the period at the end of
7 subparagraph (G) and inserting “; or”; and

8 (C) by inserting after subparagraph (G)
9 the following new subparagraph:

10 “(H) if the benefits under this subsection are
11 based on the wages and self-employment income of
12 a stepparent who is subsequently divorced from such
13 child’s natural parent, the month after the month in
14 which such divorce becomes final.”.

15 (2) NOTIFICATION.—Section 202(d) of such Act
16 (42 U.S.C. 402(d)) is amended by adding the follow-
17 ing new paragraph:

18 “(10) For purposes of paragraph (1)(H)—

19 “(A) each stepparent shall notify the Commis-
20 sioner of Social Security of any divorce upon such
21 divorce becoming final; and

22 “(B) the Commissioner shall annually notify
23 any stepparent of the rule for termination described
24 in paragraph (1)(H) and of the requirement de-
25 scribed in subparagraph (A).”.

1 (3) EFFECTIVE DATES.—

2 (A) The amendments made by paragraph
3 (1) shall apply with respect to final divorces oc-
4 ccurring after the third month following the
5 month in which this Act is enacted.

6 (B) The amendment made by paragraph
7 (2) shall take effect on the date of the enact-
8 ment of this Act.

9 **SEC. 105. DENIAL OF DISABILITY BENEFITS TO DRUG AD-**
10 **ICTS AND ALCOHOLICS.**

11 (a) AMENDMENTS RELATING TO TITLE II DISABIL-
12 ITY BENEFITS.—

13 (1) IN GENERAL.—Section 223(d)(2) of the So-
14 cial Security Act (42 U.S.C. 423(d)(2)) is amended
15 by adding at the end the following:

16 “(C) An individual shall not be considered to be
17 disabled for purposes of this title if alcoholism or
18 drug addiction would (but for this subparagraph) be
19 a contributing factor material to the Commissioner’s
20 determination that the individual is disabled.”.

21 (2) REPRESENTATIVE PAYEE REQUIRE-
22 MENTS.—

23 (A) Section 205(j)(1)(B) of such Act (42
24 U.S.C. 405(j)(1)(B)) is amended to read as fol-
25 lows:

1 “(B) In the case of an individual entitled to benefits
2 based on disability, the payment of such benefits shall be
3 made to a representative payee if the Commissioner of So-
4 cial Security determines that such payment would serve
5 the interest of the individual because the individual also
6 has an alcoholism or drug addiction condition (as deter-
7 mined by the Commissioner) and the individual is incapa-
8 ble of managing such benefits.”.

9 (B) Section 205(j)(2)(C)(v) of such Act
10 (42 U.S.C. 405(j)(2)(C)(v)) is amended by
11 striking “entitled to benefits” and all that fol-
12 lows through “under a disability” and inserting
13 “described in paragraph (1)(B)”.

14 (C) Section 205(j)(2)(D)(ii)(II) of such
15 Act (42 U.S.C. 405(j)(2)(D)(ii)(II)) is amended
16 by striking all that follows “15 years, or” and
17 inserting “described in paragraph (1)(B).”.

18 (D) Section 205(j)(4)(A)(i)(II) of such Act
19 (42 U.S.C. 405(j)(4)(A)(ii)(II)) is amended by
20 striking “entitled to benefits” and all that fol-
21 lows through “under a disability” and inserting
22 “described in paragraph (1)(B)”.

23 (3) TREATMENT REFERRALS FOR INDIVIDUALS
24 WITH AN ALCOHOLISM OR DRUG ADDICTION CONDI-
25 TION.—Section 222 of such Act (42 U.S.C. 422) is

1 amended by adding at the end the following new
2 subsection:

3 “Treatment Referrals for Individuals with an Alcoholism
4 or Drug Addiction Condition

5 “(e) In the case of any individual whose benefits
6 under this title are paid to a representative payee pursu-
7 ant to section 205(j)(1)(B), the Commissioner of Social
8 Security shall refer such individual to the appropriate
9 State agency administering the State plan for substance
10 abuse treatment services approved under subpart II of
11 part B of title XIX of the Public Health Service Act (42
12 U.S.C. 300x-21 et seq.).”.

13 (4) CONFORMING AMENDMENT.—Subsection (c)
14 of section 225 of such Act (42 U.S.C. 425(c)) is re-
15 pealed.

16 (5) EFFECTIVE DATES.—

17 (A) The amendments made by paragraphs
18 (1) and (4) shall apply to any individual who
19 applies for, or whose claim is finally adjudicated
20 by the Commissioner of Social Security with re-
21 spect to, benefits under title II of the Social Se-
22 curity Act based on disability on or after the
23 date of the enactment of this Act, and, in the
24 case of any individual who has applied for, and
25 whose claim has been finally adjudicated by the

1 Commissioner with respect to, such benefits be-
2 fore such date of enactment, such amendments
3 shall apply only with respect to such benefits
4 for months beginning on or after January 1,
5 1997.

6 (B) The amendments made by paragraphs
7 (2) and (3) shall apply with respect to benefits
8 for which applications are filed after the third
9 month following the month in which this Act is
10 enacted.

11 (C) Within 90 days after the date of the
12 enactment of this Act, the Commissioner of So-
13 cial Security shall notify each individual who is
14 entitled to monthly insurance benefits under
15 title II of the Social Security Act based on dis-
16 ability for the month in which this Act is en-
17 acted and whose entitlement to such benefits
18 would terminate by reason of the amendments
19 made by this subsection. If such an individual
20 reapplies for benefits under title II of such Act
21 (as amended by this Act) based on disability
22 within 120 days after the date of the enactment
23 of this Act, the Commissioner of Social Security
24 shall, not later than January 1, 1997, complete
25 the entitlement redetermination (including a

1 new medical determination) with respect to
2 such individual pursuant to the procedures of
3 such title.

4 (b) AMENDMENTS RELATING TO SSI BENEFITS.—

5 (1) IN GENERAL.—Section 1614(a)(3) of the
6 Social Security Act (42 U.S.C. 1382c(a)(3)) is
7 amended by adding at the end the following:

8 “(I) Notwithstanding subparagraph (A), an individ-
9 ual shall not be considered to be disabled for purposes of
10 this title if alcoholism or drug addiction would (but for
11 this subparagraph) be a contributing factor material to
12 the Commissioner’s determination that the individual is
13 disabled.”

14 (2) REPRESENTATIVE PAYEE REQUIRE-
15 MENTS.—

16 (A) Section 1631(a)(2)(A)(ii)(II) of such
17 Act (42 U.S.C. 1383(a)(2)(A)(ii)(II)) is amend-
18 ed to read as follows:

19 “(II) In the case of an individual eligible for benefits
20 under this title by reason of disability, the payment of
21 such benefits shall be made to a representative payee if
22 the Commissioner of Social Security determines that such
23 payment would serve the interest of the individual because
24 the individual also has an alcoholism or drug addiction

1 condition (as determined by the Commissioner) and the
2 individual is incapable of managing such benefits.”.

3 (B) Section 1631(a)(2)(B)(vii) of such Act
4 (42 U.S.C. 1383(a)(2)(B)(vii)) is amended by
5 striking “eligible for benefits” and all that fol-
6 lows through “is disabled” and inserting “de-
7 scribed in subparagraph (A)(ii)(II)”.

8 (C) Section 1631(a)(2)(B)(ix)(II) of such
9 Act (42 U.S.C. 1383(a)(2)(B)(ix)(II)) is
10 amended by striking all that follows “15 years,
11 or” and inserting “described in subparagraph
12 (A)(ii)(II).”.

13 (D) Section 1631(a)(2)(D)(i)(II) of such
14 Act (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amend-
15 ed by striking “eligible for benefits” and all
16 that follows through “is disabled” and inserting
17 “described in subparagraph (A)(ii)(II)”.

18 (3) TREATMENT REFERRALS FOR INDIVIDUALS
19 WITH AN ALCOHOLISM OR DRUG ADDICTION CONDI-
20 TION.—Title XVI of such Act (42 U.S.C. 1381 et
21 seq.) is amended by adding at the end the following
22 new section:

23 “TREATMENT REFERRALS FOR INDIVIDUALS WITH AN
24 ALCOHOLISM OR DRUG ADDICTION CONDITION

25 “SEC. 1636. In the case of any individual whose bene-
26 fits under this title are paid to a representative payee pur-

1 suant to section 1631(a)(2)(A)(ii)(II), the Commissioner
2 of Social Security shall refer such individual to the appro-
3 priate State agency administering the State plan for sub-
4 stance abuse treatment services approved under subpart
5 II of part B of title XIX of the Public Health Service Act
6 (42 U.S.C. 300x-21 et seq.).”.

7 (4) CONFORMING AMENDMENTS.—

8 (A) Section 1611(e) of such Act (42
9 U.S.C. 1382(e)) is amended by striking para-
10 graph (3).

11 (B) Section 1634 of such Act (42 U.S.C.
12 1383c) is amended by striking subsection (e).

13 (5) EFFECTIVE DATES.—

14 (A) The amendments made by paragraphs
15 (1) and (4) shall apply to any individual who
16 applies for, or whose claim is finally adjudicated
17 by the Commissioner of Social Security with re-
18 spect to, supplemental security income benefits
19 under title XVI of the Social Security Act based
20 on disability on or after the date of the enact-
21 ment of this Act, and, in the case of any indi-
22 vidual who has applied for, and whose claim has
23 been finally adjudicated by the Commissioner
24 with respect to, such benefits before such date
25 of enactment, such amendments shall apply

1 only with respect to such benefits for months
2 beginning on or after January 1, 1997.

3 (B) The amendments made by paragraphs
4 (2) and (3) shall apply with respect to supple-
5 mental security income benefits under title XVI
6 of the Social Security Act for which applica-
7 tions are filed after the third month following
8 the month in which this Act is enacted.

9 (C) Within 90 days after the date of the
10 enactment of this Act, the Commissioner of So-
11 cial Security shall notify each individual who is
12 eligible for supplemental security income bene-
13 fits under title XVI of the Social Security Act
14 for the month in which this Act is enacted and
15 whose eligibility for such benefits would termi-
16 nate by reason of the amendments made by this
17 subsection. If such an individual reapplies for
18 supplemental security income benefits under
19 title XVI of such Act (as amended by this Act)
20 within 120 days after the date of the enactment
21 of this Act, the Commissioner of Social Security
22 shall, not later than January 1, 1997, complete
23 the eligibility redetermination (including a new
24 medical determination) with respect to such in-

1 dividual pursuant to the procedures of such
2 title.

3 (D) For purposes of this paragraph, the
4 phrase “supplemental security income benefits
5 under title XVI of the Social Security Act” in-
6 cludes supplementary payments pursuant to an
7 agreement for Federal administration under
8 section 1616(a) of the Social Security Act and
9 payments pursuant to an agreement entered
10 into under section 212(b) of Public Law 93–66.

11 (c) CONFORMING AMENDMENT.—Section 201(c) of
12 the Social Security Independence and Program Improve-
13 ments Act of 1994 (42 U.S.C. 425 note) is repealed.

14 (d) SUPPLEMENTAL FUNDING FOR ALCOHOL AND
15 SUBSTANCE ABUSE TREATMENT PROGRAMS.—

16 (1) IN GENERAL.—Out of any money in the
17 Treasury not otherwise appropriated, there are here-
18 by appropriated to supplement State and Tribal pro-
19 grams funded under section 1933 of the Public
20 Health Service Act (42 U.S.C. 300x–33),
21 \$50,000,000 for each of the fiscal years 1997 and
22 1998.

23 (2) ADDITIONAL FUNDS.—Amounts appro-
24 priated under paragraph (1) shall be in addition to
25 any funds otherwise appropriated for allotments

1 under section 1933 of the Public Health Service Act
2 (42 U.S.C. 300x-33) and shall be allocated pursuant
3 to such section 1933.

4 (3) USE OF FUNDS.—A State or Tribal govern-
5 ment receiving an allotment under this subsection
6 shall consider as priorities, for purposes of expend-
7 ing funds allotted under this subsection, activities
8 relating to the treatment of the abuse of alcohol and
9 other drugs.

10 **SEC. 106. PILOT STUDY OF EFFICACY OF PROVIDING INDI-**
11 **VIDUALIZED INFORMATION TO RECIPIENTS**
12 **OF OLD-AGE AND SURVIVORS INSURANCE**
13 **BENEFITS.**

14 (a) IN GENERAL.—During a 2-year period beginning
15 as soon as practicable in 1996, the Commissioner of Social
16 Security shall conduct a pilot study of the efficacy of pro-
17 viding certain individualized information to recipients of
18 monthly insurance benefits under section 202 of the Social
19 Security Act, designed to promote better understanding
20 of their contributions and benefits under the social secu-
21 rity system. The study shall involve solely beneficiaries
22 whose entitlement to such benefits first occurred in or
23 after 1984 and who have remained entitled to such bene-
24 fits for a continuous period of not less than 5 years. The
25 number of such recipients involved in the study shall be

1 of sufficient size to generate a statistically valid sample
2 for purposes of the study, but shall not exceed 600,000
3 beneficiaries.

4 (b) ANNUALIZED STATEMENTS.—During the course
5 of the study, the Commissioner shall provide to each of
6 the beneficiaries involved in the study one annualized
7 statement, setting forth the following information:

8 (1) an estimate of the aggregate wages and
9 self-employment income earned by the individual on
10 whose wages and self-employment income the benefit
11 is based, as shown on the records of the Commis-
12 sioner as of the end of the last calendar year ending
13 prior to the beneficiary's first month of entitlement;

14 (2) an estimate of the aggregate of the em-
15 ployee and self-employment contributions, and the
16 aggregate of the employer contributions (separately
17 identified), made with respect to the wages and self-
18 employment income on which the benefit is based, as
19 shown on the records of the Commissioner as of the
20 end of the calendar year preceding the beneficiary's
21 first month of entitlement; and

22 (3) an estimate of the total amount paid as
23 benefits under section 202 of the Social Security Act
24 based on such wages and self-employment income, as
25 shown on the records of the Commissioner as of the

1 end of the last calendar year preceding the issuance
2 of the statement for which complete information is
3 available.

4 (c) INCLUSION WITH MATTER OTHERWISE DISTRIB-
5 UTED TO BENEFICIARIES.—The Commissioner shall en-
6 sure that reports provided pursuant to this section are,
7 to the maximum extent practicable, included with other
8 reports currently provided to beneficiaries on an annual
9 basis.

10 (d) REPORT TO THE CONGRESS.—The Commissioner
11 shall report to each House of the Congress regarding the
12 results of the pilot study conducted pursuant to this sec-
13 tion not later than 60 days after the completion of such
14 study.

15 **SEC. 107. PROTECTION OF SOCIAL SECURITY AND MEDI-**
16 **CARE TRUST FUNDS.**

17 (a) IN GENERAL.—Part A of title XI of the Social
18 Security Act (42 U.S.C. 1301 et seq.) is amended by add-
19 ing at the end the following new section:

20 “PROTECTION OF SOCIAL SECURITY AND MEDICARE
21 TRUST FUNDS

22 “SEC. 1145. (a) IN GENERAL.—No officer or em-
23 ployee of the United States shall—

24 “(1) delay the deposit of any amount into (or
25 delay the credit of any amount to) any Federal fund

1 or otherwise vary from the normal terms, proce-
2 dures, or timing for making such deposits or credits,

3 “(2) refrain from the investment in public debt
4 obligations of amounts in any Federal fund, or

5 “(3) redeem prior to maturity amounts in any
6 Federal fund which are invested in public debt obli-
7 gations for any purpose other than the payment of
8 benefits or administrative expenses from such Fed-
9 eral fund.

10 “(b) PUBLIC DEBT OBLIGATION.—For purposes of
11 this section, the term ‘public debt obligation’ means any
12 obligation subject to the public debt limit established
13 under section 3101 of title 31, United States Code.

14 “(c) FEDERAL FUND.—For purposes of this section,
15 the term ‘Federal fund’ means—

16 “(1) the Federal Old-Age and Survivors Insur-
17 ance Trust Fund;

18 “(2) the Federal Disability Insurance Trust
19 Fund;

20 “(3) the Federal Hospital Insurance Trust
21 Fund; and

22 “(4) the Federal Supplementary Medical Insur-
23 ance Trust Fund.”.

1 (b) EFFECTIVE DATE.—The amendment made by
 2 this section shall take effect on the date of the enactment
 3 of this Act.

4 **SEC. 108. PROFESSIONAL STAFF FOR THE SOCIAL SECUR-**
 5 **RITY ADVISORY BOARD.**

6 Section 703(i) of the Social Security Act (42
 7 U.S.C. 903(i)) is amended in the first sentence by insert-
 8 ing after “Staff Director” the following: “, and three pro-
 9 fessional staff members one of whom shall be appointed
 10 from among individuals approved by the members of the
 11 Board who are not members of the political party rep-
 12 resented by the majority of the Board,”.

13 **TITLE II—LINE ITEM VETO**

14 **SEC. 201. SHORT TITLE.**

15 This title may be cited as the “Line Item Veto Act”.

16 **SEC. 202. LINE ITEM VETO AUTHORITY.**

17 (a) IN GENERAL.—Title X of the Congressional
 18 Budget and Impoundment Control Act of 1974 (2 U.S.C.
 19 681 et seq.) is amended by adding at the end the following
 20 new part:

21 “PART C—LINE ITEM VETO

22 “LINE ITEM VETO AUTHORITY

23 “SEC. 1021. (a) IN GENERAL.—Notwithstanding the
 24 provisions of parts A and B, and subject to the provisions
 25 of this part, the President may, with respect to any bill

1 or joint resolution that has been signed into law pursuant
2 to Article I, section 7, of the Constitution of the United
3 States, cancel in whole—

4 “(1) any dollar amount of discretionary budget
5 authority;

6 “(2) any item of new direct spending; or

7 “(3) any limited tax benefit;

8 if the President—

9 “(A) determines that such cancellation will—

10 “(i) reduce the Federal budget deficit;

11 “(ii) not impair any essential Government
12 functions; and

13 “(iii) not harm the national interest; and

14 “(B) notifies the Congress of such cancellation
15 by transmitting a special message, in accordance
16 with section 1022, within five calendar days (exclud-
17 ing Sundays) after the enactment of the law provid-
18 ing the dollar amount of discretionary budget au-
19 thority, item of new direct spending, or limited tax
20 benefit that was canceled.

21 “(b) IDENTIFICATION OF CANCELLATIONS.—In iden-
22 tifying dollar amounts of discretionary budget authority,
23 items of new direct spending, and limited tax benefits for
24 cancellation, the President shall—

1 and provide a corresponding reference number
2 for each cancellation;

3 “(B) the determinations required under
4 section 1021(a), together with any supporting
5 material;

6 “(C) the reasons for the cancellation;

7 “(D) to the maximum extent practicable,
8 the estimated fiscal, economic, and budgetary
9 effect of the cancellation;

10 “(E) all facts, circumstances and consider-
11 ations relating to or bearing upon the cancella-
12 tion, and to the maximum extent practicable,
13 the estimated effect of the cancellation upon the
14 objects, purposes and programs for which the
15 canceled authority was provided; and

16 “(F) include the adjustments that will be
17 made pursuant to section 1024 to the discre-
18 tionary spending limits under section 601 and
19 an evaluation of the effects of those adjust-
20 ments upon the sequestration procedures of sec-
21 tion 251 of the Balanced Budget and Emer-
22 gency Deficit Control Act of 1985.

23 “(2) In the case of a cancellation of any dollar
24 amount of discretionary budget authority or item of

1 new direct spending, the special message shall also
2 include, if applicable-

3 “(A) any account, department, or estab-
4 lishment of the Government for which such
5 budget authority was to have been available for
6 obligation and the specific project or govern-
7 mental functions involved;

8 “(B) the specific States and congressional
9 districts, if any, affected by the cancellation;
10 and

11 “(C) the total number of cancellations im-
12 posed during the current session of Congress on
13 States and congressional districts identified in
14 subparagraph (B).

15 “(c) TRANSMISSION OF SPECIAL MESSAGES TO
16 HOUSE AND SENATE.—

17 “(1) The President shall transmit to the Con-
18 gress each special message under this part within
19 five calendar days (excluding Sundays) after enact-
20 ment of the law to which the cancellation applies.
21 Each special message shall be transmitted to the
22 House of Representatives and the Senate on the
23 same calendar day. Such special message shall be
24 delivered to the Clerk of the House of Representa-

1 tives if the House is not in session, and to the Sec-
2 retary of the Senate if the Senate is not in session.

3 “(2) Any special message transmitted under
4 this part shall be printed in the first issue of the
5 Federal Register published after such transmittal.

6 “CANCELLATION EFFECTIVE UNLESS DISAPPROVED

7 “SEC. 1023. (a) IN GENERAL.—The cancellation of
8 any dollar amount of discretionary budget authority, item
9 of new direct spending, or limited tax benefit shall take
10 effect upon receipt in the House of Representatives and
11 the Senate of the special message notifying the Congress
12 of the cancellation. If a disapproval bill for such special
13 message is enacted into law, then all cancellations dis-
14 approved in that law shall be null and void and any such
15 dollar amount of discretionary budget authority, item of
16 new direct spending, or limited tax benefit shall be effec-
17 tive as of the original date provided in the law to which
18 the cancellation applied.

19 “(b) COMMENSURATE REDUCTIONS IN DISCRE-
20 TIONARY BUDGET AUTHORITY.—Upon the cancellation of
21 a dollar amount of discretionary budget authority under
22 subsection (a), the total appropriation for each relevant
23 account of which that dollar amount is a part shall be
24 simultaneously reduced by the dollar amount of that can-
25 cellation.

1 “DEFICIT REDUCTION

2 “SEC. 1024. (a) IN GENERAL.—

3 “(1) DISCRETIONARY BUDGET AUTHORITY.—

4 OMB shall, for each dollar amount of discretionary
5 budget authority and for each item of new direct
6 spending canceled from an appropriation law under
7 section 1021(a)—

8 “(A) reflect the reduction that results from
9 such cancellation in the estimates required by
10 section 251(a)(7) of the Balanced Budget and
11 Emergency Deficit Control Act of 1985 in ac-
12 cordance with that Act, including an estimate of
13 the reduction of the budget authority and the
14 reduction in outlays flowing from such reduc-
15 tion of budget authority for each outyear; and

16 “(B) include a reduction to the discre-
17 tionary spending limits for budget authority
18 and outlays in accordance with the Balanced
19 Budget and Emergency Deficit Control Act of
20 1985 for each applicable fiscal year set forth in
21 section 601(a)(2) by amounts equal to the
22 amounts for each fiscal year estimated pursuant
23 to subparagraph (A).

24 “(2) DIRECT SPENDING AND LIMITED TAX
25 BENEFITS.—(A) OMB shall, for each item of new

1 direct spending or limited tax benefit canceled from
2 a law under section 1021(a), estimate the deficit de-
3 crease caused by the cancellation of such item or
4 benefit in that law and include such estimate as a
5 separate entry in the report prepared pursuant to
6 section 252(d) of the Balanced Budget and Emer-
7 gency Deficit Control Act of 1985.

8 “(B) OMB shall not include any change in the
9 deficit resulting from a cancellation of any item of
10 new direct spending or limited tax benefit, or the en-
11 actment of a disapproval bill for any such cancella-
12 tion, under this part in the estimates and reports re-
13 quired by sections 252(b) and 254 of the Balanced
14 Budget and Emergency Deficit Control Act of 1985.

15 “(b) ADJUSTMENTS TO SPENDING LIMITS.—After
16 ten calendar days (excluding Sundays) after the expiration
17 of the time period in section 1025(b)(1) for expedited con-
18 gressional consideration of a disapproval bill for a special
19 message containing a cancellation of discretionary budget
20 authority, OMB shall make the reduction included in sub-
21 section (a)(1)(B) as part of the next sequester report re-
22 quired by section 254 of the Balanced Budget and Emer-
23 gency Deficit Control Act of 1985.

24 “(c) EXCEPTION.—Subsection (b) shall not apply to
25 a cancellation if a disapproval bill or other law that dis-

1 approves that cancellation is enacted into law prior to 10
2 calendar days (excluding Sundays) after the expiration of
3 the time period set forth in section 1025(b)(1).

4 “(d) CONGRESSIONAL BUDGET OFFICE ESTI-
5 MATES.—As soon as practicable after the President makes
6 a cancellation from a law under section 1021(a), the Di-
7 rector of the Congressional Budget Office shall provide the
8 Committees on the Budget of the House of Representa-
9 tives and the Senate with an estimate of the reduction of
10 the budget authority and the reduction in outlays flowing
11 from such reduction of budget authority for each outyear.

12 “EXPEDITED CONGRESSIONAL CONSIDERATION OF
13 DISAPPROVAL BILLS

14 “SEC. 1025. (a) RECEIPT AND REFERRAL OF SPE-
15 CIAL MESSAGE.—Each special message transmitted under
16 this part shall be referred to the Committee on the Budget
17 and the appropriate committee or committees of the Sen-
18 ate and the Committee on the Budget and the appropriate
19 committee or committees of the House of Representatives.
20 Each such message shall be printed as a document of the
21 House of Representatives.

22 “(b) TIME PERIOD FOR EXPEDITED PROCEDURES.—

23 “(1) There shall be a congressional review pe-
24 riod of 30 calendar days of session, beginning on the
25 first calendar day of session after the date on which
26 the special message is received in the House of Rep-

1 representatives and the Senate, during which the proce-
2 dures contained in this section shall apply to both
3 Houses of Congress.

4 “(2) In the House of Representatives the proce-
5 dures set forth in this section shall not apply after
6 the end of the period described in paragraph (1).

7 “(3) If Congress adjourns at the end of a Con-
8 gress prior to the expiration of the period described
9 in paragraph (1) and a disapproval bill was then
10 pending in either House of Congress or a committee
11 thereof (including a conference committee of the two
12 Houses of Congress), or was pending before the
13 President, a disapproval bill for the same special
14 message may be introduced within the first five cal-
15 endar days of session of the next Congress and shall
16 be treated as a disapproval bill under this part, and
17 the time period described in paragraph (1) shall
18 commence on the day of introduction of that dis-
19 approval bill.

20 “(c) INTRODUCTION OF DISAPPROVAL BILLS.—(1)
21 In order for a disapproval bill to be considered under the
22 procedures set forth in this section, the bill must meet the
23 definition of a disapproval bill and must be introduced no
24 later than the fifth calendar day of session following the
25 beginning of the period described in subsection (b)(1).

1 “(2) In the case of a disapproval bill introduced in
2 the House of Representatives, such bill shall include in
3 the first blank space referred to in section 1026(6)(C) a
4 list of the reference numbers for all cancellations made
5 by the President in the special message to which such dis-
6 approval bill relates.

7 “(d) CONSIDERATION IN THE HOUSE OF REP-
8 RESENTATIVES.—(1) Any committee of the House of Rep-
9 resentatives to which a disapproval bill is referred shall
10 report it without amendment, and with or without rec-
11 ommendation, not later than the seventh calendar day of
12 session after the date of its introduction. If any committee
13 fails to report the bill within that period, it is in order
14 to move that the House discharge the committee from fur-
15 ther consideration of the bill, except that such a motion
16 may not be made after the committee has reported a dis-
17 approval bill with respect to the same special message. A
18 motion to discharge may be made only by a Member favor-
19 ing the bill (but only at a time or place designated by the
20 Speaker in the legislative schedule of the day after the
21 calendar day on which the Member offering the motion
22 announces to the House his intention to do so and the
23 form of the motion). The motion is highly privileged. De-
24 bate thereon shall be limited to not more than one hour,
25 the time to be divided in the House equally between a pro-

1 ponent and an opponent. The previous question shall be
2 considered as ordered on the motion to its adoption with-
3 out intervening motion. A motion to reconsider the vote
4 by which the motion is agreed to or disagreed to shall not
5 be in order.

6 “(2) After a disapproval bill is reported or a commit-
7 tee has been discharged from further consideration, it is
8 in order to move that the House resolve into the Commit-
9 tee of the Whole House on the State of the Union for con-
10 sideration of the bill. If reported and the report has been
11 available for at least one calendar day, all points of order
12 against the bill and against consideration of the bill are
13 waived. If discharged, all points of order against the bill
14 and against consideration of the bill are waived. The mo-
15 tion is highly privileged. A motion to reconsider the vote
16 by which the motion is agreed to or disagreed to shall not
17 be in order. During consideration of the bill in the Com-
18 mittee of the Whole, the first reading of the bill shall be
19 dispensed with. General debate shall proceed, shall be con-
20 fined to the bill, and shall not exceed one hour equally
21 divided and controlled by a proponent and an opponent
22 of the bill. The bill shall be considered as read for amend-
23 ment under the five-minute rule. Only one motion to rise
24 shall be in order, except if offered by the manager. No
25 amendment to the bill is in order, except any Member if

1 supported by 49 other Members (a quorum being present)
2 may offer an amendment striking the reference number
3 or numbers of a cancellation or cancellations from the bill.
4 Consideration of the bill for amendment shall not exceed
5 one hour excluding time for recorded votes and quorum
6 calls. No amendment shall be subject to further amend-
7 ment, except pro forma amendments for the purposes of
8 debate only. At the conclusion of the consideration of the
9 bill for amendment, the Committee shall rise and report
10 the bill to the House with such amendments as may have
11 been adopted. The previous question shall be considered
12 as ordered on the bill and amendments thereto to final
13 passage without intervening motion. A motion to recon-
14 sider the vote on passage of the bill shall not be in order.

15 “(3) Appeals from decisions of the Chair regarding
16 application of the rules of the House of Representatives
17 to the procedure relating to a disapproval bill shall be de-
18 cided without debate.

19 “(4) It shall not be in order to consider under this
20 subsection more than one disapproval bill for the same
21 special message except for consideration of a similar Sen-
22 ate bill (unless the House has already rejected a dis-
23 approval bill for the same special message) or more than
24 one motion to discharge described in paragraph (1) with
25 respect to a disapproval bill for that special message.

1 “(e) CONSIDERATION IN THE SENATE.—

2 “(1) REFERRAL AND REPORTING.—Any dis-
3 approval bill introduced in the Senate shall be re-
4 ferred to the appropriate committee or committees.
5 A committee to which a disapproval bill has been re-
6 ferred shall report the bill not later than the seventh
7 day of session following the date of introduction of
8 that bill. If any committee fails to report the bill
9 within that period, that committee shall be auto-
10 matically discharged from further consideration of
11 the bill and the bill shall be placed on the Calendar.

12 “(2) DISAPPROVAL BILL FROM HOUSE.—When
13 the Senate receives from the House of Representa-
14 tives a disapproval bill, such bill shall not be referred
15 to committee and shall be placed on the Calendar.

16 “(3) CONSIDERATION OF SINGLE DISAPPROVAL
17 BILL.—After the Senate has proceeded to the con-
18 sideration of a disapproval bill for a special message,
19 then no other disapproval bill originating in that
20 same House relating to that same message shall be
21 subject to the procedures set forth in this sub-
22 section.

23 “(4) AMENDMENTS.—

24 “(A) AMENDMENTS IN ORDER.—The only
25 amendments in order to a disapproval bill are—

1 “(i) an amendment that strikes the
2 reference number of a cancellation from
3 the disapproval bill; and

4 “(ii) an amendment that only inserts
5 the reference number of a cancellation in-
6 cluded in the special message to which the
7 disapproval bill relates that is not already
8 contained in such bill.

9 “(B) WAIVER OR APPEAL.—An affirmative
10 vote of three-fifths of the Senators, duly chosen
11 and sworn, shall be required in the Senate—

12 “(i) to waive or suspend this para-
13 graph; or

14 “(ii) to sustain an appeal of the ruling
15 of the Chair on a point of order raised
16 under this paragraph.

17 “(5) MOTION NONDEBATABLE.—A motion to
18 proceed to consideration of a disapproval bill under
19 this subsection shall not be debatable. It shall not be
20 in order to move to reconsider the vote by which the
21 motion to proceed was adopted or rejected, although
22 subsequent motions to proceed may be made under
23 this paragraph.

24 “(6) LIMIT ON CONSIDERATION.— (A) After no
25 more than 10 hours of consideration of a dis-

1 approval bill, the Senate shall proceed, without inter-
2 vening action or debate (except as permitted under
3 paragraph (9)), to vote on the final disposition
4 thereof to the exclusion of all amendments not then
5 pending and to the exclusion of all motions, except
6 a motion to reconsider or to table.

7 “(B) A single motion to extend the time for
8 consideration under subparagraph (A) for no more
9 than an additional five hours is in order prior to the
10 expiration of such time and shall be decided without
11 debate.

12 “(C) The time for debate on the disapproval bill
13 shall be equally divided between the Majority Leader
14 and the Minority Leader or their designees.

15 “(7) DEBATE ON AMENDMENTS.—Debate on
16 any amendment to a disapproval bill shall be limited
17 to one hour, equally divided and controlled by the
18 Senator proposing the amendment and the majority
19 manager, unless the majority manager is in favor of
20 the amendment, in which case the minority manager
21 shall be in control of the time in opposition.

22 “(8) NO MOTION TO RECOMMIT.—A motion to
23 recommit a disapproval bill shall not be in order.

24 “(9) DISPOSITION OF SENATE DISAPPROVAL
25 BILL.—If the Senate has read for the third time a

1 disapproval bill that originated in the Senate, then
2 it shall be in order at any time thereafter to move
3 to proceed to the consideration of a disapproval bill
4 for the same special message received from the
5 House of Representatives and placed on the Cal-
6 endar pursuant to paragraph (2), strike all after the
7 enacting clause, substitute the text of the Senate
8 disapproval bill, agree to the Senate amendment,
9 and vote on final disposition of the House dis-
10 approval bill, all without any intervening action or
11 debate.

12 “(10) CONSIDERATION OF HOUSE MESSAGE.—
13 Consideration in the Senate of all motions, amend-
14 ments, or appeals necessary to dispose of a message
15 from the House of Representatives on a disapproval
16 bill shall be limited to not more than four hours. De-
17 bate on each motion or amendment shall be limited
18 to 30 minutes. Debate on any appeal or point of
19 order that is submitted in connection with the dis-
20 position of the House message shall be limited to 20
21 minutes. Any time for debate shall be equally divided
22 and controlled by the proponent and the majority
23 manager, unless the majority manager is a pro-
24 ponent of the motion, amendment, appeal, or point

1 of order, in which case the minority manager shall
2 be in control of the time in opposition.

3 “(f) CONSIDERATION IN CONFERENCE—

4 “(1) CONVENING OF CONFERENCE.—In the
5 case of disagreement between the two Houses of
6 Congress with respect to a disapproval bill passed by
7 both Houses, conferees should be promptly ap-
8 pointed and a conference promptly convened, if nec-
9 essary.

10 “(2) HOUSE CONSIDERATION.—(A) Notwith-
11 standing any other rule of the House of Representa-
12 tives, it shall be in order to consider the report of
13 a committee of conference relating to a disapproval
14 bill provided such report has been available for one
15 calendar day (excluding Saturdays, Sundays, or legal
16 holidays, unless the House is in session on such a
17 day) and the accompanying statement shall have
18 been filed in the House.

19 “(B) Debate in the House of Representatives
20 on the conference report and any amendments in
21 disagreement on any disapproval bill shall each be
22 limited to not more than one hour equally divided
23 and controlled by a proponent and an opponent. A
24 motion to further limit debate is not debatable. A
25 motion to recommit the conference report is not in

1 order, and it is not in order to move to reconsider
2 the vote by which the conference report is agreed to
3 or disagreed to.

4 “(3) SENATE CONSIDERATION.—Consideration
5 in the Senate of the conference report and any
6 amendments in disagreement on a disapproval bill
7 shall be limited to not more than four hours equally
8 divided and controlled by the Majority Leader and
9 the Minority Leader or their designees. A motion to
10 recommit the conference report is not in order.

11 “(4) LIMITS ON SCOPE.—(A) When a disagree-
12 ment to an amendment in the nature of a substitute
13 has been referred to a conference, the conferees shall
14 report those cancellations that were included in both
15 the bill and the amendment, and may report a can-
16 cellation included in either the bill or the amend-
17 ment, but shall not include any other matter.

18 “(B) When a disagreement on an amendment
19 or amendments of one House to the disapproval bill
20 of the other House has been referred to a committee
21 of conference, the conferees shall report those can-
22 cellations upon which both Houses agree and may
23 report any or all of those cancellations upon which
24 there is disagreement, but shall not include any
25 other matter.

1 “DEFINITIONS

2 “SEC. 1026. As used in this part:

3 “(1) APPROPRIATION LAW.—The term ‘appropriation law’ means an Act referred to in section
4 105 of title 1, United States Code, including any
5 general or special appropriation Act, or any Act
6 making supplemental, deficiency, or continuing appropriations, that has been signed into law pursuant
7 to Article I, section 7, of the Constitution of the
8 United States.
9

11 “(2) CALENDAR DAY.—The term ‘calendar day’
12 means a standard 24-hour period beginning at mid-
13 night.

14 “(3) CALENDAR DAYS OF SESSION.—The term
15 ‘calendar days of session’ shall mean only those days
16 on which both Houses of Congress are in session.

17 “(4) CANCEL.—The term ‘cancel’ or ‘cancellation’ means—
18

19 “(A) with respect to any dollar amount of
20 discretionary budget authority, to rescind;

21 “(B) with respect to any item of new direct
22 spending—

23 “(i) that is budget authority provided
24 by law (other than an appropriation law),

1 to prevent such budget authority from hav-
2 ing legal force or effect;

3 “(ii) that is entitlement authority, to
4 prevent the specific legal obligation of the
5 United States from having legal force or
6 effect; or

7 “(iii) through the food stamp pro-
8 gram, to prevent the specific provision of
9 law that results in an increase in budget
10 authority or outlays for that program from
11 having legal force or effect; and

12 “(C) with respect to a limited tax benefit,
13 to prevent the specific provision of law that pro-
14 vides such benefit from having legal force or ef-
15 fect.

16 “(5) DIRECT SPENDING.—The term ‘direct
17 spending’ means—

18 “(A) budget authority provided by law
19 (other than an appropriation law);

20 “(B) entitlement authority; and

21 “(C) the food stamp program.

22 “(6) DISAPPROVAL BILL.—The term ‘dis-
23 approval bill’ means a bill or joint resolution which
24 only disapproves one or more cancellations of dollar
25 amounts of discretionary budget authority, items of

1 new direct spending, or limited tax benefits in a spe-
2 cial message transmitted by the President under this
3 part and—

4 “(A) the title of which is as follows: ‘A bill
5 disapproving the cancellations transmitted by
6 the President on _____’, the blank space
7 being filled in with the date of transmission of
8 the relevant special message and the public law
9 number to which the message relates;

10 “(B) which does not have a preamble; and

11 “(C) which provides only the following
12 after the enacting clause: ‘That Congress dis-
13 approves of cancellations _____’, the blank
14 space being filled in with a list by reference
15 number of one or more cancellations contained
16 in the President’s special message, ‘as transmit-
17 ted by the President in a special message on
18 _____’, the blank space being filled in with
19 the appropriate date, ‘regarding _____.’, the
20 blank space being filled in with the public law
21 number to which the special message relates.

22 “(7) DOLLAR AMOUNT OF DISCRETIONARY
23 BUDGET AUTHORITY.—(A) Except as provided in
24 subparagraph (B), the term ‘dollar amount of dis-

1 cretionary budget authority’ means the entire dollar
2 amount of budget authority—

3 “(i) specified in an appropriation law, or
4 the entire dollar amount of budget authority re-
5 quired to be allocated by a specific proviso in an
6 appropriation law for which a specific dollar fig-
7 ure was not included;

8 “(ii) represented separately in any table,
9 chart, or explanatory text included in the state-
10 ment of managers or the governing committee
11 report accompanying such law;

12 “(iii) required to be allocated for a specific
13 program, project, or activity in a law (other
14 than an appropriation law) that mandates the
15 expenditure of budget authority from accounts,
16 programs, projects, or activities for which budg-
17 et authority is provided in an appropriation law;

18 “(iv) represented by the product of the es-
19 timated procurement cost and the total quantity
20 of items specified in an appropriation law or in-
21 cluded in the statement of managers or the gov-
22 erning committee report accompanying such
23 law; and

24 “(v) represented by the product of the esti-
25 mated procurement cost and the total quantity

1 of items required to be provided in a law (other
2 than an appropriation law) that mandates the
3 expenditure of budget authority from accounts,
4 programs, projects, or activities for which budg-
5 et authority is provided in an appropriation law.

6 “(B) The term ‘dollar amount of discretionary
7 budget authority’ does not include—

8 “(i) direct spending;

9 “(ii) budget authority in an appropriation
10 law which funds direct spending provided for in
11 other law;

12 “(iii) any existing budget authority re-
13 scinded or canceled in an appropriation law; or

14 “(iv) any restriction, condition, or limita-
15 tion in an appropriation law or the accompany-
16 ing statement of managers or committee reports
17 on the expenditure of budget authority for an
18 account, program, project, or activity, or on ac-
19 tivities involving such expenditure.

20 “(8) ITEM OF NEW DIRECT SPENDING.—The
21 term ‘item of new direct spending’ means any spe-
22 cific provision of law that is estimated to result in
23 an increase in budget authority or outlays for direct
24 spending relative to the most recent levels calculated

1 pursuant to section 257 of the Balanced Budget and
2 Emergency Deficit Control Act of 1985.

3 “(9) LIMITED TAX BENEFIT.—(A) The term
4 ‘limited tax benefit’ means—

5 “(i) any revenue-losing provision which
6 provides a Federal tax deduction, credit, exclu-
7 sion, or preference to 100 or fewer beneficiaries
8 under the Internal Revenue Code of 1986 in
9 any fiscal year for which the provision is in ef-
10 fect; and

11 “(ii) any Federal tax provision which pro-
12 vides temporary or permanent transitional relief
13 for 10 or fewer beneficiaries in any fiscal year
14 from a change to the Internal Revenue Code of
15 1986.

16 “(B) A provision shall not be treated as de-
17 scribed in subparagraph (A)(i) if the effect of that
18 provision is that—

19 “(i) all persons in the same industry or en-
20 gaged in the same type of activity receive the
21 same treatment;

22 “(ii) all persons owning the same type of
23 property, or issuing the same type of invest-
24 ment, receive the same treatment; or

1 “(iii) any difference in the treatment of
2 persons is based solely on—

3 “(I) in the case of businesses and as-
4 sociations, the size or form of the business
5 or association involved;

6 “(II) in the case of individuals, gen-
7 eral demographic conditions, such as in-
8 come, marital status, number of depend-
9 ents, or tax return filing status;

10 “(III) the amount involved; or

11 “(IV) a generally-available election
12 under the Internal Revenue Code of 1986.

13 “(C) A provision shall not be treated as de-
14 scribed in subparagraph (A)(ii) if—

15 “(i) it provides for the retention of prior
16 law with respect to all binding contracts or
17 other legally enforceable obligations in existence
18 on a date contemporaneous with congressional
19 action specifying such date; or

20 “(ii) it is a technical correction to pre-
21 viously enacted legislation that is estimated to
22 have no revenue effect.

23 “(D) For purposes of subparagraph (A)—

24 “(i) all businesses and associations which
25 are related within the meaning of sections

1 707(b) and 1563(a) of the Internal Revenue
2 Code of 1986 shall be treated as a single bene-
3 ficiary;

4 “(ii) all qualified plans of an employer
5 shall be treated as a single beneficiary;

6 “(iii) all holders of the same bond issue
7 shall be treated as a single beneficiary; and

8 “(iv) if a corporation, partnership, associa-
9 tion, trust or estate is the beneficiary of a pro-
10 vision, the shareholders of the corporation, the
11 partners of the partnership, the members of the
12 association, or the beneficiaries of the trust or
13 estate shall not also be treated as beneficiaries
14 of such provision.

15 “(E) For purposes of this paragraph, the term
16 ‘revenue-losing provision’ means any provision which
17 results in a reduction in Federal tax revenues for
18 any one of the two following periods—

19 “(i) the first fiscal year for which the pro-
20 vision is effective; or

21 “(ii) the period of the 5 fiscal years begin-
22 ning with the first fiscal year for which the pro-
23 vision is effective.

24 “(F) The terms used in this paragraph shall
25 have the same meaning as those terms have gen-

1 erally in the Internal Revenue Code of 1986, unless
2 otherwise expressly provided.

3 “(10) OMB.—The term ‘OMB’ means the Di-
4 rector of the Office of Management and Budget.

5 “IDENTIFICATION OF LIMITED TAX BENEFITS

6 “SEC. 1027. (a) STATEMENT BY JOINT TAX COM-
7 MITTEE.—The Joint Committee on Taxation shall review
8 any revenue or reconciliation bill or joint resolution which
9 includes any amendment to the Internal Revenue Code of
10 1986 that is being prepared for filing by a committee of
11 conference of the two Houses, and shall identify whether
12 such bill or joint resolution contains any limited tax bene-
13 fits. The Joint Committee on Taxation shall provide to
14 the committee of conference a statement identifying any
15 such limited tax benefits or declaring that the bill or joint
16 resolution does not contain any limited tax benefits. Any
17 such statement shall be made available to any Member of
18 Congress by the Joint Committee on Taxation imme-
19 diately upon request.

20 “(b) STATEMENT INCLUDED IN LEGISLATION.—(1)
21 Notwithstanding any other rule of the House of Rep-
22 resentatives or any rule or precedent of the Senate, any
23 revenue or reconciliation bill or joint resolution which in-
24 cludes any amendment to the Internal Revenue Code of
25 1986 reported by a committee of conference of the two
26 Houses may include, as a separate section of such bill or

1 joint resolution, the information contained in the state-
2 ment of the Joint Committee on Taxation, but only in the
3 manner set forth in paragraph (2).

4 “(2) The separate section permitted under paragraph
5 (1) shall read as follows: ‘Section 1021(a)(3) of the Con-
6 gressional Budget and Impoundment Control Act of 1974
7 shall _____ apply to _____.’, with the blank
8 spaces being filled in with —

9 “(A) in any case in which the Joint Committee
10 on Taxation identifies limited tax benefits in the
11 statement required under subsection (a), the word
12 ‘only’ in the first blank space and a list of all of the
13 specific provisions of the bill or joint resolution iden-
14 tified by the Joint Committee on Taxation in such
15 statement in the second blank space; or

16 “(B) in any case in which the Joint Committee
17 on Taxation declares that there are no limited tax
18 benefits in the statement required under subsection
19 (a), the word ‘not’ in the first blank space and the
20 phrase ‘any provision of this Act’ in the second
21 blank space.

22 “(c) PRESIDENT’S AUTHORITY.—If any revenue or
23 reconciliation bill or joint resolution is signed into law pur-
24 suant to Article I, section 7, of the Constitution of the
25 United States—

1 “(1) with a separate section described in sub-
2 section (b)(2), then the President may use the au-
3 thority granted in section 1021(a)(3) only to cancel
4 any limited tax benefit in that law, if any, identified
5 in such separate section; or

6 “(2) without a separate section described in
7 subsection (b)(2), then the President may use the
8 authority granted in section 1021(a)(3) to cancel
9 any limited tax benefit in that law that meets the
10 definition in section 1026.

11 “(d) CONGRESSIONAL IDENTIFICATIONS OF LIMITED
12 TAX BENEFITS.—There shall be no judicial review of the
13 congressional identification under subsections (a) and (b)
14 of a limited tax benefit in a conference report.”.

15 **SEC. 203. JUDICIAL REVIEW.**

16 (a) EXPEDITED REVIEW.—

17 (1) Any Member of Congress or any individual
18 adversely affected by part C of title X of the Con-
19 gressional Budget and Impoundment Control Act of
20 1974 may bring an action, in the United States Dis-
21 trict Court for the District of Columbia, for declara-
22 tory judgment and injunctive relief on the ground
23 that any provision of this part violates the Constitu-
24 tion.

1 (2) A copy of any complaint in an action
2 brought under paragraph (1) shall be promptly de-
3 livered to the Secretary of the Senate and the Clerk
4 of the House of Representatives, and each House of
5 Congress shall have the right to intervene in such
6 action.

7 (3) Nothing in this section or in any other law
8 shall infringe upon the right of the House of Rep-
9 resentatives to intervene in an action brought under
10 paragraph (1) without the necessity of adopting a
11 resolution to authorize such intervention.

12 (b) APPEAL TO SUPREME COURT.—Notwithstanding
13 any other provision of law, any order of the United States
14 District Court for the District of Columbia which is issued
15 pursuant to an action brought under paragraph (1) of sub-
16 section (a) shall be reviewable by appeal directly to the
17 Supreme Court of the United States. Any such appeal
18 shall be taken by a notice of appeal filed within 10 cal-
19 endar days after such order is entered; and the jurisdic-
20 tional statement shall be filed within 30 calendar days
21 after such order is entered. No stay of an order issued
22 pursuant to an action brought under paragraph (1) of sub-
23 section (a) shall be issued by a single Justice of the Su-
24 preme Court.

1 (c) EXPEDITED CONSIDERATION.—It shall be the
 2 duty of the District Court for the District of Columbia
 3 and the Supreme Court of the United States to advance
 4 on the docket and to expedite to the greatest possible ex-
 5 tent the disposition of any matter brought under sub-
 6 section (a).

7 **SEC. 204. CONFORMING AMENDMENTS.**

8 (a) SHORT TITLES.—Section 1(a) of the Congres-
 9 sional Budget and Impoundment Control Act of 1974 is
 10 amended by—

11 (1) striking “and” before “title X” and insert-
 12 ing a period;

13 (2) inserting “Parts A and B of” before “title
 14 X”; and

15 (3) inserting at the end the following new sen-
 16 tence: “Part C of title X may be cited as the ‘Line
 17 Item Veto Act of 1996’.”.

18 (b) TABLE OF CONTENTS.—The table of contents set
 19 forth in section 1(b) of the Congressional Budget and Im-
 20 poundment Control Act of 1974 is amended by adding at
 21 the end the following:

“PART C—LINE ITEM VETO

“Sec. 1021. Line item veto authority.

“Sec. 1022. Special messages.

“Sec. 1023. Cancellation effective unless disapproved.

“Sec. 1024. Deficit reduction.

“Sec. 1025. Expedited congressional consideration of disapproval bills.

“Sec. 1026. Definitions.

“Sec. 1027. Identification of limited tax benefits.”.

1 (c) EXERCISE OF RULEMAKING POWERS.—Section
2 904(a) of the Congressional Budget Act of 1974 is amend-
3 ed by striking “and 1017” and inserting “, 1017, 1025,
4 and 1027”.

5 **SEC. 205. EFFECTIVE DATES.**

6 This Act and the amendments made by it shall take
7 effect and apply to measures enacted on the earlier of—

8 (1) the day after the enactment into law, pursu-
9 ant to Article I, section 7, of the Constitution of the
10 United States, of an Act entitled “An Act to provide
11 for a seven-year plan for deficit reduction and
12 achieve a balanced Federal budget.”; or

13 (2) January 1, 1997;

14 and shall have no force or effect on or after January 1,
15 2005.

16 **TITLE III—SMALL BUSINESS**
17 **REGULATORY FAIRNESS**

18 **SEC. 301. SHORT TITLE.**

19 This title may be cited as the “Small Business
20 Growth and Fairness Act of 1996”.

21 **Subtitle A—Regulatory Compliance**
22 **Simplification**

23 **SEC. 311. DEFINITIONS.**

24 For purposes of this subtitle and subtitle B—

1 (1) the terms “rule” and “small entity” have
2 the same meanings as in section 601 of title 5, Unit-
3 ed States Code;

4 (2) the term “agency” has the same meaning as
5 in section 551 of title 5, United States Code; and

6 (3) the term “small entity compliance guide”
7 means a document designated as such by an agency.

8 **SEC. 312. COMPLIANCE GUIDES.**

9 (a) COMPLIANCE GUIDE.—For each rule or group of
10 related rules for which an agency is required to prepare
11 a final regulatory flexibility analysis under section 604 of
12 title 5, United States Code, the agency shall publish one
13 or more guides to assist small entities in complying with
14 the rule, and shall designate such publications as “small
15 entity compliance guides”. The guides shall explain the ac-
16 tions a small entity is required to take to comply with a
17 rule or group of rules. The agency shall, in its sole discre-
18 tion, taking into account the subject matter of the rule
19 and the language of relevant statutes, ensure that the
20 guide is written using sufficiently plain language likely to
21 be understood by affected small entities. Agencies may
22 prepare separate guides covering groups or classes of simi-
23 larly affected small entities, and may cooperate with asso-
24 ciations of small entities to develop and distribute such
25 guides.

1 (b) COMPREHENSIVE SOURCE OF INFORMATION.—
2 Agencies shall cooperate to make available to small enti-
3 ties through comprehensive sources of information, the
4 small entity compliance guides and all other available in-
5 formation on statutory and regulatory requirements af-
6 fecting small entities.

7 (c) LIMITATION ON JUDICIAL REVIEW.—An agency’s
8 small entity compliance guide shall not be subject to judi-
9 cial review, except that in any civil or administrative ac-
10 tion against a small entity for a violation occurring after
11 the effective date of this section, the content of the small
12 entity compliance guide may be considered as evidence of
13 the reasonableness or appropriateness of any proposed
14 fines, penalties or damages.

15 **SEC. 313. INFORMAL SMALL ENTITY GUIDANCE.**

16 (a) GENERAL.—Whenever appropriate in the interest
17 of administering statutes and regulations within the juris-
18 diction of an agency, it shall be the practice of the agency
19 to answer inquiries by small entities concerning informa-
20 tion on and advice about compliance with such statutes
21 and regulations, interpreting and applying the law to spe-
22 cific sets of facts supplied by the small entity. In any civil
23 or administrative action against a small entity, guidance
24 given by an agency applying the law to facts provided by
25 the small entity may be considered as evidence of the rea-

1 sonableness or appropriateness of any proposed fines, pen-
2 alties or damages sought against such small entity.

3 (b) PROGRAM.—Each agency regulating the activities
4 of small entities shall establish a program for responding
5 to such inquiries no later than 1 year after enactment of
6 this section, utilizing existing functions and personnel of
7 the agency to the extent practicable.

8 **SEC. 314. SERVICES OF SMALL BUSINESS DEVELOPMENT**
9 **CENTERS.**

10 Section 21(c)(3) of the Small Business Act (15
11 U.S.C. 648(c)(3)) is amended—

12 (1) in subparagraph (O), by striking “and” at
13 the end;

14 (2) in subparagraph (P), by striking the period
15 at the end and inserting a semicolon; and

16 (3) by inserting after subparagraph (P) the fol-
17 lowing new subparagraphs:

18 “(Q) providing assistance to small business
19 concerns regarding regulatory requirements;
20 and

21 “(R) developing informational publications,
22 establishing resource centers of reference mate-
23 rials, and distributing compliance guides pub-
24 lished under section 312(a) of the Small Busi-
25 ness Growth and Fairness Act of 1996.”.

1 **SEC. 315. COOPERATION ON GUIDANCE.**

2 Agencies may, to the extent resources are available
3 and where appropriate, in cooperation with the states, de-
4 velop guides that fully integrate requirements of both Fed-
5 eral and state regulations where regulations within an
6 agency’s area of interest at the Federal and state levels
7 impact small businesses. Where regulations vary among
8 the states, separate guides may be created for separate
9 states in cooperation with State agencies.

10 **Subtitle B—Regulatory**
11 **Enforcement Reforms**

12 **SEC. 321. SMALL BUSINESS AND AGRICULTURE ENFORCE-**
13 **MENT OMBUDSMAN.**

14 The Small Business Act (15 U.S.C. 631 et seq.) is
15 amended—

16 (1) by redesignating section 30 as section 31;
17 and

18 (2) by inserting after section 29 the following
19 new section:

20 **“SEC. 30. OVERSIGHT OF REGULATORY ENFORCEMENT.**

21 **“(a) DEFINITIONS.—**For purposes of this section, the
22 term—

23 **“(1) “Board”** means a Regional Small Business
24 Regulatory Fairness Board established under sub-
25 section (c); and

1 “(2) “Ombudsman” means the Small Business
2 and Agriculture Regulatory Enforcement Ombuds-
3 man designated under subsection (b).

4 “(b) SBA ENFORCEMENT OMBUDSMAN.—

5 “(1) Not later than 180 days after the date of
6 enactment of this section, the Administration shall
7 designate a Small Business and Agriculture Regu-
8 latory Enforcement Ombudsman utilizing personnel
9 of the Small Business Administration to the extent
10 practicable. Other agencies shall assist the Ombuds-
11 man and take actions as necessary to ensure compli-
12 ance with the requirements of this section. Nothing
13 in this section is intended to replace or diminish the
14 activities of any Ombudsman or similar office in any
15 other agency.

16 “(2) The Ombudsman shall—

17 “(A) work with each agency with regu-
18 latory authority over small businesses to ensure
19 that small business concerns that receive or are
20 subject to an audit, on-site inspection, compli-
21 ance assistance effort, or other enforcement re-
22 lated communication or contact by agency per-
23 sonnel are provided with a means to comment
24 on the enforcement activity conducted by such
25 personnel;

1 “(B) establish means to receive comments
2 from small business concerns regarding actions
3 by agency employees conducting compliance or
4 enforcement activities with respect to the small
5 business concern, means to refer comments to
6 the Inspector General of the affected agency in
7 the appropriate circumstances, and otherwise
8 seek to maintain the identity of the person and
9 small business concern making such comments
10 on a confidential basis to the same extent as
11 employee identities are protected under section
12 7 of the Inspector General Act of 1978 (5
13 U.S.C.App.);

14 “(C) based on substantiated comments re-
15 ceived from small business concerns and the
16 Boards, annually report to Congress and af-
17 fected agencies evaluating the enforcement ac-
18 tivities of agency personnel including a rating of
19 the responsiveness to small business of the var-
20 ious regional and program offices of each agen-
21 cy;

22 “(D) coordinate and report annually on the
23 activities, findings and recommendations of the
24 Boards to the Administration and to the heads
25 of affected agencies; and

1 “(E) provide the affected agency with an
2 opportunity to comment on draft reports pre-
3 pared under subparagraph (C) and include a
4 section of the final report in which the affected
5 agency may make such comments as are not
6 addressed by the Ombudsman in revisions to
7 the draft.

8 “(c) REGIONAL SMALL BUSINESS REGULATORY
9 FAIRNESS BOARDS.—

10 “(1) Not later than 180 days after the date of
11 enactment of this section, the Administration shall
12 establish a Small Business Regulatory Fairness
13 Board in each regional office of the Small Business
14 Administration.

15 “(2) Each Board established under paragraph
16 (1) shall—

17 “(A) meet at least annually to advise the
18 Ombudsman on matters of concern to small
19 businesses relating to the enforcement activities
20 of agencies;

21 “(B) report to the Ombudsman on sub-
22 stantiated instances of excessive enforcement
23 actions of agencies against small business con-
24 cerns including any findings or recommenda-

1 tions of the Board as to agency enforcement
2 policy or practice; and

3 “(C) prior to publication, provide comment
4 on the annual report of the Ombudsman pre-
5 pared under subsection (b).

6 “(3) Each Board shall consist of five members
7 appointed by the Administration, who are owners,
8 operators, or officers of small business concerns,
9 after receiving the recommendations of the chair and
10 ranking minority member of the Committees on
11 Small Business of the House of Representatives and
12 the Senate. Not more than three of the Board mem-
13 bers shall be of the same political party. No member
14 shall be an officer or employee of the Federal Gov-
15 ernment, in either the executive branch or the Con-
16 gress.

17 “(4) Members of the Board shall serve for
18 terms of three years or less.

19 “(5) The Administration shall select a chair
20 from among the members of the Board who shall
21 serve for not more than 2 years as chair.

22 “(6) A majority of the members of the Board
23 shall constitute a quorum for the conduct of busi-
24 ness, but a lesser number may hold hearings.

25 “(d) POWERS OF THE BOARDS.

1 “(1) The Board may hold such hearings and
2 collect such information as appropriate for carrying
3 out this section.

4 “(2) The Board may use the United States
5 mails in the same manner and under the same con-
6 ditions as other departments and agencies of the
7 Federal Government.

8 “(3) The Board may accept donations of serv-
9 ices necessary to conduct its business, provided that
10 the donations and their sources are disclosed by the
11 Board.

12 “(4) Members of the Board shall serve without
13 compensation, provided that, members of the Board
14 shall be allowed travel expenses, including per diem
15 in lieu of subsistence, at rates authorized for em-
16 ployees of agencies under subchapter I of chapter 57
17 of title 5, United States Code, while away from their
18 homes or regular places of business in the perform-
19 ance of services for the Board.”.

20 **SEC. 322. RIGHTS OF SMALL ENTITIES IN ENFORCEMENT**
21 **ACTIONS.**

22 (a) IN GENERAL.—Each agency regulating the activi-
23 ties of small entities shall establish a policy or program
24 within 1 year of enactment of this section to provide for
25 the reduction, and under appropriate circumstances for

1 the waiver, of civil penalties for violations of a statutory
2 or regulatory requirement by a small entity. Under appro-
3 priate circumstances, an agency may consider ability to
4 pay in determining penalty assessments on small entities.

5 (b) CONDITIONS AND EXCLUSIONS.—Subject to the
6 requirements or limitations of other statutes, policies or
7 programs established under this section shall contain con-
8 ditions or exclusions which may include, but shall not be
9 limited to—

10 (1) requiring the small entity to correct the vio-
11 lation within a reasonable correction period;

12 (2) limiting the applicability to violations dis-
13 covered by the small entity through participation in
14 a compliance assistance or audit program operated
15 or supported by the agency or a state;

16 (3) excluding small entities that have been sub-
17 ject to multiple enforcement actions by the agency;

18 (4) excluding violations involving willful or
19 criminal conduct;

20 (5) excluding violations that pose serious
21 health, safety or environmental threats; and

22 (6) requiring a good faith effort to comply with
23 the law.

24 (c) REPORTING.—Agencies shall report to Congress
25 no later than 2 years from the effective date on the scope

1 of their program or policy, the number of enforcement ac-
2 tions against small entities that qualified or failed to qual-
3 ify for the program or policy, and the total amount of pen-
4 alty reductions and waivers.

5 **Subtitle C—Strengthening**
6 **Regulatory Flexibility**

7 **SEC. 331. JUDICIAL REVIEW.**

8 (a) AMENDMENT.—Section 611 of title 5, United
9 States Code, is amended to read as follows:

10 **“§ 611. Judicial review**

11 “(a)(1) Not later than one year, notwithstanding any
12 other provision of law, after the effective date of a final
13 rule with respect to which an agency—

14 “(A) certified, pursuant to section 605(b), that
15 such rule would not have a significant economic im-
16 pact on a substantial number of small entities; or

17 “(B) prepared a final regulatory flexibility anal-
18 ysis pursuant to section 604,

19 an affected small entity may petition for the judicial re-
20 view of such certification or analysis in accordance with
21 the terms of this subsection. A court having jurisdiction
22 to review such rule for compliance with the provisions of
23 section 553 or under any other provision of law shall have
24 jurisdiction to review such certification or analysis. In the
25 case where an agency delays the issuance of a final regu-

1 latory flexibility analysis pursuant to section 608(b), a pe-
2 tition for judicial review under this subsection shall be
3 filed not later than one year, notwithstanding any other
4 provision of law, after the date the analysis is made avail-
5 able to the public.

6 “(2) For purposes of this subsection, the term ‘af-
7 fected small entity’ means a small entity that is or will
8 be adversely affected by the final rule.

9 “(3) Nothing in this subsection shall be construed to
10 affect the authority of any court to stay the effective date
11 of any rule or provision thereof under any other provision
12 of law.

13 “(4)(A) In the case where the agency certified that
14 such rule would not have a significant economic impact
15 on a substantial number of small entities, the court may
16 order the agency to prepare a final regulatory flexibility
17 analysis pursuant to section 604 if the court determines,
18 on the basis of the rulemaking record, that the certifi-
19 cation was arbitrary, capricious, an abuse of discretion,
20 or otherwise not in accordance with law.

21 “(B) In the case where the agency prepared a final
22 regulatory flexibility analysis, the court may order the
23 agency to take corrective action consistent with the re-
24 quirements of section 604 if the court determines, on the
25 basis of the rulemaking record, that the final regulatory

1 flexibility analysis was prepared by the agency without ob-
2 servance of procedure required by section 604.

3 “(5) If, by the end of the 90-day period beginning
4 on the date of the order of the court pursuant to para-
5 graph (4) (or such longer period as the court may pro-
6 vide), the agency fails, as appropriate—

7 “(A) to prepare the analysis required by section
8 604; or

9 “(B) to take corrective action consistent with
10 the requirements of section 604,
11 the court may stay the rule or grant such other relief as
12 it deems appropriate.

13 “(6) In making any determination or granting any
14 relief authorized by this subsection, the court shall take
15 due account of the rule of prejudicial error.

16 “(b) In an action for the judicial review of a rule,
17 any regulatory flexibility analysis for such rule (including
18 an analysis prepared or corrected pursuant to subsection
19 (a)(4)) shall constitute part of the whole record of agency
20 action in connection with such review.

21 “(c) Nothing in this section bars judicial review of
22 any other impact statement or similar analysis required
23 by any other law if judicial review of such statement or
24 analysis is otherwise provided by law.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply only to final agency rules issued
3 after the date of enactment of this Act.

4 **SEC. 332. RULES COMMENTED ON BY SBA CHIEF COUNSEL**
5 **FOR ADVOCACY.**

6 (a) IN GENERAL.—Section 612 of title 5, United
7 States Code, is amended by adding at the end the follow-
8 ing new subsection:

9 “(d) ACTION BY THE SBA CHIEF COUNSEL FOR AD-
10 VOCACY.—

11 “(1) TRANSMITTAL OF PROPOSED RULES AND
12 INITIAL REGULATORY FLEXIBILITY ANALYSIS TO
13 SBA CHIEF COUNSEL FOR ADVOCACY.—On or before
14 the 30th day preceding the date of publication by an
15 agency of general notice of proposed rulemaking for
16 a rule, the agency shall transmit to the Chief Coun-
17 sel for Advocacy of the Small Business Administra-
18 tion—

19 “(A) a copy of the proposed rule; and

20 “(B)(i) a copy of the initial regulatory
21 flexibility analysis for the rule if required under
22 section 603; or

23 “(ii) a determination by the agency that an
24 initial regulatory flexibility analysis is not re-

1 required for the proposed rule under section 603
2 and an explanation for the determination.

3 “(2) STATEMENT OF EFFECT.—On or before
4 the 15th day following receipt of a proposed rule and
5 initial regulatory flexibility analysis from an agency
6 under paragraph (1), the Chief Counsel for Advo-
7 cacy may transmit to the agency a written statement
8 of the effect of the proposed rule on small entities.

9 “(3) RESPONSE.—If the Chief Counsel for Ad-
10 vocacy transmits to an agency a statement of effect
11 on a proposed rule in accordance with paragraph
12 (2), the agency shall publish the statement, together
13 with the response of the agency to the statement, in
14 the Federal Register at the time of publication of
15 general notice of proposed rulemaking for the rule.

16 “(4) SPECIAL RULE.—Any proposed rules is-
17 sued by an appropriate Federal banking agency (as
18 that term is defined in section 3(q) of the Federal
19 Deposit Insurance Act (12 U.S.C. 1813(q)), the Na-
20 tional Credit Union Administration, or the Office of
21 Federal Housing Enterprise Oversight, in connection
22 with the implementation of monetary policy or to en-
23 sure the safety and soundness of federally insured
24 depository institutions, any affiliate of such an insti-
25 tution, credit unions, or government sponsored hous-

1 **“§ 801. Congressional review**

2 “(a)(1)(A) Before a rule can take effect as a final
3 rule, the Federal agency promulgating such rule shall sub-
4 mit to each House of the Congress and to the Comptroller
5 General a report containing—

6 “(i) a copy of the rule;

7 “(ii) a concise general statement relating to the
8 rule, including whether it is a major rule; and

9 “(iii) the proposed effective date of the rule.

10 “(B) The Federal agency promulgating the rule shall
11 make available to the Comptroller General, and, upon re-
12 quest, to each House of Congress—

13 “(i) a complete copy of the cost-benefit analysis
14 of the rule, if any;

15 “(ii) the agency’s actions relevant to sections
16 603, 604, 605, 607, and 609;

17 “(iii) the agency’s actions relevant to sections
18 202, 203, 204, and 205 of the Unfunded Mandates
19 Reform Act of 1995; and

20 “(iv) any other relevant information or require-
21 ments under any other Act and any relevant Execu-
22 tive orders.

23 “(C) Upon receipt, each House shall provide copies
24 to the Chairman and Ranking Member of each standing
25 committee with jurisdiction under the rules of the House

1 of Representatives or the Senate to report a bill to amend
2 the provision of law under which the rule is issued.

3 “(2)(A) The Comptroller General shall provide a re-
4 port on each major rule to the committees of jurisdiction
5 in each House of the Congress by the end of 15 calendar
6 days after the submission or publication date as provided
7 in section 802(b)(2). The report of the Comptroller Gen-
8 eral shall include an assessment of the agency’s compli-
9 ance with procedural steps required by paragraph (1)(B).

10 “(B) Federal agencies shall cooperate with the Comp-
11 troller General by providing information relevant to the
12 Comptroller General’s report under subparagraph (A).

13 “(3) A major rule relating to a report submitted
14 under paragraph (1) shall take effect as a final rule, the
15 latest of—

16 “(A) the later of the date occurring 60 days
17 (excluding days either House of Congress is ad-
18 journed for more than 3 days during a session of
19 Congress) after the date on which—

20 “(i) the Congress receives the report sub-
21 mitted under paragraph (1); or

22 “(ii) the rule is published in the Federal
23 Register;

24 “(B) if the Congress passes a joint resolution of
25 disapproval described under section 802 relating to

1 the rule, and the President signs a veto of such reso-
2 lution, the earlier date—

3 “(i) on which either House of Congress
4 votes and fails to override the veto of the Presi-
5 dent; or

6 “(ii) occurring 30 session days after the
7 date on which the Congress received the veto
8 and objections of the President; or

9 “(C) the date the rule would have otherwise
10 taken effect, if not for this section (unless a joint
11 resolution of disapproval under section 802 is en-
12 acted).

13 “(4) Except for a major rule, a rule shall take effect
14 as otherwise provided by law after submission to Congress
15 under paragraph (1).

16 “(5) Notwithstanding paragraph (3), the effective
17 date of a rule shall not be delayed by operation of this
18 chapter beyond the date on which either House of Con-
19 gress votes to reject a joint resolution of disapproval under
20 section 802.

21 “(b)(1) A rule or proposed rule shall not take effect
22 (or continue) as a final rule, if the Congress enacts a joint
23 resolution of disapproval described under section 802.

24 “(2) A rule or proposed rule that does not take effect
25 (or does not continue) under paragraph (1) may not be

1 reissued in substantially the same form, and a new rule
2 that is substantially the same as such a rule or proposed
3 rule may not be issued, unless the reissued or new rule
4 is specifically authorized by a law enacted after the date
5 of the joint resolution disapproving the original rule.

6 “(c)(1) Notwithstanding any other provision of this
7 section (except subject to paragraph (3)), a rule that
8 would not take effect by reason of this chapter may take
9 effect, if the President makes a determination under para-
10 graph (2) and submits written notice of such determina-
11 tion to the Congress.

12 “(2) Paragraph (1) applies to a determination made
13 by the President by Executive order that the rule should
14 take effect because such rule is—

15 “(A) necessary because of an imminent threat
16 to health or safety or other emergency;

17 “(B) necessary for the enforcement of criminal
18 laws;

19 “(C) necessary for national security; or

20 “(D) issued pursuant to a statute implementing
21 an international trade agreement.

22 “(3) An exercise by the President of the authority
23 under this subsection shall have no effect on the proce-
24 dures under section 802 or the effect of a joint resolution
25 of disapproval under this section.

1 “(d)(1) In addition to the opportunity for review oth-
2 erwise provided under this chapter, in the case of any rule
3 that is published in the Federal Register (as a rule that
4 shall take effect as a final rule) during the period begin-
5 ning on the date occurring 60 days before the date the
6 Congress adjourns a session of Congress through the date
7 on which the same or succeeding Congress first convenes
8 its next session, section 802 shall apply to such rule in
9 the succeeding session of Congress.

10 “(2)(A) In applying section 802 for purposes of such
11 additional review, a rule described under paragraph (1)
12 shall be treated as though—

13 “(i) such rule were published in the Federal
14 Register (as a rule that shall take effect as a final
15 rule) on the 15th session day after the succeeding
16 Congress first convenes; and

17 “(ii) a report on such rule were submitted to
18 Congress under subsection (a)(1) on such date.

19 “(B) Nothing in this paragraph shall be construed
20 to affect the requirement under subsection (a)(1) that a
21 report shall be submitted to Congress before a final rule
22 can take effect.

23 “(3) A rule described under paragraph (1) shall take
24 effect as a final rule as otherwise provided by law (includ-
25 ing other subsections of this section).

1 “(e)(1) Section 802 shall apply in accordance with
2 its terms to any major rule that was published in the Fed-
3 eral Register (as a rule that shall take effect as a final
4 rule) in the period beginning on November 20, 1994,
5 through the date of enactment of this title.

6 “(2) In applying section 802 for purposes of Congres-
7 sional review, a rule described under paragraph (1) shall
8 be treated as though—

9 “(A) such rule were published in the Federal
10 Register (as a rule that shall take effect as a final
11 rule) on the date of enactment of this title; and

12 “(B) a report on such rule were submitted to
13 Congress under subsection (a)(1) on such date.

14 “(3) The effectiveness of a rule described under para-
15 graph (1) shall be as otherwise provided by law, unless
16 the rule is made of no force or effect under section 802.

17 “(4) The Comptroller General shall not be required
18 to report on a rule described in paragraph (1) unless so
19 requested by a committee of jurisdiction of either House
20 of Congress.

21 “(f) Any rule that takes effect and later is made of
22 no force or effect by enactment of a joint resolution under
23 section 802 shall be treated as though such rule had never
24 taken effect.

1 “(g) If the Congress does not enact a joint resolution
2 of disapproval under section 802, no court or agency may
3 infer any intent of the Congress from any action or inac-
4 tion of the Congress with regard to such rule, related stat-
5 ute, or joint resolution of disapproval.

6 **“§ 802. Congressional disapproval procedure**

7 “(a) JOINT RESOLUTION DEFINED.—For purposes
8 of this section, the term ‘joint resolution’ means only—

9 “(1) a joint resolution introduced in the period
10 beginning on the date on which the report referred
11 to in section 801(a) is received by Congress and end-
12 ing 60 days thereafter (excluding days either House
13 of Congress is adjourned for more than 3 days dur-
14 ing a session of Congress), the matter after the re-
15 solving clause of which is as follows: ‘That Congress
16 disapproves the rule submitted by the ____ relating
17 to ____, and such rule shall have no force or effect.’
18 (The blank spaces being appropriately filled in); or

19 “(2) a joint resolution the matter after the re-
20 solving clause of which is as follows: ‘That the Con-
21 gress disapproves the proposed rule published by the
22 _____ relating to _____, and such proposed
23 rule shall not be issued or take effect as a final
24 rule.’ (the blank spaces being appropriately filled in)

1 “(b)(1) A joint resolution described in subsection (a)
2 shall be referred to the committees in each House of Con-
3 gress with jurisdiction.

4 “(2) For purposes of this section, the term ‘submis-
5 sion or publication date’ means—

6 “(A) in the case of a joint resolution described
7 in subsection (a)(1) the later of the date on which—

8 “(i) the Congress receives the report sub-
9 mitted under section 801(a)(1); or

10 “(ii) the rule is published in the Federal
11 Register; or

12 “(B) in the case of a joint resolution described
13 in subsection (a)(2), the date of introduction of the
14 joint resolution.

15 “(c) In the Senate, if the committee to which is re-
16 ferred a joint resolution described in subsection (a) has
17 not reported such joint resolution (or an identical joint
18 resolution) at the end of 20 calendar days after the sub-
19 mission or publication date defined under subsection
20 (b)(2), such committee may be discharged from further
21 consideration of such joint resolution upon a petition sup-
22 ported in writing by 30 Members of the Senate, and such
23 joint resolution shall be placed on the appropriate cal-
24 endar.

1 “(d)(1) In the Senate, when the committee to which
2 a joint resolution is referred has reported, or when a com-
3 mittee is discharged (under subsection (c)) from further
4 consideration of, a joint resolution described in subsection
5 (a), it is at any time thereafter in order (even though a
6 previous motion to the same effect has been disagreed to)
7 for a motion to proceed to the consideration of the joint
8 resolution, and all points of order against the joint resolu-
9 tion (and against consideration of the joint resolution) are
10 waived. The motion is not subject to amendment, or to
11 a motion to postpone, or to a motion to proceed to the
12 consideration of other business. A motion to reconsider the
13 vote by which the motion is agreed to or disagreed to shall
14 not be in order. If a motion to proceed to the consideration
15 of the joint resolution is agreed to, the joint resolution
16 shall remain the unfinished business of the Senate until
17 disposed of.

18 “(2) In the Senate, debate on the joint resolution,
19 and on all debatable motions and appeals in connection
20 therewith, shall be limited to not more than 10 hours,
21 which shall be divided equally between those favoring and
22 those opposing the joint resolution. A motion further to
23 limit debate is in order and not debatable. An amendment
24 to, or a motion to postpone, or a motion to proceed to

1 the consideration of other business, or a motion to recom-
2 mit the joint resolution is not in order.

3 “(3) In the Senate, immediately following the conclu-
4 sion of the debate on a joint resolution described in sub-
5 section (a), and a single quorum call at the conclusion of
6 the debate if requested in accordance with the rules of the
7 Senate, the vote on final passage of the joint resolution
8 shall occur.

9 “(4) Appeals from the decisions of the Chair relating
10 to the application of the rules of the Senate to the proce-
11 dure relating to a joint resolution described in subsection
12 (a) shall be decided without debate.

13 “(e) If, before the passage by one House of a joint
14 resolution of that House described in subsection (a), that
15 House receives from the other House a joint resolution
16 described in subsection (a), then the following procedures
17 shall apply:

18 “(1) The joint resolution of the other House
19 shall not be referred to a committee.

20 “(2) With respect to a joint resolution described
21 in subsection (a) of the House receiving the joint
22 resolution—

23 “(A) the procedure in that House shall be
24 the same as if no joint resolution had been re-
25 ceived from the other House; but

1 “(B) the vote on final passage shall be on
2 the joint resolution of the other House.

3 “(f) This section is enacted by Congress—

4 “(1) as an exercise of the rulemaking power of
5 the Senate and House of Representatives, respec-
6 tively, and as such it is deemed a part of the rules
7 of each House, respectively, but applicable only with
8 respect to the procedure to be followed in that
9 House in the case of a joint resolution described in
10 subsection (a), and it supersedes other rules only to
11 the extent that it is inconsistent with such rules; and

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

17 **“§ 803. Special rule on statutory, regulatory, and judi-**
18 **cial deadlines**

19 “(a) In the case of any deadline for, relating to, or
20 involving any rule which does not take effect (or the effec-
21 tiveness of which is terminated) because of enactment of
22 a joint resolution under section 802, that deadline is ex-
23 tended until the date 1 year after the date of the joint
24 resolution. Nothing in this subsection shall be construed

1 to affect a deadline merely by reason of the postponement
2 of a rule’s effective date under section 801(a).

3 “(b) The term ‘deadline’ means any date certain for
4 fulfilling any obligation or exercising any authority estab-
5 lished by or under any Federal statute or regulation, or
6 by or under any court order implementing any Federal
7 statute or regulation.

8 **“§ 804. Definitions**

9 “(a) For purposes of this chapter—

10 “(1) The term ‘Federal agency’ means any
11 agency as that term is defined in section 551(1) (re-
12 lating to administrative procedure).

13 “(2) The term “major rule” means any rule
14 subject to section 553(c) that has resulted in or is
15 likely to result in—

16 “(A) an annual effect on the economy of
17 \$100,000,000 or more;

18 “(B) a major increase in costs or prices for
19 consumers, individual industries, Federal,
20 State, or local government agencies, or geo-
21 graphic regions; or

22 “(C) significant adverse effects on competi-
23 tion, employment, investment, productivity, in-
24 novation, or on the ability of United States-

1 based enterprises to compete with foreign-based
2 enterprises in domestic and export markets.

3 The term does not include any rule promulgated
4 under the Telecommunications Act of 1996 and the
5 amendments made by that Act.

6 “(3) The term ‘final rule’ means any final rule
7 or interim final rule.

8 “(b) As used in subsection (a)(3), the term ‘rule’ has
9 the meaning given such term in section 551, except that
10 such term does not include any rule of particular applica-
11 bility including a rule that approves or prescribes for the
12 future rates, wages, prices, services, or allowances there-
13 for, corporate or financial structures, reorganizations,
14 mergers, or acquisitions thereof, or accounting practices
15 or disclosures bearing on any of the foregoing or any rule
16 of agency organization, personnel, procedure, practice or
17 any routine matter.

18 **“§ 805. Judicial review**

19 “No determination, finding, action, or omission under
20 this chapter shall be subject to judicial review.

21 **“§ 806. Applicability; severability**

22 “(a) This chapter shall apply notwithstanding any
23 other provision of law.

24 “(b) If any provision of this chapter or the applica-
25 tion of any provision of this chapter to any person or cir-

1 cumstance, is held invalid, the application of such provi-
 2 sion to other persons or circumstances, and the remainder
 3 of this chapter, shall not be affected thereby.

4 **“§ 807. Exemption for monetary policy**

5 “Nothing in this chapter shall apply to rules that con-
 6 cern monetary policy proposed or implemented by the
 7 Board of Governors of the Federal Reserve System or the
 8 Federal Open Market Committee.

9 **“§ 808. Effective date of certain rules**

10 “Notwithstanding section 801, any rule that estab-
 11 lishes, modifies, opens, closes, or conducts a regulatory
 12 program for a commercial, recreational, or subsistence ac-
 13 tivity related to hunting, fishing, or camping may take ef-
 14 fect at such time as the Federal agency promulgating the
 15 rule determines.”.

16 **SEC. 342. EFFECTIVE DATE.**

17 The amendment made by section 341 shall take effect
 18 on the date of enactment of this Act.

19 **SEC. 343. TECHNICAL AMENDMENT.**

20 The table of chapters for part I of title 5, United
 21 States Code, is amended by inserting immediately after
 22 the item relating to chapter 7 the following:

“8. Congressional Review of Agency Rulemaking 801”.

1 **TITLE IV—PUBLIC DEBT LIMIT**

2 **SEC. 401. INCREASE IN PUBLIC DEBT LIMIT.**

3 Subsection (b) of section 3101 of title 31, United
4 States Code, is amended by striking the dollar limitation
5 contained in such subsection and inserting
6 “\$5,500,000,000,000”.

○