

104TH CONGRESS
2D SESSION

H. R. 3277

To ensure congressional approval of the amount of compliance costs imposed on the private sector by regulations issued under new or reauthorized Federal laws.

IN THE HOUSE OF REPRESENTATIVES

APRIL 18, 1996

Mr. SMITH of Texas (for himself, Mr. CONDIT, Mr. DELAY, Mr. CLINGER, Mr. MCINTOSH, Mr. PETE GEREN of Texas, Mr. HASTERT, Mr. PETERSON of Minnesota, Mr. MILLER of Florida, Mr. WICKER, Mr. STOCKMAN, Mr. HERGER, Mr. ROHRABACHER, Mr. FUNDERBURK, Mr. WELLER, Mr. COBLE, Mr. PARKER, Mrs. CHENOWETH, Mr. BUNNING of Kentucky, Mr. LAUGHLIN, Mr. LEWIS of Kentucky, Mr. LARGENT, Mr. EMERSON, Mr. DEAL of Georgia, Mr. NORWOOD, Mr. THORNBERRY, Mr. DUNCAN, Mr. HOSTETTLER, Mr. GUTKNECHT, Mr. COBURN, Mr. COOLEY of Oregon, Mr. FIELDS of Texas, Mr. GEKAS, Mr. BARTON of Texas, Mr. COMBEST, Mr. ARCHER, Mr. TAUZIN, and Mr. DAVIS) introduced the following bill; which was referred to the Committee on Government Reform and Oversight, and in addition to the Committee on Rules, 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 ensure congressional approval of the amount of compliance costs imposed on the private sector by regulations issued under new or reauthorized Federal laws.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Regulatory Account-
3 ability Act of 1996”.

4 **SEC. 2. CONGRESSIONAL ACCOUNTABILITY: REQUIREMENT**
5 **FOR CONGRESS TO APPROVE REGULATORY**
6 **COSTS THAT MAY BE IMPOSED UNDER NEW**
7 **AND REAUTHORIZED FEDERAL REGULATORY**
8 **LAWS.**

9 (a) DEFINITIONS.—Section 421 of the Congressional
10 Budget and Impoundment Control Act of 1974 (2 U.S.C.
11 658) is amended—

12 (1) in paragraph (7) (relating to the definition
13 of the term “Federal private sector mandate”) by in-
14 serting “a controlled Federal private sector mandate
15 described in paragraph (14)(B) or a” after
16 “means”; and

17 (2) by adding at the end the following new
18 paragraphs:

19 “(14) CONTROLLED FEDERAL PRIVATE SECTOR
20 MANDATE.—The term ‘controlled Federal private
21 sector mandate’ means—

22 “(A) a Federal private sector mandate that
23 will result in costs for the private sector of
24 \$100,000,000 or more; or

25 “(B) a provision in legislation, that author-
26 izes appropriations to implement or enforce a

1 Federal private sector mandate under an exist-
2 ing Federal law that will result in the imposi-
3 tion on the private sector, after the first date
4 for which appropriations are authorized under
5 the provision, of \$100,000,000 or more in costs.

6 “(15) CONTROLLED PRIVATE REGULATORY
7 LEGISLATION.—The term ‘controlled private regu-
8 latory legislation’ means a bill, joint resolution,
9 amendment, motion, or conference report that con-
10 tains a controlled Federal private sector mandate.

11 “(16) REGULATORY COST AUTHORIZATION.—
12 The term ‘regulatory cost authorization’ means a
13 statement of a dollar amount of costs incurred by
14 the private sector that are authorized to result from
15 regulations that—

16 “(A) implement or enforce a controlled
17 Federal private sector mandate, in the case of
18 a controlled Federal private sector mandate de-
19 scribed in paragraph (14)(A); or

20 “(B) implement or enforce a Federal pri-
21 vate sector mandate with respect to which ap-
22 propriations are authorized by a controlled Fed-
23 eral private sector mandate described in para-
24 graph (14)(B).

1 “(17) COSTS.—In paragraphs (14) and (16) of
2 this section and section 424(b)(4) only, the term
3 ‘costs’ means the reasonably quantifiable costs, in-
4 cluding social, environmental, and economic, that are
5 expected to result directly or indirectly from imple-
6 mentation of, or compliance with, a rule or an alter-
7 native to a rule.”.

8 (b) REQUIREMENT FOR REGULATORY COST AU-
9 THORIZATION.—Section 425(a) of the Congressional
10 Budget and Impoundment Control Act of 1974 (2 U.S.C.
11 658d(a)) is amended—

12 (1) in paragraph (1) by striking “and” after
13 the semicolon at the end;

14 (2) in paragraph (2) by striking the period at
15 the end and inserting “; and”; and

16 (3) by adding at the end the following new
17 paragraph:

18 “(3) any controlled private regulatory legisla-
19 tion, unless the legislation specifies a regulatory cost
20 authorization—

21 “(A) in the case of a controlled Federal
22 private sector mandate described in section
23 421(14)(A), for each controlled Federal private
24 sector mandate contained in the legislation; and

1 “(B) in the case of a controlled Federal
2 private sector mandate described in section
3 421(14)(B), for each Federal private sector
4 mandate with respect to which appropriations
5 are authorized by the controlled Federal private
6 sector mandate.”.

7 (c) REQUIREMENT FOR CBO SCORING OF COSTS OF
8 CONTROLLED FEDERAL PRIVATE SECTOR MANDATES.—
9 Section 424(b) of the Congressional Budget and Impound-
10 ment Control Act of 1974 (2 U.S.C. 658c(b)) is amended
11 by adding at the end the following new paragraph:

12 “(4) CONTROLLED FEDERAL PRIVATE SECTOR
13 MANDATES.—In addition to the other information
14 required by this subsection, the Director shall pre-
15 pare and include in the statement—

16 “(A) an identification of each controlled
17 Federal private sector mandate in the bill or
18 joint resolution; and

19 “(B) for each controlled Federal private
20 sector mandate identified under subparagraph
21 (A)—

22 “(i) in the case of a controlled Federal
23 private sector mandate described in section
24 421(14)(A), an estimate of the costs that
25 will be incurred by the private sector under

1 the controlled Federal private sector man-
2 date; or

3 “(ii) in the case of a controlled Fed-
4 eral private sector mandate described in
5 section 421(14)(B), an estimate of the
6 costs that will be incurred by the private
7 sector, after the first date for which appro-
8 priations are authorized under the man-
9 date, to comply with each Federal private
10 sector mandate with respect to which ap-
11 propriations are authorized by the con-
12 trolled Federal private sector mandate.”.

13 **SEC. 3. RESTRICTION ON PRIVATE REGULATORY COSTS EX-**
14 **CEEDING CONGRESSIONAL AUTHORIZATION.**

15 (a) RULES EXCEEDING REGULATORY COST AUTHOR-
16 IZATION NOT EFFECTIVE.—Notwithstanding any other
17 provision of law, and except as provided in subsection
18 (d)—

19 (1) the total amount of costs that are required
20 to be incurred by the private sector to comply with
21 covered regulations issued under a covered law may
22 not exceed the regulatory cost authorization for that
23 covered law; and

24 (2) a proposed covered regulation shall not take
25 effect unless the Director has published in the Fed-

1 eral Register a certification under this section that
2 implementation of the regulation will not violate
3 paragraph (1).

4 (b) SCORING OF COVERED REGULATIONS BY
5 OMB.—

6 (1) SUBMISSION REQUIREMENT.—Before issu-
7 ing a final covered regulation, the head of an agency
8 shall submit the proposed covered regulation to the
9 Director with a request that the Director certify
10 under this section that implementation of the regula-
11 tion will not violate subsection (a)(1).

12 (2) ISSUANCE OR DENIAL OF CERTIFICATION.—
13 Not later than 90 days after receiving a request for
14 certification under paragraph (1) for a proposed cov-
15 ered regulation, the Director shall—

16 (A) after publication of notice and an op-
17 portunity for public comment, estimate the
18 costs that would be incurred by the private sec-
19 tor in complying with the regulation;

20 (B) determine whether implementation of
21 the regulation would violate subsection (a)(1);
22 and

23 (C) publish in the Federal Register the es-
24 timate under subparagraph (A) and—

1 (i) a certification that implementation
2 of the regulation will not violate subsection
3 (a)(1); or

4 (ii) a finding that implementation of
5 the regulation would violate subsection
6 (a)(1).

7 (c) MAINTENANCE OF RECORD OF AGGREGATE
8 COSTS OF COVERED REGULATIONS.—The Director shall
9 maintain and make publicly available for each covered law
10 an estimate of the costs required to be incurred by the
11 private sector to comply with each covered regulation in
12 effect under the covered law.

13 (d) EMERGENCY EXCEPTION.—Subsection (a) shall
14 not apply to a regulation for which the President issues
15 a written finding that the regulation is necessary because
16 of an emergency.

17 (e) DEFINITIONS.—In this section:

18 (1) COVERED LAW.—The term “covered law”
19 means a provision of law that—

20 (A) is a controlled Federal private sector
21 mandate under section 421(14)(A) of the Con-
22 gressional Budget and Impoundment Control
23 Act of 1974, as amended by section 2 of this
24 Act; or

1 (B) is a Federal private sector mandate
2 that may be implemented or enforced using
3 amounts appropriated under the authority of a
4 provision which, when considered by Congress
5 as legislation, was a controlled Federal private
6 sector mandate under section 421(14)(B) of
7 that Act.

8 (2) COVERED REGULATION.—The term “cov-
9 ered regulation” means a regulation issued under
10 the authority of a covered law after the date of the
11 enactment of this Act.

12 (3) DIRECTOR.—The term “Director” means
13 the Director of the Office of Management and
14 Budget.

15 (4) REGULATORY COST AUTHORIZATION.—(A)
16 Subject to subparagraph (B), the term “regulatory
17 cost authorization” has the meaning given that term
18 is section 421 of the Congressional Budget and Im-
19 poundment Control Act of 1974, as amended by sec-
20 tion 2 of this Act.

21 (B) In the case of a covered law for which there
22 is not a regulatory cost authorization as defined in
23 that section, the regulatory cost authorization for
24 the covered law is deemed to be zero.

1 (5) MISCELLANEOUS TERMS.—Each of the
2 terms “costs”, “Federal private sector mandate”,
3 and “private sector” has the meaning given that
4 term in section 421 of the Congressional Budget and
5 Impoundment Control Act of 1974, as amended by
6 section 2 of this Act.

7 **SEC. 4. EFFECTIVE DATE.**

8 This Act shall take effect on January 4, 1997.

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