

104TH CONGRESS
1ST SESSION

S. 494

To balance the Federal budget by fiscal year 2002 through the establishment of Federal spending limits.

IN THE SENATE OF THE UNITED STATES

MARCH 3 (legislative day, FEBRUARY 22), 1995

Mr. KYL (for himself, Mr. GRAMS, Mr. ABRAHAM, and Mr. CRAIG) introduced the following bill; which was read twice referred jointly pursuant to the order of August 4, 1977, to the Committees on the Budget and Governmental Affairs, with instructions that if one committee reports, the other committee have thirty days to report or be discharged

A BILL

To balance the Federal budget by fiscal year 2002 through the establishment of Federal spending limits.

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 “Balanced Budget/
5 Spending Limitation Act of 1995”.

6 **SEC. 2. EFFECTIVE DATES.**

7 Except as otherwise specified, this Act and the
8 amendments made by it shall take effect on its date of

1 enactment and shall apply to fiscal year 1996 and subse-
2 quent fiscal years.

3 **TITLE I—JOINT BUDGET** 4 **RESOLUTION**

5 **SEC. 101. JOINT BUDGET RESOLUTION.**

6 (a) DEFINITIONS.—Paragraph (4) of section 3 of the
7 Congressional Budget Act of 1974 is amended to read as
8 follows:

9 “(4) the term ‘joint resolution on the budget’
10 means—

11 “(A) a joint resolution setting forth the
12 congressional budget for the United States Gov-
13 ernment for a fiscal year as provided in section
14 301; and

15 “(B) any other joint resolution revising the
16 congressional budget for the United States Gov-
17 ernment for a fiscal year as described in section
18 304.”.

19 (b) JOINT RESOLUTION ON THE BUDGET.—(1) Sec-
20 tion 300 is amended by striking “concurrent resolution”
21 each place it appears and inserting “joint resolution”.

22 (2) Section 301(a) of the Congressional Budget Act
23 of 1974 is amended by striking “concurrent resolution”
24 each place it appears including in the caption and insert-
25 ing “joint resolution”.

1 (3) Section 301(b) is amended by striking “concur-
2 rent resolution” each place it appears including in the cap-
3 tion and inserting “joint resolution”.

4 (4) Section 301(c) is amended by striking “concur-
5 rent resolution” each place it appears and inserting “joint
6 resolution”.

7 (5) Section 301(e) is amended by striking “concur-
8 rent resolution” each place it appears and inserting “joint
9 resolution”.

10 (6) Section 301(f) is amended by striking “concur-
11 rent resolution” each place it appears and inserting “joint
12 resolution”.

13 (7) Section 301(g) is amended by striking “concur-
14 rent resolution” each place it appears and inserting “joint
15 resolution”.

16 (8) Section 301(h) is amended by striking “concur-
17 rent resolution” and inserting “joint resolution”.

18 (9) Section 301(i) is amended by striking “concur-
19 rent resolution” each place it appears and inserting “joint
20 resolution”.

21 (10) The section heading of section 301 is amended
22 by striking “**ANNUAL ADOPTION OF CONCURRENT**”
23 and inserting “**ANNUAL ADOPTION OF JOINT**”.

24 (11) The table of contents set forth in section 1(b)
25 of the Congressional Budget and Impoundment Control

1 Act of 1974 is amended by striking “Annual adoption of
2 the concurrent” in the item relating to section 301 and
3 inserting “Annual adoption of the joint”.

4 (12) Section 302 is amended by striking “concurrent
5 resolution” each place it appears and inserting “joint reso-
6 lution”.

7 (13) Section 303, including the heading, is amended
8 by striking “concurrent resolution” each place it appears
9 and inserting “joint resolution”.

10 (14) The table of contents set forth in section 1(b)
11 of the Congressional Budget and Impoundment Control
12 Act of 1974 is amended by striking “Concurrent” in the
13 item relating to section 303 and inserting “Joint”.

14 (15) Section 304 is amended by striking “concurrent
15 resolution”, including in the heading, each place it appears
16 and inserting “joint resolution”.

17 (16) The table of contents set forth in section 1(b)
18 of the Congressional Budget and Impoundment Control
19 Act of 1974 is amended by striking “Concurrent” in the
20 item relating to section 304 and inserting “Joint”.

21 (17) Section 305 is amended by striking “concurrent
22 resolution”, including in the heading, each place it appears
23 and inserting “joint resolution”.

1 (18) Section 308 is amended by striking “concurrent
2 resolution” each place it appears and inserting “joint reso-
3 lution”.

4 (19) Section 310 is amended by striking “concurrent
5 resolution” each place it appears and inserting “joint reso-
6 lution”.

7 (20) Section 311 is amended by striking “concurrent
8 resolution” each place it appears and inserting “joint reso-
9 lution”.

10 **TITLE II—BALANCED BUDGET**
11 **AND SPENDING RESTRAINTS**

12 **SEC. 201. BALANCED BUDGET AND SPENDING RESTRAINTS.**

13 (a) FEDERAL SPENDING LIMIT.—Section 601(a) of
14 the Congressional Budget Act of 1974 is amended by add-
15 ing at the end the following:

16 “(3) FEDERAL SPENDING LIMIT.—The term
17 ‘Federal spending limit’ means—

18 “(A) with respect to fiscal year 1996, out-
19 lays not exceeding 21.5 per centum of the GDP;

20 “(B) with respect to fiscal year 1997, out-
21 lays not exceeding 21 per centum of the GDP;

22 “(C) with respect to fiscal year 1998, out-
23 lays not exceeding 20.5 per centum of the GDP;

24 “(D) with respect to fiscal year 1999, out-
25 lays not exceeding 20 per centum of the GDP;

1 “(E) with respect to fiscal year 2000, out-
2 lays not exceeding 19.5 per centum of the GDP;

3 “(F) with respect to fiscal year 2001, out-
4 lays not exceeding 19 per centum of the GDP;
5 and

6 “(G) with respect to fiscal year 2002 and
7 each fiscal year thereafter, outlays not exceed-
8 ing 19 per centum of the GDP or the maximum
9 deficit amount whichever is less.

10 “(4) GDP.—The term ‘GDP’ means the gross
11 domestic product for the relevant fiscal year.”.

12 (b) MAXIMUM DEFICIT AMOUNT.—Section 601(a)(1)
13 of the Congressional Budget Act of 1974 is amended to
14 read as follows:

15 “(1) MAXIMUM DEFICIT AMOUNT.—The term
16 ‘maximum deficit amount’ means—

17 “(A) with respect to fiscal years 1996
18 through 2001, the excess of the Federal spend-
19 ing limit over revenues; and

20 “(B) with respect to fiscal year 2002, and
21 each fiscal year thereafter, zero.”.

22 (c) TECHNICAL AMENDMENTS.—Part C of the Bal-
23 anced Budget and Emergency Deficit Control Act of 1985
24 is amended—

1 (1) in the heading for such part by inserting
2 “Federal spending limit and” after “excess of”;

3 (2) in section 250(c)(1) by inserting “, ‘Federal
4 spending limit’,” after “deficit amount”;

5 (3) in section 253(b)(1) by inserting “or Fed-
6 eral spending limit, as applicable,” after “deficit
7 amount”; and

8 (4) in section 254(d)(4)(A) by inserting “the
9 Federal spending limit,” after “deficit amount,”.

10 **SEC. 202. MAXIMUM DEFICIT AND FEDERAL SPENDING**

11 **LIMIT POINT OF ORDER.**

12 (a) MDSA POINT OF ORDER.—Section 605(b) of the
13 Congressional Budget Act of 1974 is amended to read as
14 follows:

15 “(b) MAXIMUM DEFICIT AND FEDERAL SPENDING
16 LIMIT POINT OF ORDER.—

17 “(1) IN GENERAL.—It shall not be in order in
18 the House of Representatives or the Senate to con-
19 sider any bill, joint resolution, amendment, or con-
20 ference report that includes any provision that would
21 result in a deficit for a fiscal year that exceeds the
22 maximum deficit amount or Federal spending limit,
23 as applicable, for such fiscal year.

24 “(2) WAIVER OR SUSPENSION.—This subsection
25 may be waived or suspended in the House of Rep-

1 representatives or the Senate only by the affirmative
2 rollcall vote of three-fifths of the Members, duly cho-
3 sen and sworn.”.

4 (b) LIMIT ON PUBLIC DEBT.—Section 605 of the
5 Congressional Budget Act of 1974 is amended by adding
6 at the end thereof the following:

7 “(c) LIMIT ON PUBLIC DEBT.—

8 “(1) IN GENERAL.—

9 “(A) FISCAL YEARS 1996 THROUGH 2001.—

10 For fiscal years 1996 through 2001, it shall not
11 be in order in the House of Representatives or
12 the Senate to consider any bill, joint resolution,
13 amendment, or conference report that includes
14 any provision that increases the national debt
15 held by the public established in the joint reso-
16 lution on the budget for a fiscal year in excess
17 of the Federal spending limit.

18 “(B) FISCAL YEAR 2002 AND THERE-
19 AFTER.—Notwithstanding any other provision
20 of law and for fiscal year 2002 and fiscal years
21 thereafter, there shall be no increase in the na-
22 tional debt held by the public.

23 “(2) WAIVER OR SUSPENSION.—Paragraphs
24 (1)(A) and (1)(B) may be waived or suspended in
25 the House of Representatives or the Senate only by

1 the affirmative roll call vote of three-fifths of the
2 Members, duly chosen and sworn.”.

3 **SEC. 203. SOCIAL SECURITY FIREWALL.**

4 Section 301(i) of the Congressional Budget Act of
5 1974 is amended to read as follows:

6 “(i) SOCIAL SECURITY POINT OF ORDER.—

7 “(1) IN GENERAL.—It shall not be in order in
8 the Senate or the House of Representatives to con-
9 sider any bill, joint resolution, amendment, or con-
10 ference report that does not allocate savings derived
11 from changes in social security benefits or revenues
12 from social security tax increases to the social secu-
13 rity trust fund.

14 “(2) WAIVER OR SUSPENSION.—This subsection
15 may be waived or suspended in the House of Rep-
16 resentatives or the Senate only by the affirmative
17 rollcall vote of three-fifths of the Members, duly cho-
18 sen and sworn.”.

19 **SEC. 204. MID-YEAR SEQUESTER AND END OF THE YEAR SE-**
20 **QUESTER.**

21 Section 253 of the Balanced Budget and Emergency
22 Deficit Control Act of 1985 is amended by adding at the
23 end thereof the following new subsections:

24 “(i) MID-YEAR SEQUESTER.—

1 “(1) IN GENERAL.—On April 1 of each fiscal
2 year, the Director of OMB shall determine if laws
3 effective during the current fiscal year will cause the
4 deficit to exceed the maximum deficit or Federal
5 spending limit, as applicable, for such fiscal year. If
6 the limit is exceeded, there shall be a preliminary se-
7 quester on April 1 to eliminate the excess.

8 “(2) PERMANENT SEQUESTER.—Budget au-
9 thority sequestered on April 1 pursuant to para-
10 graph (1) shall be permanently canceled on April 15.

11 “(3) NO MARGIN.—The margin for determining
12 a sequester under this subsection shall be zero.

13 “(4) SEQUESTRATION PROCEDURES.—The pro-
14 vision of subsections (c), (d), and (e) of this section
15 shall apply to a sequester under this subsection.

16 “(j) END OF THE YEAR SEQUESTER.—

17 “(1) IN GENERAL.—On September 30 of each
18 fiscal year, the Director of OMB shall determine if
19 laws effective during the current fiscal year will
20 cause the deficit to exceed the maximum deficit or
21 Federal spending limit, as applicable, for such fiscal
22 year. If the limit is exceeded, there shall be a pre-
23 liminary sequester on October 1 applicable to the fis-
24 cal year beginning on that date to eliminate the ex-
25 cess.

1 “(2) PERMANENT SEQUESTER.—Budget au-
2 thority sequestered on October 1 pursuant to para-
3 graph (1) shall be permanently canceled on October
4 15.

5 “(3) NO MARGIN.—The margin for determining
6 a sequester under this subsection shall be zero.

7 “(4) SEQUESTRATION PROCEDURES.—The pro-
8 vision of subsections (c), (d), and (e) of this section
9 shall apply to a sequester under this subsection.”.

10 **SEC. 206. PRESIDENT’S REVISED BUDGET FOR 1996.**

11 Not later than May 6, 1995, or 90 days after the
12 date of enactment of this Act, whichever is later, the
13 President shall submit a revised budget for fiscal year
14 1996 that conforms to the spending limitations established
15 in this Act.

16 **SEC. 207. SAVINGS PROVISION.**

17 The amendments made by this title, the limits estab-
18 lished by this title, and the procedures provided in Acts
19 amended by this title necessary to enforce such limits shall
20 apply with respect to fiscal years beginning with fiscal
21 year 1996 and shall continue notwithstanding the termi-
22 nation of any Act setting forth such procedures.

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