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114TH CONGRESS
1ST SESSION

H. R. 50

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5, 2015
Received; read twice and referred to the Committee on Homeland Security and Governmental Affairs

AN ACT

To provide for additional safeguards with respect to imposing Federal mandates, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Unfunded Mandates Information and Transparency Act of 2015''.

SEC. 2. PURPOSE.

The purpose of this Act is—

(1) to improve the quality of the deliberations of Congress with respect to proposed Federal mandates by—

(A) providing Congress and the public with more complete information about the effects of such mandates; and

(B) ensuring that Congress acts on such mandates only after focused deliberation on their effects; and

(2) to enhance the ability of Congress and the public to identify Federal mandates that may impose undue harm on consumers, workers, employers, small businesses, private property owners, and State, local, and tribal governments.

SEC. 3. PROVIDING FOR CONGRESSIONAL BUDGET OFFICE STUDIES ON POLICIES INVOLVING CHANGES IN CONDITIONS OF GRANT AID.

Section 202(g) of the Congressional Budget Act of 1974 (2 U.S.C. 602(g)) is amended by adding at the end the following new paragraph:

"(3) ADDITIONAL STUDIES.—At the request of any Chairman or ranking member of the minority of a Committee of the Senate or the House of Representatives, the Director shall conduct an assessment comparing the authorized level of funding in a bill or resolution to the prospective costs of carrying out any changes to a condition of Federal assistance being imposed on State, local, or tribal governments participating in the Federal assistance program concerned or, in the case of a bill or joint resolution that authorizes such sums as are necessary, an assessment of an estimated level of funding compared to such costs.".

SEC. 4. CLARIFYING THE DEFINITION OF DIRECT COSTS TO REFLECT CONGRESSIONAL BUDGET OFFICE PRACTICE.

Section 421(3) of the Congressional Budget Act of 1974 (2 U.S.C. 658(3)(A)(i)) is amended—

(1) in subparagraph (A)(i), by inserting "incur or" before "be required"; and

(2) in subparagraph (B), by inserting after "to spend" the following: "or could forgo in profits, including costs passed on to consumers or other entities taking into account, to the extent practicable, behavioral changes,".

SEC. 5. EXPANDING THE SCOPE OF REPORTING REQUIREMENTS TO INCLUDE REGULATIONS IMPOSED BY INDEPENDENT REGULATORY AGENCIES.

Paragraph (1) of section 421 of the Congressional Budget Act of 1974 (2 U.S.C. 658) is amended by striking ", but does not include independent regulatory agencies" and inserting ", except it does not include the Board of Governors of the Federal Reserve System or the Federal Open Market Committee".

SEC. 6. AMENDMENTS TO REPLACE OFFICE OF MANAGEMENT AND BUDGET WITH OFFICE OF INFORMATION AND REGULATORY AFFAIRS.

The Unfunded Mandates Reform Act of 1995 (Public Law 104–4; 2 U.S.C. 1511 et seq.) is amended—

(1) in section 103(c) (2 U.S.C. 1511(c))—

(A) in the subsection heading, by striking "OFFICE OF MANAGEMENT AND BUDGET" and inserting "OFFICE OF INFORMATION AND REGULATORY AFFAIRS"; and

(B) by striking "Director of the Office of Management and Budget" and inserting "Administrator of the Office of Information and Regulatory Affairs";

(2) in section 205(c) (2 U.S.C. 1535(c))—

(A) in the subsection heading, by striking "OMB"; and

(B) by striking ''Director of the Office of Management and Budget'' and inserting ''Administrator of the Office of Information and Regulatory Affairs''; and

(3) in section 206 (2 U.S.C. 1536), by striking ''Director of the Office of Management and Budget'' and inserting ''Administrator of the Office of Information and Regulatory Affairs''.

SEC. 7. APPLYING SUBSTANTIVE POINT OF ORDER TO PRIVATE SECTOR MANDATES.

Section 425(a)(2) of the Congressional Budget Act of 1974 (2 U.S.C. 658d(a)(2)) is amended—

(1) by striking ''Federal intergovernmental mandates'' and inserting ''Federal mandates''; and

(2) by inserting ''or 424(b)(1)'' after ''section 424(a)(1)''.

SEC. 8. REGULATORY PROCESS AND PRINCIPLES.

Section 201 of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531) is amended to read as follows:

''SEC. 201. REGULATORY PROCESS AND PRINCIPLES.

''(a) IN GENERAL.—Each agency shall, unless otherwise expressly prohibited by law, assess the effects of Federal regulatory actions on State, local, and tribal governments and the private sector (other than to the extent that such regulatory actions incorporate requirements specifi-

cally set forth in law) in accordance with the following principles:

"(1) Each agency shall identify the problem that it intends to address (including, if applicable, the failures of private markets or public institutions that warrant new agency action) as well as assess the significance of that problem.

"(2) Each agency shall examine whether existing regulations (or other law) have created, or contributed to, the problem that a new regulation is intended to correct and whether those regulations (or other law) should be modified to achieve the intended goal of regulation more effectively.

"(3) Each agency shall identify and assess available alternatives to direct regulation, including providing economic incentives to encourage the desired behavior, such as user fees or marketable permits, or providing information upon which choices can be made by the public.

"(4) If an agency determines that a regulation is the best available method of achieving the regulatory objective, it shall design its regulations in the most cost-effective manner to achieve the regulatory objective. In doing so, each agency shall consider incentives for innovation, consistency, predictability,

the costs of enforcement and compliance (to the government, regulated entities, and the public), flexibility, distributive impacts, and equity.

''(5) Each agency shall assess both the costs and the benefits of the intended regulation and, recognizing that some costs and benefits are difficult to quantify, propose or adopt a regulation, unless expressly prohibited by law, only upon a reasoned determination that the benefits of the intended regulation justify its costs.

''(6) Each agency shall base its decisions on the best reasonably obtainable scientific, technical, economic, and other information concerning the need for, and consequences of, the intended regulation.

''(7) Each agency shall identify and assess alternative forms of regulation and shall, to the extent feasible, specify performance objectives, rather than specifying the behavior or manner of compliance that regulated entities must adopt.

''(8) Each agency shall avoid regulations that are inconsistent, incompatible, or duplicative with its other regulations or those of other Federal agencies.

''(9) Each agency shall tailor its regulations to minimize the costs of the cumulative impact of regulations.

"(10) Each agency shall draft its regulations to be simple and easy to understand, with the goal of minimizing the potential for uncertainty and litigation arising from such uncertainty.

"(b) REGULATORY ACTION DEFINED.—In this section, the term 'regulatory action' means any substantive action by an agency (normally published in the Federal Register) that promulgates or is expected to lead to the promulgation of a final rule or regulation, including advance notices of proposed rulemaking and notices of proposed rulemaking.".

SEC. 9. EXPANDING THE SCOPE OF STATEMENTS TO ACCOMPANY SIGNIFICANT REGULATORY ACTIONS.

(a) IN GENERAL.—Subsection (a) of section 202 of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1532) is amended to read as follows:

"(a) IN GENERAL.—Unless otherwise expressly prohibited by law, before promulgating any general notice of proposed rulemaking or any final rule, or within six months after promulgating any final rule that was not preceded by a general notice of proposed rulemaking, if the proposed rulemaking or final rule includes a Federal mandate that may result in an annual effect on State, local, or tribal governments, or to the private sector, in the ag-

gregate of $100,000,000 or more in any 1 year, the agency shall prepare a written statement containing the following:

"(1) The text of the draft proposed rulemaking or final rule, together with a reasonably detailed description of the need for the proposed rulemaking or final rule and an explanation of how the proposed rulemaking or final rule will meet that need.

"(2) An assessment of the potential costs and benefits of the proposed rulemaking or final rule, including an explanation of the manner in which the proposed rulemaking or final rule is consistent with a statutory requirement and avoids undue interference with State, local, and tribal governments in the exercise of their governmental functions.

"(3) A qualitative and quantitative assessment, including the underlying analysis, of benefits anticipated from the proposed rulemaking or final rule (such as the promotion of the efficient functioning of the economy and private markets, the enhancement of health and safety, the protection of the natural environment, and the elimination or reduction of discrimination or bias).

"(4) A qualitative and quantitative assessment, including the underlying analysis, of costs anticipated from the proposed rulemaking or final rule

(such as the direct costs both to the Government in administering the final rule and to businesses and others in complying with the final rule, and any adverse effects on the efficient functioning of the economy, private markets (including productivity, employment, and international competitiveness), health, safety, and the natural environment).

''(5) Estimates by the agency, if and to the extent that the agency determines that accurate estimates are reasonably feasible, of—

''(A) the future compliance costs of the Federal mandate; and

''(B) any disproportionate budgetary effects of the Federal mandate upon any particular regions of the Nation or particular State, local, or tribal governments, urban or rural or other types of communities, or particular segments of the private sector.

''(6)(A) A detailed description of the extent of the agency's prior consultation with the private sector and elected representatives (under section 204) of the affected State, local, and tribal governments.

''(B) A detailed summary of the comments and concerns that were presented by the private sector

and State, local, or tribal governments either orally or in writing to the agency.

''(C) A detailed summary of the agency's evaluation of those comments and concerns.

''(7) A detailed summary of how the agency complied with each of the regulatory principles described in section 201.

''(8) An assessment of the effects that the proposed rulemaking or final rule are expected to have on private property owners, including the use and value of affected property.''.

(b) REQUIREMENT FOR DETAILED SUMMARY.—Subsection (b) of section 202 of such Act is amended by inserting ''detailed'' before ''summary''.

SEC. 10. ENHANCED STAKEHOLDER CONSULTATION.

Section 204 of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1534) is amended—

(1) in the section heading, by inserting ''**AND PRIVATE SECTOR**'' before ''**INPUT**'';

(2) in subsection (a)—

(A) by inserting '', and impacted parties within the private sector (including small business),'' after ''on their behalf)''; and

(B) by striking ''Federal intergovernmental mandates'' and inserting ''Federal mandates''; and

(3) by amending subsection (c) to read as follows:

''(c) GUIDELINES.—For appropriate implementation of subsections (a) and (b) consistent with applicable laws and regulations, the following guidelines shall be followed:

''(1) Consultations shall take place as early as possible, before issuance of a notice of proposed rulemaking, continue through the final rule stage, and be integrated explicitly into the rulemaking process.

''(2) Agencies shall consult with a wide variety of State, local, and tribal officials and impacted parties within the private sector (including small businesses). Geographic, political, and other factors that may differentiate varying points of view should be considered.

''(3) Agencies should estimate benefits and costs to assist with these consultations. The scope of the consultation should reflect the cost and significance of the Federal mandate being considered.

''(4) Agencies shall, to the extent practicable—

''(A) seek out the views of State, local, and tribal governments, and impacted parties within

the private sector (including small business), on costs, benefits, and risks; and

"(B) solicit ideas about alternative methods of compliance and potential flexibilities, and input on whether the Federal regulation will harmonize with and not duplicate similar laws in other levels of government.

"(5) Consultations shall address the cumulative impact of regulations on the affected entities.

"(6) Agencies may accept electronic submissions of comments by relevant parties but may not use those comments as the sole method of satisfying the guidelines in this subsection.".

SEC. 11. NEW AUTHORITIES AND RESPONSIBILITIES FOR OFFICE OF INFORMATION AND REGULATORY AFFAIRS.

Section 208 of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1538) is amended to read as follows:

"SEC. 208. OFFICE OF INFORMATION AND REGULATORY AFFAIRS RESPONSIBILITIES.

"(a) IN GENERAL.—The Administrator of the Office of Information and Regulatory Affairs shall provide meaningful guidance and oversight so that each agency's regulations for which a written statement is required under section 202 are consistent with the principles and require-

ments of this title, as well as other applicable laws, and do not conflict with the policies or actions of another agency. If the Administrator determines that an agency's regulations for which a written statement is required under section 202 do not comply with such principles and requirements, are not consistent with other applicable laws, or conflict with the policies or actions of another agency, the Administrator shall identify areas of non-compliance, notify the agency, and request that the agency comply before the agency finalizes the regulation concerned.

"(b) ANNUAL STATEMENTS TO CONGRESS ON AGENCY COMPLIANCE.—The Director of the Office of Information and Regulatory Affairs annually shall submit to Congress, including the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives, a written report detailing compliance by each agency with the requirements of this title that relate to regulations for which a written statement is required by section 202, including activities undertaken at the request of the Director to improve compliance, during the preceding reporting period. The report shall also contain an appendix detailing compliance by each agency with section 204.".

SEC. 12. RETROSPECTIVE ANALYSIS OF EXISTING FEDERAL REGULATIONS.

The Unfunded Mandates Reform Act of 1995 (Public Law 104–4; 2 U.S.C. 1511 et seq.) is amended—

(1) by redesignating section 209 as section 210; and

(2) by inserting after section 208 the following new section 209:

"SEC. 209. RETROSPECTIVE ANALYSIS OF EXISTING FEDERAL REGULATIONS.

"(a) REQUIREMENT.—At the request of the chairman or ranking minority member of a standing or select committee of the House of Representatives or the Senate, an agency shall conduct a retrospective analysis of an existing Federal regulation promulgated by an agency.

"(b) REPORT.—Each agency conducting a retrospective analysis of existing Federal regulations pursuant to subsection (a) shall submit to the chairman of the relevant committee, Congress, and the Comptroller General a report containing, with respect to each Federal regulation covered by the analysis—

"(1) a copy of the Federal regulation;

"(2) the continued need for the Federal regulation;

"(3) the nature of comments or complaints received concerning the Federal regulation from the public since the Federal regulation was promulgated;

"(4) the extent to which the Federal regulation overlaps, duplicates, or conflicts with other Federal regulations, and, to the extent feasible, with State and local governmental rules;

"(5) the degree to which technology, economic conditions, or other factors have changed in the area affected by the Federal regulation;

"(6) a complete analysis of the retrospective direct costs and benefits of the Federal regulation that considers studies done outside the Federal Government (if any) estimating such costs or benefits; and

"(7) any litigation history challenging the Federal regulation.".

SEC. 13. EXPANSION OF JUDICIAL REVIEW.

Section 401(a) of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1571(a)) is amended—

(1) in paragraphs (1) and (2)(A)—

(A) by striking "sections 202 and 203(a)(1) and (2)" each place it appears and inserting "sections 201, 202, 203(a)(1) and (2), and 205(a) and (b)"; and

(B) by striking ''only'' each place it appears;

(2) in paragraph (2)(B), by striking ''section 202'' and all that follows through the period at the end and inserting the following: ''section 202, prepare the written plan under section 203(a)(1) and (2), or comply with section 205(a) and (b), a court may compel the agency to prepare such written statement, prepare such written plan, or comply with such section.''; and

(3) in paragraph (3), by striking ''written statement or plan is required'' and all that follows through ''shall not'' and inserting the following: ''written statement under section 202, a written plan under section 203(a)(1) and (2), or compliance with sections 201 and 205(a) and (b) is required, the inadequacy or failure to prepare such statement (including the inadequacy or failure to prepare any estimate, analysis, statement, or description), to prepare such written plan, or to comply with such section may''.

SEC. 14. BUREAU FUNDING AUTHORITY.

The Director of the Bureau of Consumer Financial Protection may not request, under section 1017 of the Consumer Financial Protection Act of 2010, during fiscal

1 year 2016 an amount that would result in the total
2 amount requested by the Director during that fiscal year
3 to exceed $550,000,000.

Passed the House of Representatives February 4, 2015.

Attest: KAREN L. HAAS,

Clerk.