119TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
119–111

SMALL BUSINESS REGULATORY REDUCTION ACT OF 2025

MAY 21, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WILLIAMS of Texas, from the Committee on Small Business, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 2965]

The Committee on Small Business, to whom was referred the bill (H.R. 2965) to require the Administrator of the Small Business Administration to ensure that the small business regulatory budget for a small business concern in a fiscal year is not greater than zero, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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59–006

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Regulatory Reduction Act of 2025".

SEC. 2. SMALL BUSINESS ADMINISTRATION RULEMAKING COSTS TO SMALL BUSINESS CONCERNS.

(a) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Small Business Administration.

(2) RULE; RULEMAKING.—The terms "rule" and "rulemaking" have the meanings given those terms in section 551 of title 5, United States Code.

(3) SMALL BUSINESS.—The term "small business" has the same meaning as the term "small business concern" under section 3 of the Small Business Act (15 U.S.C. 632), unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes any such definitions in the Federal Register.

(4) SMALL BUSINESS REGULATORY BUDGET.—The term "small business regulatory budget" means the cost to a small business of a rulemaking conducted by a Federal agency, including the cost resulting from the issuance of any new rule and the cost resulting from the modification or repeal of an existing rule.

(b) REQUIREMENT.—In fiscal year 2026 and each fiscal year thereafter, the Administrator shall ensure that the small business regulatory budget for the Small Business Administration for the applicable fiscal year is not greater than zero.

(c) ADVOCACY REPORT.—Not later than 60 days after the end of fiscal year 2025, and annually thereafter, the Chief Counsel for the Office of Advocacy of the Small Business Administration shall submit to Congress a report regarding rules issued by Federal agencies other than the Administration during the preceding fiscal year that have an impact on small businesses, which shall—

(1) include the total small business regulatory budgets for the preceding fiscal year for each Federal agency;

(2) include each such rule issued during the preceding fiscal year; and

(3) be disaggregated by the Federal agency that issued each such rule.

SEC. 3. NO ADDITIONAL FUNDS.

No additional funds are authorized to be appropriated to carry out this Act.

I. PURPOSE AND BILL SUMMARY

On April 17, 2025, Rep. Van Duyne, along with Rep. King-Hinds, introduced H.R. 2965, the *Small Business Regulatory Reduction Act of 2025*. H.R. 2965 requires the Small Business Administration (SBA) to ensure that for each fiscal year the cost to small businesses of the Administration's rule making, including the modification or repeal of a rule, is not greater than zero. The SBA Office of Advocacy must also report the costs of regulations issued by other federal agencies that have an impact on small businesses.

II. NEED FOR LEGISLATION

H.R. 2965 provides needed relief to Main Street as they recover from four years of overregulation under the Biden-Harris Administration. The bill ensures that the burdens of federal regulations on small businesses are minimized, creating a government-wide report detailing the regulatory costs on small businesses.

This bill codifies President Trump's Executive Order (EO) 14192 "Unleashing Prosperity Through Deregulation." [1] Additionally, H.R. 2965 ensures that the SBA's total cost of new regulations is not more than zero dollars. Further, the bill directs the Small Business Office of Advocacy to calculate the annual cost of rulemaking for

[1] Exec. Order No. 14,192, 90 F.R. 9065 (2025).

each Federal agency. Both of these legislative requirements codify the requirements in EO 14192.

III. HEARINGS

On April 1, 2025, the Committee on Small Business held a hearing examining matters related to H.R. 2965 entitled “The Golden Age: Unleashing Main Street Through Deregulation.”

IV. COMMITTEE CONSIDERATION

The Committee on Small Business met in open session, with a quorum being present, on April 30, 2025, and ordered H.R. 2965, as amended, to be reported favorably to the House of Representatives by a roll call vote of 15 ayes to 11 nos. During the markup three amendments were offered.

V. COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto. The Committee voted to favorably report H.R. 2965, as amended, to the House of Representatives at 6:18 PM.

The Committee considered the following amendments to H.R. 2965:

- Representative Van Duyne offered an amendment in the nature of a substitute. This amendment was adopted by voice vote.
- Representative Olszewski offered an amendment to the amendment in the nature of a substitute. The vote on the amendment failed 11 ayes to 15 nos.
- Representative Morrison offered an amendment to the amendment in the nature of a substitute. The vote on the amendment failed 11 ayes to 15 nos.

Present	Representatives	Aye	Nay
	Mr. Stauber (MN-08)		X
	Mr. Meuser (PA-09)		X
	Ms. Van Duyne (TX-24)		X
	Mr. Ellzey (TX-06)		X
	Mr. Alford (MO-04)		X
	Mr. LaLota (NY-01)		X
	Mr. Finstad (MN-01)		X
	Mr. Wied (WI-08)		X
	Mr. Bresnahan (PA-08)		X
	Mr. Jack (GA-03)		X
	Mr. Downing (MT-02)		X
	Ms. King-Hinds (Del.-CNMI)		X
	Mr. Schmidt (KS-02)		X
	Mr. Patronis (FL-01)		X
	Ranking Member Velazquez (NY-07)	X	
	Mr. McGarvey (KY-03)	X	
	Ms. Scholten (MI-03)	X	
	Mrs. McIver (NJ-10)	X	
	Mr. Cisneros (CA-31)	X	
	Dr. Morrison (MN-03)	X	
	Mr. Latimer (NY-16)	X	
	Mr. Tran (CA-45)		
	Ms. Simon (CA-12)	X	
	Dr. Olszewski (MD-02)	X	
	Dr. Conaway (NJ-03)	X	
	Ms. Goodlander (NH-02)	X	
	Chairman Williams (TX-25)		X
	TOTALS	**11**	**15**

COMMITTEE ON SMALL BUSINESS
119th Congress (*First Session*)

Date: Wednesday, April 30, 2025

Measure: Amendment to the ANS to H.R. 2965

Time: 6:17 PM ET

Amendment #: 1

Offered By: Representative Olszewski

Result?	Agreed To: [ ]	Not Agreed To: [X]	Withdrawn: [ ]
Voice Vote	*Ayes*	*Nays*	*Present*
	11	15	

FC Vote #	21

Present	Representatives	Aye	Nay
	Mr. Stauber (MN-08)		X
	Mr. Meuser (PA-09)		X
	Ms. Van Duyne (TX-24)		X
	Mr. Ellzey (TX-06)		X
	Mr. Alford (MO-04)		X
	Mr. LaLota (NY-01)		X
	Mr. Finstad (MN-01)		X
	Mr. Wied (WI-08)		X
	Mr. Bresnahan (PA-08)		X
	Mr. Jack (GA-03)		X
	Mr. Downing (MT-02)		X
	Ms. King-Hinds (Del.-CNMI)		X
	Mr. Schmidt (KS-02)		X
	Mr. Patronis (FL-01)		X
	Ranking Member Velazquez (NY-07)	X	
	Mr. McGarvey (KY-03)	X	
	Ms. Scholten (MI-03)	X	
	Mrs. McIver (NJ-10)	X	
	Mr. Cisneros (CA-31)	X	
	Dr. Morrison (MN-03)	X	
	Mr. Latimer (NY-16)	X	
	Mr. Tran (CA-45)		
	Ms. Simon (CA-12)	X	
	Dr. Olszewski (MD-02)	X	
	Dr. Conaway (NJ-03)	X	
	Ms. Goodlander (NH-02)	X	
	Chairman Williams (TX-25)		X
	TOTALS	**11**	**15**

COMMITTEE ON SMALL BUSINESS
119th Congress (*First Session*)

Date: Wednesday, April 30, 2025

Measure: Amendment to the ANS to H.R. 2965

Time: 6:18 PM ET

Amendment #: 1

Offered By: Representative Morrison

Result?	Agreed To:	[ ]	
	Not Agreed To:	[X]	
	Withdrawn:	[ ]	
Voice Vote	*Ayes*	*Nays*	*Present*
	11	15	

FC Vote #	22

Present	Representatives	Aye	Nay
	Mr. Stauber (MN-08)	X	
	Mr. Meuser (PA-09)	X	
	Ms. Van Duyne (TX-24)	X	
	Mr. Ellzey (TX-06)	X	
	Mr. Alford (MO-04)	X	
	Mr. LaLota (NY-01)	X	
	Mr. Finstad (MN-01)	X	
	Mr. Wied (WI-08)	X	
	Mr. Bresnahan (PA-08)	X	
	Mr. Jack (GA-03)	X	
	Mr. Downing (MT-02)	X	
	Ms. King-Hinds (Del.-CNMI)	X	
	Mr. Schmidt (KS-02)	X	
	Mr. Patronis (FL-01)	X	
	Ranking Member Velazquez (NY-07)		X
	Mr. McGarvey (KY-03)		X
	Ms. Scholten (MI-03)		X
	Mrs. McIver (NJ-10)		X
	Mr. Cisneros (CA-31)		X
	Dr. Morrison (MN-03)		X
	Mr. Latimer (NY-16)		X
	Mr. Tran (CA-45)		
	Ms. Simon (CA-12)		X
	Dr. Olszewski (MD-02)		X
	Dr. Conaway (NJ-03)		X
	Ms. Goodlander (NH-02)		X
	Chairman Williams (TX-25)	X	
	TOTALS	15	11

COMMITTEE ON SMALL BUSINESS
119th Congress (*First Session*)

Date: Wednesday, April 30, 2025

Measure: H.R. 2965 Small Business Regulatory Reduction Act of 2025 (As Amended)

Time: 6:18 PM ET

Result?	Agreed To: [X]	Not Agreed To: [ ]	Withdrawn: [ ]
Voice Vote	*Ayes*	*Nays*	*Present*
	15	11	

FC Vote #	23

VI. SECTION-BY-SECTION OF H.R. 2965

Section 1—Short title

This Act may be cited as the "Small Business Regulatory Reduction Act of 2025."

Section 2—Small Business Administration rulemaking costs to small business concerns

This section requires the Administrator of the SBA to ensure that the small business regulatory budget for a fiscal year is not greater than zero. Additionally, it requires a report on regulations issued by other federal agencies that have an impact on small businesses.

Section 3—No additional funds

No additional funds are authorized to be appropriated to carry out H.R. 2965.

VII. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(d)(1) of House rule XIII, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974. The Committee has requested but not received from the Director of the Congressional Budget Office a cost estimate for the Committee's provisions. Once available, the cost estimate will be published in the Congressional Record.

VIII. NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(I) of the Congressional Budget Act of 1974, the Committee provides the following opinion and estimate with respect to new budget authority, entitlement authority, and tax expenditures. While the Committee has not received an estimate of new budget authority contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to Sec. 402 of the Congressional Budget Act of 1974, the Committee does not believe that there will be any additional costs attributable to this legislation. H.R. 2965 does not direct new spending, but instead reallocates funding independently authorized and appropriated.

IX. OVERSIGHT FINDINGS & RECOMMENDATIONS

In accordance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee on Small Business with respect to the subject matter contained in H.R. 2965 are incorporated into the descriptive portions of this report.

X. PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirements of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goals and objectives of H.R. 2965 requires the SBA Office of Advocacy to report to Congress on rules issued by Federal agencies that have an impact on small businesses.

XI. STATEMENT OF DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, no provision of H.R. 2965 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

XII. CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee finds that the bill does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI of the Rules of the House of Representatives.

XIII. FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

XIV. FEDERAL ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

XV. APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

XVI. STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to clause 7 of rule XII of the Rules of the House, the Committee finds that the authority for this legislation in Art. I, § 8, cl.1 of the Constitution of the United States.

XVII. MINORITY VIEWS

A regulatory budget seeks to impose an arbitrary cap on total regulatory costs. Any new rule that levies a cost could not be implemented unless an existing rule with an equal dollar amount is repealed. The first Trump Administration implemented a regulatory budget that allowed zero or negative new costs for regulations.

Under H.R. 2965, the definition of a regulatory budget would only include costs, not benefits. The practical effect would be SBA would be inclined to either stop issuing rules or opt for rules that impose the least costs on small businesses, despite the benefits. Moreover, the agency could block new proposals enacted by Congress if the Administrator determined that the rule would not fit into its regulatory budget.

It is important to note regulations can also benefit small businesses. Oftentimes, the benefit of the regulation is greater than the cost to small businesses. This bill would only look at one side of the ledger. In a real-world situation, no small business would ever make an investment in a new product or equipment if it looked solely at the cost. For example, the Paycheck Protection Program (PPP) would not have been implemented during the pandemic because of the costs associated with the program. Moreover, there is no exception in this bill for national emergencies.

Committee Democrats offered two amendments to the bill. Rep. Johnny Olszewski, Jr. (D–MD) offered an amendment to carve out an exemption for rules related to workforce development and small rural business programs. Mr. Olszewski shared he is happy to work together to fix our regulatory system, however noting that the Coalition of Sensible Safeguards, a coalition of more than 200 labor, scientific research, faith, community health, and environmental groups said the bill is unworkable, he offered the amendment to exempt rules related to workforce development programs and those that benefit rural small business owners. Republicans defeated this amendment.

Similarly, Rep. Kelly Morrison (D–MN) offered an amendment to carve our rules pertaining to veterans. The Ranking Member expressed support for the amendment stating, we owe a lot to our nation's veterans and cannot take a chance with the unintended consequences a regulatory budget would have on them. Despite Democrats support for our nation's veterans, the Republicans defeated this amendment.

In sum, Committee Democrats opposed the measure because it is unworkable and would grind the legislative process to a halt.

NYDIA M. VELÁZQUEZ,
Ranking Member.

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