H.R. 50—Unfunded Mandates Information and Transparency Act of 2015, Rules Committee Print (Rep. Foxx, R-NC)

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FLOOR SCHEDULE: FEBRUARY 4, 2015 UNDER A STRUCTURED RULE THAT PROVIDES ONE HOUR OF DEBATE. 3 AMENDMENTS ARE IN ORDER IN ADDITION TO ONE AMENDMENT MADE IN ORDER AS ORIGINAL TEXT.

TOPLINE SUMMARY: This <u>bill</u> would provide Congress and the public with more information regarding the true cost and appropriateness of federal mandates. This information would include the undue harm the mandates may impose on consumers, workers, employers, small businesses, and state and local governments.

CONSERVATIVE CONCERNS:

- Expand the Federal Government? No.
- Encroach into State or Local Authority? No.
- Delegate Any Legislative Authority to the Executive Branch? No.
- Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits? No.

DETAILED SUMMARY AND ANALYSIS: In the 113th Congress, H.R. 899, the Unfunded Mandates Information and Transparency Act of 2013, passed the House by a vote of <u>234-176</u>.

This bill would amend the Congressional Budget Act of 1974 to require the CBO—at the request of a committee chairman or ranking member—to conduct an assessment comparing the authorized level of funding in legislation to the prospective costs of carrying out any changes. The bill would codify current CBO practice and amend the definition of "direct costs" to ensure that federal agencies account for the costs of federal mandates, including forgone business profits and costs passed onto consumers. In addition, the bill would expand the scope of reporting requirement under the Unfunded Mandates Reform Act (UMRA) to include independent regulatory agencies with the exception of the Board of Governors of the Federal Reserve and the Federal Open Market Committee.

COST: The Congressional Budget Office's (CBO) estimate of H.R. 50 can be found here.

However, since the Foxx amendment has been made in order as original text, CBO has provided a preliminary reestimate of the cost estimate found above.

CBO estimates that the Foxx amendment would reduce direct spending by an amount sufficient to offset the estimated increase in direct spending noted in the original estimate.

CBO estimates that the bill would increase discretionary spending by \$18 million over the 2015-2025 period, unchanged from the original estimate.

CBO also estimates that H.R. 50 would increase the costs of existing mandates on public and private entities to pay fees assessed by certain independent agencies. However, these costs would fall below the annual thresholds under UMRA.

H.R. 50 would also establish a point of order against legislation that imposes costs on the private sector above limits established by UMRA. In 2015, the UMRA threshold is \$154 million.

H.R. 50 would also amend UMRA to establish detailed criteria to guide each agency's assessment of the effect of federal regulatory actions on state, local, and tribal governments and the private sector. The bill would also require federal agencies to prepare a cost analysis if a proposed or final rule's annual effect on state, local, or tribal governments, or the private sector totals \$100,000,000 or more in one year. The Office of Information and Regulatory Affairs would be given oversight responsibilities to ensure each agency is compliant with statements under this bill and other applicable law. The bill would allow chairmen and ranking members to request retrospective analysis of federal regulation. Finally, the bill would limit the budget authority that the Consumer Financial Protection Bureau may request from the Federal Reserve to \$550 million in FY 2016.

Read the backgrounder provided by the Oversight and Government Reform Committee, <u>here</u>, and the committee report, <u>here</u>.

AMENDMENTS MADE IN ORDER:

- Reed (R NY): Requires an assessment of the effects a rule has on private property owners. This
 assessment includes the use and the value of the affected property.
- Cummings (D MD): This amendment strikes Section 12 of the bill, which provides for a retrospective
 analysis of existing federal regulations.
- Connolly (D VA): This amendment would sunset the entire bill if the real gross domestic product of the
 United States fails to increase at an average annual rate of 5 percent or more for the first four calendar
 quarters after enactment of this bill.

OUTSIDE GROUPS SUPPORT:

- Council of State Governments
- Small Business & Entrepreneurship Council
- Association of Private Sector Colleges and Universities

OUTSIDE GROUPS OPPOSE:

Coalition for Sensible Safeguards

COMMITTEE ACTION: This bill was introduced by Representative Foxx on January 6, 2015, and referred to the Committee on Oversight and Government Reform, and in addition to the Committees on the Budget, Rules, and the Judiciary. On January 27, the Committee on Oversight and Government Reform held a mark-up and the bill was reported out by a vote of 20-13.

ADMINISTRATION POSITION: The <u>administration</u> strongly opposes House passage of H.R. 50. If H.R. 50 were presented to the President, his senior advisors would recommend that he veto the bill.

CONSTITUTIONAL AUTHORITY: According to the <u>sponsor</u>, "The authority to enact this bill is derived from, but may not be limited to, Article I, Section 8, Clause 3 of the United States Constitution, and Article I, Section 8, Clause 18 of the United States Constitution."

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