116TH CONGRESS
1ST SESSION

H. R. _____

To provide for a method by which the economic costs of significant regulatory actions may be offset by the repeal of other regulatory actions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. MEADOWS introduced the following bill; which was referred to the Committee on

A BILL

To provide for a method by which the economic costs of significant regulatory actions may be offset by the repeal of other regulatory actions, 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; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Lessening Regulatory Costs and Establishing a Federal Regulatory Budget Act of 2019”.

(b) Table of Contents.—The table of contents for this Act is as follows:
Sec. 2. SENSE OF CONGRESS; PURPOSE.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the Federal Government should be prudent and financially responsible in the expenditure of funds, from both public and private sources. In addition to the management of the direct expenditure of taxpayer dollars through the budgeting process, it is essential to manage the costs associated with the governmental imposition of private expenditures required to comply with Federal regulations.

(b) PURPOSE.—The purpose of this Act is—

(1) to remove unnecessary or outdated regulations when a new significant regulation is issued; and

(2) to prudently manage and control the cost of planned regulations through an annual budgeting process.

Sec. 3. ESTABLISHING REGULATORY REFORM CAPACITY.

(a) REGULATORY REFORM OFFICERS.—

(1) IN GENERAL.—Except as provided for under section 6, not later than 60 days after the date of the enactment of this Act, the head of each
agency shall designate an employee or officer of the
agency as the Regulatory Reform Officer (in this
Act referred to as the “agency RRO”).

(2) DUTIES.—In accordance with applicable law
and in consultation with relevant senior agency offi-
cials, each agency RRO shall oversee—

(A) the implementation of regulatory re-
form initiatives and policies for the agency to
ensure that the agency effectively carries out
regulatory reforms; and

(B) the termination of programs and ac-
tivities that derive from or implement statutes,
Executive orders, guidance documents, policy
memoranda, rule interpretations, and similar
documents, or relevant portions thereof, that
have been repealed or rescinded.

(b) REGULATORY REFORM TASK FORCES.—

(1) Establishment of agency task force;
membership.—Except as provided under section 6,
not later than 60 days after the date of the enact-
ment of this Act, the head of each agency shall ap-
point and may remove members to the regulatory re-
form task force (in this section referred to as the
“Task Force”) of the agency, which shall be com-
posed of the following members:
(A) The agency RRO.

(B) A senior agency official from each relevant component or office of the agency with significant authority for issuing or repealing regulatory actions.

(C) Additional senior agency officials involved in the development of rulemaking or other regulatory action at the agency, as determined by the head of the agency.

(2) CHAIR.—Unless otherwise designated by the head of the agency, the agency RRO shall chair the Task Force of the agency.

(3) JOINT TASK FORCES.—For the consideration of a joint rulemaking, the Director may form a joint regulatory reform task force composed of at least one member from the Task Force of each relevant agency. Any joint regulatory reform task force formed under this paragraph shall consult with each relevant Task Force.

(4) DUTIES.—Each Task Force shall conduct ongoing evaluations of regulations and other regulatory actions and make recommendations that are consistent with and that could be implemented in accordance with applicable law to the head of the agency regarding repeal, replacement, or modification.
tion of regulations and regulatory actions. To the extent practicable, each Task Force shall—

(A) not later than 5 years after the date of the enactment of this Act, complete a review of each regulation issued by the agency;

(B) for each regulation or regulatory action reviewed and identified for repeal, replacement, or modification, estimate the cost savings of such repeal, replacement, or modification, as applicable; and

(C) identify regulations that are appropriate for repeal, replacement, or modification, and prioritize the evaluation of regulations that—

(i) eliminate or have eliminated jobs or inhibit or have inhibited job creation;

(ii) are outdated, unnecessary, or ineffective;

(iii) impose costs that exceed benefits;

(iv) create a serious inconsistency or otherwise interfere with regulatory reform initiatives and policies;

(v) were issued or are maintained in a manner that is inconsistent with the requirements of section 515 of the Treasury
and General Government Appropriations Act, 2001 (Public Law 106–554; 44 U.S.C. 3516 note), or the guidance issued pursuant to that section, including any rule that relies in whole or in part on data, information, or methods that are not publicly available or that are insufficiently transparent to meet the standard for reproducibility; or

(vi) were made pursuant to or to implement statutes, Executive orders, or other Presidential directives that have been subsequently rescinded or substantially modified.

(c) Consultation with Stakeholders.—In performing the tasks under this section, each agency RRO and Task Force shall seek input and other assistance from the public and from entities significantly affected by regulations, including State, local, and Tribal governments, small businesses, consumers, non-governmental organizations, and trade associations. Each agency RRO and Task Force may—

(1) incorporate specific suggestions from stakeholders in identifying the list of deregulatory actions to recommend to the head of the agency; and
(2) accept or solicit input from the public in any manner, if—

(A) the process is transparent to the public and Congress;

(B) a list of each meeting, a list of each stakeholder that submitted a comment, and a copy of each written comment are made publicly available online; and

(C) the Task Force issues a public notice of any public meeting to solicit input not less than 7 days before the public meeting and makes detailed minutes of the meeting available online not less than 7 days after the date of the meeting.

(d) Transparent Regulatory Reform.—

(1) Website.—To the extent practicable, the head of each agency shall publish information about the Task Force of the agency and other regulatory reform initiatives on the website of the agency—

(A) which shall include—

(i) a list of the members of the Task Force of the agency;

(ii) a copy of each report issued under this subsection; and
(iii) a link to or copy of each notice of a meeting or solicitation of public comments issued by the Task Force of the agency; and

(B) which may include—

(i) an online forum to receive comments from the public; and

(ii) any other information about the Task Force or other regulatory reform initiatives at the agency.

(2) REPORT.—Not less than twice a year, each agency RRO shall submit to the head of the agency a report on the activities performed under this section and any recommendations resulting from such activities (which shall be posted by the head of the agency on a publicly accessible website), and shall include the following:

(A) A description of any improvement made toward implementation of regulatory reform initiatives and policies.

(B) For each regulation or other regulatory action reviewed by the Task Force, a detailed description of the review.

(C) An inventory of each regulation or regulatory action the Task Force recommends the
agency consider for repeal, replacement, or modification.

(D) A list of all activities conducted under subsection (e), a summary of all comments received, and a hyperlink to copies of each public comment received.

SEC. 4. ACCOUNTABILITY.

(a) INCORPORATION IN PERFORMANCE PLANS.—

(1) IN GENERAL.—Each agency listed in section 901(b)(1) of title 31, United States Code, shall incorporate in the annual performance plan of the agency (required under section 1115(b) of title 31, United States Code) performance indicators that measure progress implementing this Act.

(2) OMB GUIDANCE.—The Director shall issue, and update as necessary, guidance regarding the implementation of this subsection.

(b) PERFORMANCE ASSESSMENT.—The head of each agency shall consider the progress implementing this Act in assessing the performance of the Task Force of the agency and those individuals responsible for developing and issuing agency rules.

SEC. 5. REGULATORY PLANNING AND BUDGET.

(a) UNIFIED AGENDA AND ANNUAL REGULATORY PLAN.—
(1) **Unified Regulatory Agenda.**—During the months of April and October of each year, the Director shall publish a unified regulatory agenda, which shall include—

   (A) regulatory and deregulatory actions under development or review at agencies;

   (B) a Federal regulatory plan of all significant regulatory actions and associated deregulatory actions that agencies reasonably expect to issue in proposed or final form in the current and following fiscal year; and

   (C) all information required to be included in the regulatory flexibility agenda under section 602 of title 5, United States Code.

(2) **Agency Submissions.**—In accordance with guidance issued by the Director and not less than 60 days before each date of publication for the unified regulatory agenda under paragraph (1), the head of each agency shall submit to the Director an agenda of all regulatory actions and deregulatory actions under development at the agency, including the following:

   (A) For each regulatory action and deregulatory action:

      (i) A regulation identifier number.
(ii) A brief summary of the action.

(iii) The legal authority for the action.

(iv) Any legal deadline for the action.

(v) The name and contact information for a knowledgeable agency official.

(vi) Any other information as required by the Director.

(B) An annual regulatory plan, which shall include a list of each significant regulatory action the agency reasonably expects to issue in proposed or final form in the current and following fiscal year, including for each significant regulatory action:

(i) A summary, including the following:

(I) A statement of the regulatory objectives.

(II) The legal authority for the action.

(III) A statement of the need for the action.

(IV) The agency’s schedule for the action.

(ii) The estimated cost.

(iii) The estimated benefits.
(iv) Any deregulatory action identified to offset the estimated cost of such significant regulatory action and an explanation of how the agency will continue to achieve regulatory objectives if the deregulatory action is taken.

(v) A best approximation of the total cost or savings and any cost or savings associated with a deregulatory action.

(vi) An estimate of the economic effects, including any estimate of the net effect that such action will have on the number of jobs in the United States, that was considered in drafting the action, or, if such estimate is not available, a statement affirming that no information on the economic effects, including the effect on the number of jobs, of the action has been considered.

(C) Information required under section 602 of title 5, United States Code.

(D) Information required under any other law to be reported by agencies about significant regulatory actions, as determined by the Director.
(b) Federal Regulatory Budget.—

(1) Establishment.—In the April unified regulatory agenda described under subsection (a), the Director shall establish the annual Federal Regulatory Budget, which specifies the net amount of incremental regulatory costs allowed by the Federal Government and at each agency for the next fiscal year. The Director may set the incremental regulatory cost allowance to allow an increase, prohibit an increase, or require a decrease of incremental regulatory costs.

(2) Default Net Incremental Regulatory Cost.—If the Director does not set a net amount of incremental regulatory costs allowed for an agency, the net incremental regulatory cost allowed shall be zero.

(3) Balance Rollover of Incremental Regulatory Cost Allowance.—If an agency does not exhaust all of the incremental regulatory cost allowance for a fiscal year, the balance may be added to the incremental regulatory cost allowance for the subsequent fiscal year, without increasing the incremental regulatory costs allowed for the Federal Government for the subsequent fiscal year. The Director must identify the total carryover incremental regu-
latory cost allowance available to an agency in the Federal Regulatory Budget.

(c) Significant Regulatory Action Requirements.—Except as otherwise required by law, a significant regulatory action shall have no effect unless—

(1) the—

(A) head of the agency identifies not less than 2 deregulatory actions to offset the costs of such significant regulatory action, and to the extent feasible, issues such deregulatory actions before or on the same schedule as the significant regulatory action;

(B) incremental costs of such significant regulatory action as offset by any deregulatory action issued before or on the same schedule as the significant regulatory action do not cause the agency to exceed or contribute to the agency exceeding the incremental regulatory cost allowance of the agency for that fiscal year; and

(C) significant regulatory action was included on the most recent version or update of the published unified regulatory agenda; or

(2) the issuance of the significant regulatory action was approved in advance in writing by the Director and the written approval is publicly available.
online prior to the issuance of such significant regulatory action.

(d) GUIDANCE BY OMB.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Director shall establish and issue guidance on how agencies should comply with the requirements of this section. Such guidance shall include the following:

(A) A process for standardizing the measurement and estimation of regulatory costs, including cost savings associated with deregulatory actions.

(B) Standards for determining what qualifies as a deregulatory action.

(C) Standards for determining the costs of existing regulatory actions that are considered for repeal, replacement, or modification.

(D) A process for accounting for costs in different fiscal years.

(E) Methods to oversee the issuance of significant regulatory actions offset by cost savings achieved at different times or by different agencies.
(F) Emergencies and other circumstances that may justify individual waivers of the requirements of this section.

(G) Standards by which the Director will determine whether a regulatory action or a collection of regulatory actions qualifies as a significant regulatory action.

(2) Updates to Guidance.—The Director shall update the guidance issued pursuant to this section as necessary.

SEC. 6. WAIVER.

(a) Waiver Authority.—Upon the written request of the head of an agency, the Director may issue a written waiver of the requirements of section 3 if the Director determines that the agency generally issues very few or no rules.

(b) Revocation of Waiver.—The Director may revoke at any time a waiver issued under this section.

(c) Public Availability of Waivers.—The Director shall maintain a publicly available list of each agency that is operating under a waiver issued under this section.

(d) Requirement for Waiver.—A waiver shall not be effective unless the written waiver and the written request of the agency are publicly available on the website of the Office of Management and Budget.
SEC. 7. DEFINITIONS.

In this Act:

(1) AGENCY.—The term “agency” has the meaning given that term in section 551 of title 5, United States Code.

(2) COSTS.—The term “costs” means opportunity cost to society.

(3) COST SAVINGS.—The term “cost savings” means the cost imposed by a regulatory action that is eliminated by the repeal, replacement, or modification of such regulatory action.

(4) DEREGULATORY ACTION.—The term “deregulatory action” means the repeal, replacement, or modification of an existing regulatory action.

(5) DIRECTOR.—The term “Director” means the Director of the Office of Management and Budget.

(6) INCREMENTAL REGULATORY COST.—The term “incremental regulatory cost” means the difference between the estimated cost of issuing a significant regulatory action and the estimated cost saved by issuing any deregulatory action.

(7) REGULATION; RULE.—The term “regulation” or “rule” has the meaning given the term “rule” in section 551 of title 5, United States Code.
(8) **REGULATORY ACTION.**—The term “regulatory action” means—

(A) any regulation; and

(B) any other regulatory guidance, statement of policy, information collection request, form, or reporting, recordkeeping, or disclosure requirements that imposes a burden on the public or governs agency operations.

(9) **SIGNIFICANT REGULATORY ACTION.**—The term “significant regulatory action” means any regulatory action, other than monetary policy proposed or implemented by the Board of Governors of the Federal Reserve System or the Federal Open Market Committee, that is likely to—

(A) have an annual effect on the economy of $100,000,000 or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or Tribal governments or communities;

(B) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;

(C) materially alter the budgetary impact of entitlements, grants, user fees, or loan pro-
grams or the rights and obligations of recipients thereof; or

(D) raise a novel legal or policy issue.

(10) State.—The term “State” means each of the several States, the District of Columbia, and each territory or possession of the United States.