



**Legislative Bulletin.....February 8, 2012**

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**H.R. 3521—Expedited Legislative Line Item Veto and Rescissions Act**

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**H.R. 3521—Expedited Legislative Line Item Veto and Rescissions Act  
(Rep. Ryan, R-WI)**

**Order of Business:** The bill is scheduled to be considered on Wednesday, February 8, 2012 under a rule providing one hour of debate (controlled by the Budget Committee) that makes two amendments in order (summarized on page 2) for ten minutes of debate each. **The rule also provides for authority to consider the STOCK Act under suspension of the rules on Thursday, February 9, 2012.**

**Summary:** In general, the legislation allows the President to propose rescissions within 45 days of enactment of legislation, **and sets up a process requiring Congress to consider the President’s request within an expedited timeline.** The President’s authority under the bill would only apply to discretionary spending (not mandatory spending programs).

**Rescissions Request Authority:** The President could propose up to 2 packages of rescissions requests for each bill that is enacted that contains discretionary spending. The request must be made within 45 days of enactment of the bill making appropriations. The President’s request must be made publicly available. The rescission request must include:

- The dollar amount to be rescinded;
- The agency, bureau, and account from which the rescission would occur;
- The program, project, or activity within the account (if applicable) from which the rescissions would occur;
- The amount of funding for the activity that would remain (if any) after the rescission has been made;
- Justification for the rescission request;
- To the maximum extent practicable: the estimated economic and budgetary impact of the rescission;
- To the maximum extent practicable: all facts, circumstances, considerations relating to or bearing upon the proposed rescission; and
- IF the rescissions proposal is divided between two packages, why this is done.

Further, the rescissions request must also include proposed legislative language to enact the rescissions.

**Withholding Funds:** For rescissions requests made, the President may temporarily withhold funds from obligation. The withholding of funds can only continue until one of the following happens:

- 45 days passes;
- The President decides that continued withholding of funds no longer serves the purpose of “legislative consideration of the approved bill”; and
- The President determines that the obligation of the funding can no longer be “fully accomplished in a prudent manner before its expiration.”

**Deficit Reduction:** Funds rescinded are to be used for deficit reduction. To enforce that requirement, the budget resolution—as well as the 302(b) allocations—are required to be lowered by the amount of any rescissions approved. This means that rescissions cannot be used to pay for other spending.

**Expedited Consideration of President’s Request:** The legislation requires expedited consideration of the President’s request as follows:

- The Majority Leader of each House (or a designee) introduces a bill approving of the rescissions request five days after the request has been received.
- The committee is required to report out the bill without amendment five days after its introduction. If it does not do so, the bill is automatically discharged from committee.
- The resolution is highly privileged on the floor of the House and Senate. Debate on the bill is limited to 10 hours in the Senate and 4 hours in the House.
- A vote occurs in the House and Senate within 10 days of introduction.

Amendments are not in order at any point in the legislative process. The President’s request is subject only to an up or down vote.

**Expiration:** The authorities granted in the bill expire at the end of 2015.

#### **Amendments Made in Order Under the Rule:**

1. **Ryan (R-WI)/Van Hollen (D-MD).** The amendment makes many technical changes to the bill, and also changes the process for Congress to consider the President’s request as follows:
  - Lowers from 45 days to 10 days the amount of time the President has to make a rescissions request;
  - Allows the President to increase the time limit for withholding funds (for which there is a rescissions request) from 45 days to 60 days;
  - Lowers from 5 days to 3 days the time limit for the President’s request to be introduced as a bill;
  - Lowers from 5 days to 3 days the time limit for committee action;

- Lowers from 5 days to 3 days the time to move consider the bill on the floor;
- Increases from 45 days to 60 days the limit time for Congress to enact the President's rescissions request.

2. **Alexander (R-LA).** The amendment prohibits the Army Corps of Engineers from being subject to the rescissions procedures under the bill.

**Additional Background:** Prior to the Budget Control and Impoundment Act of 1974, the President often did not spend, or “impounded,” money appropriated by Congress. The 1974 Act took away the President’s authority to refuse to spend appropriations, but allowed presidents to propose rescissions. This presidential authority was severely limited, in that Congress was under no requirement to consider the President’s request.

As part of the Contract with America, the new Republican Congress enacted the Line Item Veto Act of 1996. This legislation was struck down by the Supreme Court 6 to 3 in 1998 (Clinton v. New York City).

Thereafter, fiscal conservatives worked on legislation to achieve the same goal without constitutional objections. H.R. 4890, authored by Representative Paul Ryan (R-WI), passed the House in 2006 but not the Senate in the 109<sup>th</sup> Congress. The legislation became part of various versions of the RSC’s Family Budget Protection Act.

**Committee Action:** The legislation was introduced on November 30, 2011, and it was referred to the House Committee on Rules and the House Committee on Budget. On January 17, 2012 the House Budget Committee reported the legislation (as amended). On February 2, 2012 the House Rules Committee reported the legislation (as amended).

**Administration Position:** No Statement of Administration Policy (SAP) is available at press time.

**Cost to Taxpayers:** The legislation would not in and of itself impact the federal budget. The impact on the federal budget would depend on subsequent legislation. But if enacted, it is likely that the bill would cause lower spending.

**Does the Bill Expand the Size and Scope of the Federal Government?:** No. It would lead to less government.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

**Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** No. According to the committee report: “In accordance with clause 9 of rule XXI of the Rules of the House of Representatives, H.R. 3521 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.”

**Constitutional Authority:** The sponsor states: “Congress has the power to enact this legislation pursuant to the following: Article I, Section 9, Clause 7.”

That portion of the Constitution reads: “No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.”

Note: Article I, Section 5, Clause 2 of the Constitution provides that: “Each House may determine the Rules of its proceedings.”

**RSC Staff Contact:** Brad Watson, brad.watson@mail.house.gov, (202) 226-9719