

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1110

To amend the Congressional Budget Act of 1974 and the Balanced Budget and Emergency Deficit Control Act of 1985 to limit the rate of growth of Federal outlays to 2 percent per year.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 1995

Mr. ALLARD (for himself, Mr. HERGER, Mr. CRANE, and Mr. DUNCAN) introduced the following bill; which was referred to the Committee on the Budget and, in addition, to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Congressional Budget Act of 1974 and the Balanced Budget and Emergency Deficit Control Act of 1985 to limit the rate of growth of Federal outlays to 2 percent per year.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. MAXIMUM SPENDING AMOUNTS.**

4 Section 601(a)(1) of the Congressional Budget Act  
5 of 1974 is amended to read as follows:

1           “(1) MAXIMUM SPENDING AMOUNT.—The term  
2           ‘maximum spending amount’ means—

3                   “(A) with respect to fiscal year 1996,  
4                   \$1,562,000,000,000 in outlays;

5                   “(B) with respect to fiscal year 1997,  
6                   \$1,593,000,000,000 in outlays;

7                   “(C) with respect to fiscal year 1998,  
8                   \$1,625,000,000,000 in outlays;

9                   “(D) with respect to fiscal year 1999,  
10                  \$1,658,000,000,000 in outlays;

11                  “(E) with respect to fiscal year 2000,  
12                  \$1,691,000,000,000 in outlays;

13                  “(F) with respect to fiscal year 2001,  
14                  \$1,725,000,000,000 in outlays; and

15                  “(G) with respect to fiscal year 2002,  
16                  \$1,760,000,000,000 in outlays.”.

17 **SEC. 2. ENFORCING MAXIMUM SPENDING SEQUESTRATION.**

18           (a) SEQUESTRATION.—Section 253(a) of the Bal-  
19           anced Budget and Emergency Deficit Control Act of 1985  
20           is amended to read as follows:

21           “(a) SEQUESTRATION.—Within 15 days after Con-  
22           gress adjourns to end a session (other than the One Hun-  
23           dred Fourth Congress), and on the same day as sequestra-  
24           tion (if any) under sections 251 and 252, but after any  
25           sequestration required by those sections, there shall be a

1 sequestration (if necessary) to reduce total Federal spend-  
2 ing to the maximum permissible level as set forth in sec-  
3 tion 601(a)(1) of the Congressional Budget Act of 1974.”.

4 (b) CONFORMING AMENDMENT TO HEADING.—The  
5 section heading of section 253 of the Balanced Budget and  
6 Emergency Deficit Control Act of 1985 is amended to  
7 read as follows:

8 **“SEC. 253. ENFORCING MAXIMUM SPENDING LIMITS.”.**

9 (c) ADDITIONAL CONFORMING AMENDMENTS.—Sec-  
10 tion 253 of the Balanced Budget and Emergency Deficit  
11 Control Act of 1985 is amended—

12 (1) by repealing subsections (b), (g), and (h),  
13 and by redesignating subsections (c), (d), (e), and  
14 (f), as subsections (b), (c), (d), and (e), respectively;

15 (2) in subsection (b) (as redesignated), by  
16 amending the first sentence to read as follows: “To  
17 reduce total Federal spending to the maximum per-  
18 missible level for a budget year, 20 percent of the  
19 required outlay reductions shall be obtained from  
20 non-exempt defense accounts (accounts designated  
21 as function 050 in the President’s fiscal year 1995  
22 budget submission) and 80 percent from non-ex-  
23 empt, non-defense accounts (all other non-exempt  
24 accounts).”;

1           (3) in subsection (c) (as redesignated), by strik-  
2           ing “subsection (c)” and inserting “subsection (b)”;  
3           and

4           (4) in subsection (e) (as redesignated), by strik-  
5           ing “(b), (c), (d), and (e)” and inserting “(b), (c),  
6           and (d)” and by striking “(d) or (e)” and inserting  
7           “(c) or (d)”.

8           (d) LOOK-BACK SEQUESTER.—Section 253 of the  
9           Balanced Budget and Emergency Deficit Control Act of  
10          1985 is amended by adding at the end the following new  
11          subsection:

12          “(f) LOOK-BACK SEQUESTER.—

13                 “(1) IN GENERAL.—On July 1 of each fiscal  
14                 year, the Director of OMB shall determine if laws  
15                 effective during the current fiscal year will cause the  
16                 spending to exceed the maximum spending amount  
17                 for such fiscal year. If the limit is exceeded, there  
18                 shall be a preliminary sequester on July 1 to elimi-  
19                 nate the excess.

20                 “(2) PERMANENT SEQUESTER.—Budget au-  
21                 thority sequestered on July 1 pursuant to paragraph  
22                 (1) shall be permanently canceled on July 15.

23                 “(3) NO MARGIN.—The margin for determining  
24                 a sequester under this subsection shall be zero.

1           “(4) SEQUESTRATION PROCEDURES.—The pro-  
2 vision of subsections (b), (c), and (d) of this section  
3 shall apply to a sequester under this subsection.”.

4           (e) REPORTS.—Section 254 of the Balanced Budget  
5 and Emergency Deficit Control Act of 1985 is amended—

6           (1) by striking subsection (c);

7           (2) in subsection (d)(1), by striking “deficit se-  
8 questration” and inserting “total spending seques-  
9 tration”;

10           (3) in subsection (d) by repealing paragraph (4)  
11 and inserting the following new paragraph:

12           “(4) TOTAL SPENDING SEQUESTRATION RE-  
13 PORTS.—The preview reports shall set forth for the  
14 budget year estimates for each of the following:

15           “(A) The amount of reductions required  
16 from defense accounts and the reductions re-  
17 quired from non-defense accounts.

18           “(B) The sequestration percentage nec-  
19 essary to achieve the required reduction in de-  
20 fense accounts under section 253(c).

21           “(C) The reductions required under sec-  
22 tions 253(d)(1) and 253(d)(2).

23           “(D) The sequestration percentage nec-  
24 essary to achieve the required reduction in non-  
25 defense accounts under section 253(d)(3).”; and

1           (4) in subsection (g)(3), by striking “DEFICIT”  
2           and inserting “TOTAL SPENDING” in the side head-  
3           ing and in the first sentence by striking “deficit”  
4           and inserting “total spending”.

5           (f) CONFORMING AMENDMENT TO TABLE OF CON-  
6           TENTS.—The item relating to section 253 is amended by  
7           striking “Enforcing deficit targets” and inserting “En-  
8           forcing maximum spending limits”.

9           **SEC. 3. TOTAL SPENDING POINT OF ORDER.**

10          (a) TOTAL SPENDING POINT OF ORDER.—Section  
11          605(b) of the Congressional Budget Act of 1974 is amend-  
12          ed to read as follows:

13          “(b) TOTAL SPENDING POINT OF ORDER.—

14               “(1) IN GENERAL.—It shall not be in order in  
15               the House of Representatives or the Senate to con-  
16               sider any bill, joint resolution, amendment, or con-  
17               ference report that includes any provision that would  
18               result in total spending for a fiscal year that exceeds  
19               the maximum permissible total spending amount for  
20               such fiscal year as set forth in section 601(a)(1).

21               “(2) WAIVER OR SUSPENSION.—This subsection  
22               may be waived or suspended in the House of Rep-  
23               resentatives or the Senate only by the affirmative

1        vote of three-fifths of its Members, duly chosen and  
2        sworn.”.

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