
An Act¹³

To establish a new congressional budget process; to establish Committees on the Budget in each House; to establish a Congressional Budget Office; to establish a procedure providing congressional control over the Impoundment of funds by the executive branch; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLES; TABLE OF CONTENTS

§ 1(a) **SECTION 1. (a) SHORT TITLES.** — This Act may be cited as the “Congressional Budget and Impoundment Control Act of 1974”. Titles I through IX¹⁴ may be cited as the “Congressional Budget Act of 1974”, and title X¹⁵ may be cited as the “Impoundment Control Act of 1974”.¹⁶

¹³ The Congressional Budget and Impoundment Control Act of 1974, Pub. L. No. 93-344, 88 Stat. 297 (1974) (codified as amended at 2 U.S.C. §§ 601-688 (1988 & Supp. IV 1992)).

¹⁴ See *infra* pp. 21-371.

¹⁵ See *infra* pp. 373-402.

¹⁶ Although a President's statement upon signing a piece of legislation has no validity as legislative history, as the President issues it after Congress has exercised the legislative powers that article I, section 1 of the Constitution vests exclusively with Congress, the following is President Nixon's statement upon signing the Congressional Budget Act:

Statement About the Congressional Budget and Impoundment Control Act of 1974. July 12, 1974

I TAKE special pleasure today in signing H.R. 7130, the Congressional Budget and Impoundment Control Act of 1974. I commend the Congress for
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¹⁴(...continued)

this landmark legislation, and I pledge the full support of the executive branch in helping fulfill the great promise of this bill.

In each of my five budget messages, I have urged the Congress to review and reform its procedures for considering the Federal budget and pledge the support and cooperation of this Administration in achieving this vital national goal. During the past year, the Congressional committees concerned worked energetically and effectively with this in mind. H.R. 7130 is the result.

Under this legislation, the Congress will, for the first time, focus on overall budget totals early in the legislative process and then relate individual appropriation items to each other within a general set of spending priorities.

Budget committees in the House and Senate, assisted by a new Congressional Budget Office, will be established to develop overall spending levels and priorities.

A tight timetable is established for Congressional action on authorizing legislation and appropriation bills, and a reconciliation process is provided to bring appropriation bills into line with prescribed overall budget totals.

In short, this bill will allow the Congress to step up to and equal responsibility for controlling Federal expenditures.

Prior to the enactment of this bill, the Congress has had to consider a large number of separate measures with no system for establishing priorities relating to an overall spending goal. This system did not impose sufficient disciplines on the Congress to stop the passage of pork-barrel legislation or to resist the pressure of special interest groups seeking a disproportionate share of the tax collar. Costly programs could be enacted without adequate consideration of their added burden to the taxpayer. This lack of discipline in Congressional procedures has been one of the major factors behind the sizable increases in Federal spending over the past decade.

The Congress has wisely recognized these weaknesses and taken steps to correct them through the passage of this legislation.

There are provisions in this bill I hope will be simplified if the requirements imposed by them prove to be restrictive. The impoundment control provisions, in particular, may well limit the ability of the Federal Government to respond promptly and effectively to rapid changes in economic conditions.

Nevertheless, this bill represents a major step toward reform of the Congressional budgetary system. Its enactment is especially timely, because
(continued...)

§ 1(b) (b) TABLE OF CONTENTS. —

- Sec. 1. Short titles; table of contents.
Sec. 2. Declaration of purposes.
Sec. 3. Definitions.

TITLE I — ESTABLISHMENT OF HOUSE AND SENATE BUDGET COMMITTEES

- Sec. 101. Budget Committee of the House of Representatives.
Sec. 102. Budget Committee of the Senate.

TITLE II — CONGRESSIONAL BUDGET OFFICE

- Sec. 201. Establishment of Office.
Sec. 202. Duties and functions.
Sec. 203. Public access to budget data.

¹⁶(...continued)

an excessive rate of inflation makes the need for careful consideration and control over Government spending more crucial than ever. Already the Congress has enacted, or has pending, programs which could add some \$4 billion to our 1975 budget proposals of \$305 billion. I will have no choice but to veto bills which substantially exceed my budget.

The 1976 budget also gives us the opportunity to work together to face our fiscal responsibilities. In the near future, I will send to each department and agency their preliminary budget guidance for 1976. It will reflect a balanced budget in 1976. To achieve this balance, I plan to propose a broad range of legislation which will be needed to cut back individual programs.

I am confident that the Congress will assist me in this effort to keep spending from exceeding my proposed budget levels. H.R. 7130 will permit the high level of cooperation which will be required to achieve this critical goal.

Statement About the Congressional Budget and Impoundment Control Act of 1974, 1974 PUB. PAPERS 587-88 (July 12, 1974). On the same day, the White House released a fact sheet and the transcript of a news briefing on the act by Roy L. Ash, Director of the Office of Management and Budget. *See id.* at 588.

TITLE III — CONGRESSIONAL BUDGET PROCESS¹⁷

- Sec. 300. Timetable.
- Sec. 301. Annual adoption of concurrent resolution on the budget.
- Sec. 302. Committee allocations.
- Sec. 303. Concurrent resolution on the budget must be adopted before legislation providing new budget authority, new spending authority, new credit authority or changes in revenues or the public debt limit is considered.
- Sec. 304. Permissible revisions of concurrent resolutions on the budget.
- Sec. 305. Procedures relating to consideration of concurrent resolutions on the budget.
- Sec. 306. Legislation dealing with congressional budget must be handled by budget committees.
- Sec. 307. House committee action on all appropriations bills to be completed by June 10.
- Sec. 308. Reports, summaries, and projections of congressional budget actions.
- Sec. 309. House approval of regular appropriation bills.
- Sec. 310. Reconciliation.
- Sec. 311. New Budget authority, new spending authority, and revenue legislation must be within appropriate levels.
- Sec. 312. Effect of points of order.¹⁸

¹⁷ Section 231 of Gramm-Rudman-Hollings revised the table of contents for title III to read as it currently does. *See infra* p. 429. As originally enacted in 1974, the table of contents for title III read as follows:

TITLE III — CONGRESSIONAL BUDGET PROCESS

- Sec. 300. Timetable.
- Sec. 301. Adoption of first concurrent resolution.
- Sec. 302. Matters to be included in joint statement of managers; reports by committees.
- Sec. 303. First concurrent resolution on the budget must be adopted before legislation providing new budget authority, new spending authority, or changes in revenues or the public debt limit is considered.
- Sec. 304. Permissible revisions of concurrent resolutions on the budget.
- Sec. 305. Provisions relating to consideration of concurrent resolutions on the budget.
- Sec. 306. Legislation dealing with congressional budget must be handled by budget committees.
- Sec. 307. House committee action on all appropriations bills to be completed before first appropriation bill is reported.
- Sec. 308. Reports, summaries, and projections of congressional budget actions.
- Sec. 309. Completion of action on bills providing new budget authority and certain new spending authority.
- Sec. 310. Second required concurrent resolution and reconciliation process.
- Sec. 311. New Budget authority, new spending authority, and revenue legislation must be within appropriate levels.

¹⁸ Section 13207(b)(2) of the Budget Enforcement Act added this reference. *See infra* p. 725.

Sec. 313. Extraneous matter in reconciliation legislation.¹⁹

TITLE IV — ADDITIONAL PROVISIONS TO IMPROVE FISCAL PROCEDURES

- Sec. 401. Bills providing new spending authority.
- Sec. 402. Legislation providing new credit authority.²⁰
- Sec. 403. Analyses by Congressional Budget Office.
- Sec. 404. Jurisdiction of Appropriations Committees.
- Sec. 405. Study by the General Accounting Office of forms of Federal financial commitment that are not reviewed annually by Congress.²¹
- Sec. 406. Off-budget agencies, programs, and activities.
- Sec. 407. Member user group.

TITLE V — CREDIT REFORM²²

- Sec. 500. Short title.
- Sec. 501. Purposes.
- Sec. 502. Definitions.
- Sec. 503. OMB and CBO analysis, coordination, and review.
- Sec. 504. Budgetary treatment.
- Sec. 505. Authorizations.
- Sec. 506. Treatment of deposit insurance and agencies and other insurance programs.
- Sec. 507. Effect on other laws.

¹⁹ Section 13214(b)(5) of the Budget Enforcement Act added this reference. *See infra* p. 743.

²⁰ Section 232(a)(1) of Gramm-Rudman-Hollings revised the table of contents item for section 402 to read as it currently does. *See infra* p. 430. As originally enacted in 1974, the table of contents item for section 402 read: "Reporting of Authorizing Legislation."

²¹ Section 232(a)(2) of Gramm-Rudman-Hollings added the table of contents items for sections 405-407. *See infra* p. 430. As originally enacted in 1974, the Act had no sections 405-407.

²² Section 13112(a)(1) of the Budget Enforcement Act repealed the table of contents listings for title V as they existed before that Act and added the table of contents listings for title V that now exist. *See infra* p. 708. Before enactment of the Budget Enforcement Act, the table of contents listing for title V read as follows:

TITLE V — CHANGE OF FISCAL YEAR

- Sec. 501. Fiscal year to begin October 1.
- Sec. 502. Transition to new fiscal year.
- Sec. 503. Accounting procedures.
- Sec. 504. Conversion of authorizations of appropriations.
- Sec. 505. Repeals.
- Sec. 506. Technical amendment.

TITLE VI — BUDGET AGREEMENT ENFORCEMENT PROVISIONS²¹

- Sec. 601. Definitions and point of order.
- Sec. 602. Committee allocations and enforcement.
- Sec. 603. Consideration of legislation before adoption of budget resolution for that fiscal year.
- Sec. 604. Reconciliation directives regarding pay-as-you-go requirements.
- Sec. 605. Application of section 311; point of order.
- Sec. 606. 5-Year budget resolutions; budget resolutions must conform to balanced budget and emergency deficit control act of 1985.
- Sec. 607. Effective date.

TITLE VII — PROGRAM REVIEW AND EVALUATION

- Sec. 701. Review and evaluation by standing committees.
- Sec. 702. Review and evaluation by the Comptroller General.
- Sec. 703. Continuing study of additional budget reform proposals.

TITLE VIII — FISCAL AND BUDGETARY INFORMATION AND CONTROLS

- Sec. 801. Amendment to Legislative Reorganization Act of 1970.
- Sec. 802. Changes in functional categories.

TITLE IX — MISCELLANEOUS PROVISIONS; EFFECTIVE DATES

- Sec. 901. Amendments to rules of the House.
- Sec. 902. Conforming amendments to standing rules of the Senate.
- Sec. 903. Amendments to Legislative Reorganization Act of 1946.
- Sec. 904. Exercise of rulemaking powers.
- Sec. 905. Effective dates.

²¹ Section 232(a)(3) of Gramm-Rudman-Hollings struck the table of contents item for section 606. *See infra* p. 430. Section 13112(a)(1) of the Budget Enforcement Act repealed the table of contents listings for title VI as they existed before that Act and added the table of contents listings for that title that now exist. *See infra* p. 708. Before enactment of the Budget Enforcement Act, the table of contents listing for title VI read as follows:

TITLE VI — AMENDMENTS TO BUDGET AND ACCOUNTING ACT, 1921

- Sec. 601. Matters to be included in President's budget.
- Sec. 602. Midyear review.
- Sec. 603. Five-year budget projections.
- Sec. 604. Allowances for supplemental budget authority and uncontrollable outlays.
- Sec. 605. Budget data based on continuation of existing level of services.
- Sec. 606. [Repealed.]
- Sec. 607. Year-ahead requests for authorization of new budget authority.

Sec. 906. Application of congressional budget process to fiscal year 1976.

TITLE X — IMPOUNDMENT CONTROL

PART A — GENERAL PROVISIONS

Sec. 1001. Disclaimer.
Sec. 1002. Amendment to Antideficiency Act.
Sec. 1003. Repeal of existing impoundment reporting provision.

**PART B — CONGRESSIONAL CONSIDERATION OF PROPOSED RESCISSIONS, RESERVATIONS,
AND DEFERRALS OF BUDGET AUTHORITY**

Sec. 1011. Definitions.
Sec. 1012. Rescission of budget authority.
Sec. 1013. Proposed deferrals of budget authority.²⁴
Sec. 1014. Transmission of messages; publication.
Sec. 1015. Reports by Comptroller General.
Sec. 1016. Suits by Comptroller General.
Sec. 1017. Procedure in House and Senate.

²⁴ Section 8003(b) of the Omnibus Budget Reconciliation Act of 1987 revised the table of contents item for section 1013 to read as it currently does. Pub. L. No. 100-203, § 8003(b), 101 Stat. 1330, 1330-282 (1987). This change conformed the table of contents to the substantive change made by section 206 of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, which codified case law regarding deferral authority. See Pub. L. No. 100-119, § 206, 101 Stat. 754, 785-86 (1987). As originally enacted in 1974, the table of contents item for section 1013 read: "Disapproval of proposed deferrals of budget authority."

DECLARATION OF PURPOSES

§ 2 **SEC. 2.²⁵ The Congress declares that it is essential —**

§ 2(1) **(1) to assure effective congressional control over the budgetary process;**

§ 2(2) **(2) to provide for congressional determination each year of the appropriate level of Federal revenues and expenditures;**

§ 2(3) **(3) to provide a system of impoundment control;**

§ 2(4) **(4) to establish national budget priorities; and**

§ 2(5) **(5) to provide for the furnishing of information by the executive branch in a manner that will assist the Congress in discharging its duties.**

²⁵ Section 2 is codified at 2 U.S.C. § 621 (1988).