

119TH CONGRESS  
1ST SESSION

# H. R. 3279

To require the Director of the Office of Management and Budget to establish a limit for the total amount of additional unfunded regulatory costs that may be imposed in a fiscal year, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2025

Mr. FALLON (for himself, Mr. COMER, and Ms. FOXX) introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on the Judiciary, 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 require the Director of the Office of Management and Budget to establish a limit for the total amount of additional unfunded regulatory costs that may be imposed in a fiscal year, and for other purposes.

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. SHORT TITLE.**

4 This Act may be cited as the “Renewing Efficiency  
5 in Government by Budgeting Act of 2025” or the “REG  
6 Budgeting Act of 2025”.

1 **SEC. 2. REGULATORY BUDGETING.**

2 (a) LIMIT FOR THE AMOUNT OF ADDITIONAL UN-  
3 FUNDED REGULATORY COSTS THAT MAY BE IMPOSED  
4 EACH FISCAL YEAR.—

5 (1) ESTABLISHMENT.—

6 (A) OMB LIMIT.—On or before September  
7 30 of each fiscal year, the Director shall estab-  
8 lish—

9 (i) a limit on the amount of additional  
10 unfunded regulatory costs that may be im-  
11 posed collectively by the heads of all agen-  
12 cies in the next fiscal year; and

13 (ii) as part of the limit established  
14 under clause (i), a limit on the amount of  
15 additional unfunded regulatory costs that  
16 may be imposed individually by the head of  
17 each agency in the next fiscal year.

18 (B) PROPOSED AGENCY LIMITS.—Not later  
19 than 90 days before the date on which the Di-  
20 rector establishes a limit for the head of an  
21 agency under subparagraph (A)(ii), the head of  
22 each agency shall submit to the Director—

23 (i) a proposed limit on the amount of  
24 additional unfunded regulatory costs that  
25 may be imposed by the head of that agency  
26 in the next fiscal year; and

1 (ii) detailed information that describes  
2 the bases and reasoning for the proposed  
3 limit (including any costs described under  
4 subsection (b)(1)(B)(ii)).

5 (C) ADDITIONAL MATTERS RELATED TO  
6 LIMIT.—The Director may require as part of a  
7 limit under subparagraph (A) that cumulative  
8 unfunded regulatory costs be reduced, including  
9 for the purpose of offsetting any additional un-  
10 funded regulatory costs that may be imposed by  
11 the heads of agencies during the fiscal year for  
12 which the limit is established.

13 (D) CONGRESSIONAL APPROVAL; IMPLE-  
14 MENTATION OF DEFAULT LIMIT PENDING RE-  
15 QUIRED CONGRESSIONAL APPROVAL.—

16 (i) IN GENERAL.—The Director may  
17 not implement a limit established under  
18 subparagraph (A) that allows the head of  
19 an agency to impose a net increase in addi-  
20 tional unfunded regulatory costs during  
21 the fiscal year to which the limit applies  
22 unless and until Congress approves such  
23 limit by joint resolution.

24 (ii) LIMIT TO BE IMPLEMENTED BE-  
25 FORE CONGRESSIONAL APPROVAL.—Fol-

1           lowing the Director’s submission to Con-  
2           gress under paragraph (2) of a limit de-  
3           scribed in clause (i), and until Congress  
4           approves such limit, the Director shall im-  
5           plement in lieu of such limit a limit that  
6           allows no net increase in additional un-  
7           funded regulatory costs to be imposed dur-  
8           ing the applicable fiscal year.

9           (2) REPORTS.—

10           (A) AGENCY-WIDE LIMIT.—Not later than  
11           7 days after establishing a limit under para-  
12           graph (1)(A)(i), the Director shall—

13                   (i) submit to the appropriate congress-  
14                   sional committees a report that identifies  
15                   the limit established and contains a rea-  
16                   soned statement of the basis and purpose  
17                   of establishing such limit (including an  
18                   identification of any cost taken into ac-  
19                   count in establishing the limit pursuant to  
20                   subsection (b)(1)(B)(i)); and

21                   (ii) publish the report on the website  
22                   designated under subparagraph (D).

23           (B) AGENCY-SPECIFIC LIMIT.—Not later  
24           than 7 days after establishing a limit under

1 paragraph (1)(A)(ii) with respect to an agency,  
2 the Director shall—

3 (i) submit a report that identifies the  
4 limit established and contains a reasoned  
5 statement of the basis and purpose of es-  
6 tablishing such limit (including an identi-  
7 fication of any cost taken into account in  
8 establishing the limit pursuant to sub-  
9 section (b)(1)(B)(i)) to—

10 (I) the appropriate congressional  
11 committees; and

12 (II) each standing committee  
13 with jurisdiction under the rules of  
14 the House of Representatives or the  
15 Senate to report a bill to amend the  
16 provisions of law under which the  
17 head of the agency is authorized to  
18 promulgate rules; and

19 (ii) publish the report on the website  
20 designated under subparagraph (D).

21 (C) PROHIBITION ON PROMULGATING CER-  
22 TAIN RULES UNTIL SUBMISSION OF REPORT TO  
23 APPROPRIATE CONGRESSIONAL COMMITTEES.—

24 (i) IN GENERAL.—The head of an  
25 agency may not finalize a rule that im-

1 poses an additional unfunded regulatory  
2 cost until the Director submits to the ap-  
3 propriate congressional committees the re-  
4 ports required by subparagraph (A)(i) and  
5 subparagraph (B)(i) for the fiscal year in  
6 which the rule would be finalized.

7 (ii) EXCEPTION.—The prohibition  
8 under clause (i) shall not apply to any rule  
9 with respect to which the President issues  
10 an Executive Order stating that the rule  
11 should take effect because the rule is—

12 (I) necessary—

13 (aa) because of an emer-  
14 gency, including an imminent  
15 threat to health or safety;

16 (bb) for the enforcement of  
17 criminal laws; or

18 (cc) for national security; or

19 (II) being issued pursuant to a  
20 law implementing an international  
21 trade agreement.

22 (D) DESIGNATION OF WEBSITE.—Not  
23 later than 90 days after the date of the enact-  
24 ment of this subsection, the Director shall des-  
25 ignate a website through which the Director will

1 publish reports in accordance with subpara-  
2 graphs (A) and (B).

3 (b) RULES RESULTING IN LIMIT BEING EXCEED-  
4 ED.—

5 (1) CONGRESSIONAL APPROVAL.—

6 (A) PROHIBITION ON RULE TAKING EF-  
7 FECT.—If the promulgation of any individual  
8 rule would result in a limit established under  
9 subsection (a)(1)(A) being exceeded, notwith-  
10 standing any requirement established by the Di-  
11 rector pursuant to subsection (a)(1)(C), the  
12 rule may not go into effect during the fiscal  
13 year in which the rule is promulgated unless  
14 and until Congress approves such rule during  
15 such fiscal year by joint resolution.

16 (B) ACCOUNTING FOR CERTAIN COSTS IM-  
17 POSED UNDER RULES PROMULGATED BUT NOT  
18 APPROVED.—In the case that a rule is prohib-  
19 ited from going into effect during the fiscal  
20 year in which the rule is promulgated because  
21 Congress does not approve such rule under sub-  
22 paragraph (A), such rule may go into effect  
23 during any proceeding fiscal year if—

24 (i) the head of the agency identifies  
25 under subsection (a)(1)(B)(ii) the amount

1 of additional unfunded regulatory costs  
2 that would be imposed in such fiscal year  
3 if such rule takes effect in that fiscal year;

4 (ii) the Director takes into account  
5 any such costs in establishing the limits for  
6 that fiscal year under subsection (a)(1)(A);  
7 and

8 (iii) in the case that such limits allow  
9 for the head of an agency to impose a net  
10 increase in additional unfunded regulatory  
11 costs during the fiscal year to which the  
12 limit applies, Congress approves such lim-  
13 its under subsection (a)(1)(D).

14 (2) NOTIFICATION.—In the case that the head  
15 of an agency determines that finalizing a rule may  
16 result in the amount of additional unfunded regu-  
17 latory costs imposed by the head of the agency dur-  
18 ing that fiscal year to exceed a limit established  
19 under subsection (a)(1)(A), notwithstanding any re-  
20 quirement established by the Director pursuant to  
21 subsection (a)(1)(C), the head of the agency—

22 (A) shall submit, before promulgating a  
23 general notice of a final rule with respect to  
24 such rule, a notification to the Director that in-  
25 cludes—

1 (i) a justification for exceeding such  
2 limit as a result of such rule;

3 (ii) by how much the limit will be ex-  
4 ceeded as a result of such rule;

5 (iii) an identification of any require-  
6 ment established by the Director pursuant  
7 to subsection (a)(1)(C) to avoid exceeding  
8 such limit as a result of such rule; and

9 (iv) whether the head of the agency  
10 identified or considered any alternatives to  
11 such rule, or the establishment of addi-  
12 tional requirements by the Director pursu-  
13 ant to subsection (a)(1)(C), that would  
14 have resulted in the imposition of a lesser  
15 amount of additional unfunded regulatory  
16 costs, and if so, how much less such  
17 amount would have been; and

18 (B) may not promulgate such rule until  
19 the head of the agency receives from the Direc-  
20 tor a notification under paragraph (3)(C) with  
21 respect to such rule.

22 (3) DETERMINATION BY DIRECTOR.—After re-  
23 ceiving a notification under paragraph (2), the Di-  
24 rector shall—

1 (A) determine whether finalizing such rule  
2 during that fiscal year will result in a limit es-  
3 tablished under subsection (a)(1)(A) being ex-  
4 ceeded, notwithstanding any requirement estab-  
5 lished by the Director pursuant to subsection  
6 (a)(1)(C);

7 (B) determine whether the Director agrees  
8 with the determination of the head of the agen-  
9 cy that such rule should be finalized notwith-  
10 standing such limit; and

11 (C) submit a written notification to the  
12 head of the agency on the determinations made  
13 under subparagraphs (A) and (B) of this para-  
14 graph.

15 (4) REPORT TO CONGRESS.—In the case that  
16 the Director determines under paragraph (3)(B)  
17 that the Director agrees with a determination by the  
18 head of an agency to finalize a rule that will result,  
19 notwithstanding any requirement established by the  
20 Director pursuant to subsection (a)(1)(C), in a limit  
21 established under subsection (a)(1)(A) being exceed-  
22 ed, not later than 7 days after the Director submits  
23 a notification to the head of an agency under para-  
24 graph (3)(C) of this subsection with respect to such  
25 determination, the Director shall submit to the ap-

1 appropriate congressional committees, each standing  
2 committee with jurisdiction under the rules of the  
3 House of Representatives or the Senate to report a  
4 bill to amend the provision of law under which the  
5 rule is to be promulgated, and the Comptroller Gen-  
6 eral, a notification regarding such determination by  
7 the Director that includes—

8 (A) the information provided by the head  
9 of the agency to the Director under paragraph  
10 (2)(A) with respect to such rule; and

11 (B) a reasoned statement of the basis and  
12 purpose of such determination.

13 (c) STATEMENT REGARDING ADDITIONAL UN-  
14 FUNDED REGULATORY COSTS.—In publishing a general  
15 notice of a final rule, the head of an agency shall include  
16 in such notice a statement that includes—

17 (1) whether the rule will result in the amount  
18 of additional unfunded regulatory costs imposed by  
19 the agency during the fiscal year in which the rule  
20 is finalized to exceed a limit established under sub-  
21 section (a)(1)(A), notwithstanding any requirement  
22 established by the Director pursuant to subsection  
23 (a)(1)(C); and

24 (2) in the case that the rule will result in the  
25 amount of additional unfunded regulatory costs im-

1 posed by the agency during the fiscal year in which  
2 the rule is finalized to exceed a limit established  
3 under subsection (a)(1)(A), notwithstanding any re-  
4 quirement established by the Director pursuant to  
5 subsection (a)(1)(C)—

6 (A) by how much the limit will be exceeded  
7 as a result of the rule;

8 (B) a justification for exceeding such limit  
9 as a result of the rule;

10 (C) an identification of any requirement  
11 established by the Director pursuant to sub-  
12 section (a)(1)(C) to avoid exceeding such limit  
13 as a result of such rule;

14 (D) whether the agency identified or con-  
15 sidered any alternatives to the rule, or any re-  
16 quirement established by the Director pursuant  
17 to subsection (a)(1)(C) that would have resulted  
18 in the imposition of a lesser amount of addi-  
19 tional unfunded regulatory costs, and if so, how  
20 much less such amount would have been;

21 (E) that the head of the agency submitted  
22 a notification to the Director under subsection  
23 (b)(2); and

1 (F) the determinations made by the Direc-  
2 tor under subsection (b)(3) with respect to such  
3 rule.

4 (d) JUDICIAL REVIEW.—

5 (1) IN GENERAL.—A person that is aggrieved  
6 by agency action regarding a rule that is prohibited  
7 under the provisions of this section from being final-  
8 ized or taking effect is entitled to judicial review of  
9 whether the agency complied with this section.

10 (2) SCOPE OF REVIEW.—Chapter 7 of title 5,  
11 United States Code, shall govern the scope of judi-  
12 cial review under paragraph (1).

13 (3) JURISDICTION.—Each court that has juris-  
14 diction to review a rule for compliance with section  
15 553 of title 5, United States Code, or under any  
16 other provision of law, shall have jurisdiction to re-  
17 view a claim brought under paragraph (1).

18 (4) RELIEF AVAILABLE.—In granting relief in  
19 an action under this section, a court shall order the  
20 agency that finalized or treated as in effect the rule  
21 that is under review to take remedial action con-  
22 sistent with chapter 7 of title 5, United States Code.

23 (e) ASSOCIATE ADMINISTRATOR FOR REGULATORY  
24 BUDGETING.—

1           (1) ESTABLISHMENT OF POSITION.—Section  
2           3503 of title 44, United States Code, is amended by  
3           adding at the end the following new subsection:

4           “(c) ASSOCIATE ADMINISTRATOR FOR REGULATORY  
5 BUDGETING.—

6           “(1) ESTABLISHMENT.—There is established an  
7           Associate Administrator for Regulatory Budgeting  
8           within the Office of Information and Regulatory Af-  
9           fairs of the Office of Management and Budget, who  
10          is responsible for the oversight and coordination of  
11          the implementation of section 2 of the REG Budg-  
12          eting Act of 2025.

13          “(2) APPOINTMENT AND PAY.—The position of  
14          Associate Administrator established under para-  
15          graph (1) shall be appointed by the President, shall  
16          be a position in the excepted service, and shall be  
17          compensated at the rate of basic pay for level IV of  
18          the Executive Schedule (section 5315 of title 5).”.

19          (2) FIRST APPOINTMENT OF ASSOCIATE ADMIN-  
20          ISTRATOR FOR REGULATORY BUDGETING.—Not later  
21          than 30 days after the date of the enactment of this  
22          section, the President shall appoint the first Asso-  
23          ciate Administrator for Regulatory Budgeting estab-  
24          lished under section 3503(c) of title 44, United  
25          States Code, as added by paragraph (1).

1           (3) GUIDELINES.—Not later than 90 days after  
2           the date of the enactment of this section, the Asso-  
3           ciate Administrator for Regulatory Budgeting shall  
4           issue guidelines for agencies to ensure agencies meet  
5           the requirements of this section in a consistent man-  
6           ner.

7           (f) ANNUAL REPORT.—On or before October 30 of  
8           each fiscal year, the Director shall submit to the appro-  
9           priate congressional committees a report on the adminis-  
10          tration by the Director of the limits established under sub-  
11          section (a)(1)(A) for the prior fiscal year, including—

12           (1) whether the total amount of additional un-  
13           funded regulatory costs imposed by all agencies in  
14           the prior fiscal year met or exceeded the limit estab-  
15           lished under clause (i) of such subsection;

16           (2) whether the total amount of additional un-  
17           funded regulatory costs imposed by the head of each  
18           agency in the prior fiscal year met or exceeded the  
19           limit established for such costs under clause (ii) of  
20           such subsection;

21           (3) a detailed statement that—

22           (A) identifies by how much, and as a result  
23           of finalizing which rule or rules, any such limit  
24           was exceeded; and

1 (B) includes a justification for exceeding  
2 any such limit as a result of finalizing such rule  
3 or rules; and

4 (4) a list of each rule with respect to which the  
5 Director determined under subsection (b)(3)(B) that  
6 the Director agreed with a determination by the  
7 head of an agency to finalize the rule notwith-  
8 standing a limit established under subsection  
9 (a)(1)(A).

10 (g) EXEMPTION FOR MONETARY POLICY.—This sec-  
11 tion shall not apply to a rule that concerns monetary pol-  
12 icy proposed or implemented by the Board of Governors  
13 of the Federal Reserve System or the Federal Open Mar-  
14 ket Committee.

15 (h) DEFINITIONS.—In this section:

16 (1) ADDITIONAL UNFUNDED REGULATORY  
17 COST.—The term “additional unfunded regulatory  
18 cost” means an unfunded regulatory cost that had  
19 not been required to be incurred by any individual  
20 or entity as a result of a Federal mandate imposed  
21 by rule on an individual or entity during any pre-  
22 ceding fiscal year.

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

1           (3) APPROPRIATE CONGRESSIONAL COMMIT-  
2           TEES.—The term “appropriate congressional com-  
3           mittees” means—

4                   (A) the Committee on Oversight and Gov-  
5                   ernment Reform of the House of Representa-  
6                   tives; and

7                   (B) the Committee on Homeland Security  
8                   and Governmental Affairs of the Senate.

9           (4) COST.—The term “cost” means—

10                   (A) a direct cost; or

11                   (B) a quantifiable cost that can be esti-  
12                   mated using the methods and concepts de-  
13                   scribed in Office of Management and Budget  
14                   Circular A–4 issued on September 17, 2003.

15           (5) CUMULATIVE UNFUNDED REGULATORY  
16           COSTS.—The term “cumulative unfunded regulatory  
17           costs” means the aggregate amount of all unfunded  
18           regulatory costs imposed during all preceding fiscal  
19           years.

20           (6) DIRECTOR.—The term “Director” means  
21           the Director of the Office of Management and Budg-  
22           et.

23           (7) RULE.—The term “rule” has the meaning  
24           given such term in section 551 of title 5, United  
25           States Code.

1           (8) UNFUNDED REGULATORY COST.—The term  
2           “unfunded regulatory cost” means a cost required to  
3           be incurred by an individual or entity as a result of  
4           a Federal mandate imposed by rule on an individual  
5           or entity.

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