

[DISCUSSION DRAFT]

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Federal Reserve Act to bring the non-monetary policy related functions of the Board of Governors of the Federal Reserve System into the appropriations process, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To amend the Federal Reserve Act to bring the non-monetary policy related functions of the Board of Governors of the Federal Reserve System into the appropriations process, 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 [“_____ Act
5 of 2023”].

1 **SEC. 2. BRINGING THE NON-MONETARY POLICY RELATED**
2 **FUNCTIONS OF THE BOARD OF GOVERNORS**
3 **OF THE FEDERAL RESERVE SYSTEM INTO**
4 **THE APPROPRIATIONS PROCESS.**

5 (a) IN GENERAL.—The Federal Reserve Act is
6 amended by inserting after section 11B the following:

7 **“SEC. 11C. APPROPRIATIONS REQUIREMENT FOR NON-**
8 **MONETARY POLICY RELATED ADMINISTRA-**
9 **TIVE COSTS.**

10 “(a) APPROPRIATIONS REQUIREMENT.—

11 “(1) RECOVERY OF COSTS OF ANNUAL APPRO-
12 PRIATION.—The Board of Governors of the Federal
13 Reserve System shall collect assessments and other
14 fees, as provided under this Act, that are designed
15 to recover the costs to the Government of the annual
16 appropriation to the Board of Governors of the Fed-
17 eral Reserve System by Congress. The Board of
18 Governors of the Federal Reserve System may only
19 incur obligations or allow and pay expenses with re-
20 spect to non-monetary policy related administrative
21 costs pursuant to an appropriations Act.

22 “(2) OFFSETTING COLLECTIONS.—Assessments
23 and other fees described under paragraph (1) for
24 any fiscal year—

25 “(A) shall be deposited and credited as off-
26 setting collections to the account providing ap-

1 propriations to the Board of Governors of the
2 Federal Reserve System; and

3 “(B) shall not be collected for any fiscal
4 year except to the extent provided in advance in
5 appropriation Acts.

6 “(3) LIMITATION.—This subsection shall only
7 apply to the non-monetary policy related administra-
8 tive costs of the Board of Governors of the Federal
9 Reserve System.

10 “(b) DEFINITIONS.—For purposes of this section:

11 “(1) MONETARY POLICY.—The term ‘monetary
12 policy’ means a strategy to promote effectively the
13 goals of maximum employment, stable prices, and
14 moderate long-term interest rates, the stance of
15 which is adjusted by means of changing the Federal
16 Open Market Committee’s targets for interest rates,
17 forward guidance, and purchases in the open market
18 of limited asset types.

19 “(2) NON-MONETARY POLICY RELATED ADMIN-
20 ISTRATIVE COSTS.—The term ‘non-monetary policy
21 related administrative costs’ means administrative
22 costs not related to the conduct of monetary policy
23 or adjustments in the stance of monetary policy, and
24 includes—

1 “(A) direct operating expenses for super-
2 vising and regulating entities supervised and
3 regulated by the Board of Governors of the
4 Federal Reserve System, including conducting
5 examinations, conducting stress tests and sce-
6 nario analyses, communicating with the entities
7 regarding supervisory matters and laws, and
8 regulations;

9 “(B) operating expenses for activities inte-
10 gral to carrying out supervisory and regulatory
11 responsibilities, such as training staff in the su-
12 pervisory function, targeted research and anal-
13 ysis functions including library subscription
14 services, and collecting and processing regu-
15 latory reports filed by supervised institutions;
16 and

17 “(C) support, overhead, and pension ex-
18 penses related to the items described under sub-
19 paragraphs (A) and (B).”.

20 (b) EFFECTIVE DATE.—The amendments made by
21 this section shall apply with respect to expenses paid and
22 fees collected on or after October 1, 2023.