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REPUBLICAN SPENDING REDUCTION PROPOSAL ADOPT THE LEGISLATIVE LINE-ITEM VETO

PURPOSE

- This proposal would give the President and Congress an effective tool to remove wasteful and unnecessary spending from completed bills – a tool that 41 governors currently have.
- It is a constitutionally sound version of the line-item veto, and avoids the problems presented by the Line-Item Veto law that was struck down as unconstitutional in the late 1990s.

SUMMARY

- This proposal gives the President the authority to propose the elimination of new wasteful spending items or targeted special-interest tax breaks in legislation that he signs into law, and then send these specific items back to Congress for a timely vote.
- Congress would have to approve the elimination of wasteful items, but the measure would require Congress to vote up or down on the President’s proposals.

BACKGROUND

- Representative Ryan introduced the Legislative Line-Item Veto Act of 2006 (H.R. 4890) in the 109th Congress, and its provisions are included in the Spending, Deficit, and Debt Control Act of 2009 (H.R. 3964), introduced in the current Congress by Representative Hensarling. They are also included in the Congressional Accountability and Line-Item Veto Act of 2009 (H.R. 1294). Recently the President proposed his own version of a line-item veto.
- The initiative is carefully crafted to avoid the constitutional problems with the 1996 Line-Item Veto law. Unlike the previous version, this bill allows the President to propose to Congress the elimination of spending or targeted tax or tariff breaks, but none of the proposed cancellations would take effect without a vote by Congress.
- The Legislative Line-Item Veto Act will not cure the out-of-control spending coming out of Washington, but it would give another tool to the Congress and the President to require specific votes on deficit increasing provisions whereas right now they may be buried in much larger bills. Details of the legislation include:
 - It gives the President the authority to propose eliminating wasteful spending items or targeted special-interest tax breaks in legislation that he signs into law,

and send these specific items back to Congress for a timely vote on his rescission requests. The President would be required to submit his rescission request to Congress within 45 calendar days of signing a bill into law.

- It puts the President's rescission requests on a fast track guaranteeing an up-or-down vote, with no amendments, by the full House and Senate within 14 total legislative days after receipt of the President's request.
 - It respects and preserves Congress's constitutional responsibilities. It requires both the House and Senate to vote to approve the President's rescission requests before they can become law. If either the House or Senate votes against a rescission by a simple majority, it is not enacted.
 - It permits the President to decline to spend the relevant funds for up to 90 days (an initial 45-day period, with an extension period of 45 days) to ensure adequate time for Congress to act on rescission proposals, particularly in the event that Congress enters a recess.
 - It prohibits the President from re-proposing the same or a substantially similar rescission if Congress has already rejected it once.
 - It limits the number of rescission requests per bill to five, (or ten in the case of an omnibus or reconciliation bill). Note that one presidential rescission request may include a package of line items that are recommended for removal, rather than just one single line-item provision.
 - It ensures the President can use this rescission authority to propose the removal of wasteful spending items, not as a tool to strike down policy provisions.
- Nearly 4 months ago, Republican Leader Boehner and Republican Whip Cantor wrote to the President urging that he use his *existing* power under the Congressional Budget and Impoundment Control Act of 1974 to initiate spending reductions.
 - The law allows the President to propose specific spending reductions that – if not reported by the committee of jurisdiction within 25 days of introduction, the committee can be discharged on a motion by one-fifth of the House.
 - The letter, dated 4 February 2010, can be found at:
http://gopleader.gov/UploadedFiles/POTUS_Rescissions_Letter_02_04_10.pdf

This document was prepared by the Republican staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and may not reflect the views of individual committee members.