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(Original Signature of Member)

112TH CONGRESS
2D SESSION

H. R. _____

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to replace the sequester established by the Budget Control Act of 2011.

IN THE HOUSE OF REPRESENTATIVES

Mr. RYAN of Wisconsin introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to replace the sequester established by the Budget Control Act of 2011.

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 “Sequester Replacement
5 Act of 2012”.

6 **SEC. 2. CONTINGENT EFFECTIVE DATE.**

7 This Act and the amendments made by it shall take
8 effect upon the enactment of the Act provided for in sec-

1 tion 201 of H. Con. Res. 112 (112th Congress) and this
2 Act and the amendments made by it shall have no force
3 or effect if such Act provided for in such section is not
4 enacted.

5 **SEC. 3. PROTECTING VETERANS PROGRAMS FROM SEQUES-**
6 **TER.**

7 Section 256(e)(2)(E) of the Balanced Budget and
8 Emergency Deficit Control Act of 1985 is repealed.

9 **SEC. 4. ACHIEVING \$19 BILLION IN DISCRETIONARY SAV-**
10 **INGS.**

11 (a) REVISED 2013 DISCRETIONARY SPENDING
12 LIMIT.—Paragraph (2) of section 251(c) of the Balanced
13 Budget and Emergency Deficit Control Act of 1985 is
14 amended to read as follows:

15 “(2) with respect to fiscal year 2013, for the
16 discretionary category, \$1,047,000,000,000 in new
17 budget authority;”.

18 (b) DISCRETIONARY SAVINGS.—Section 251A(7)(A)
19 of the Balanced Budget and Emergency Deficit Control
20 Act of 1985 is amended to read as follows:

21 “(A) FISCAL YEAR 2013.—

22 “(i) FISCAL YEAR 2013 ADJUST-
23 MENT.—On January 2, 2013, the discre-
24 tionary category set forth in section

1 251(c)(2)(A) shall be decreased by
2 \$19,104,000,000 in budget authority.

3 “(ii) SUPPLEMENTAL SEQUESTRATION
4 ORDER.—On January 15, 2013, OMB
5 shall issue a supplemental sequestration
6 report for fiscal year 2013 and take the
7 form of a final sequestration report as set
8 forth in section 254(f)(2) and using the
9 procedures set forth in section 253(f), to
10 eliminate any discretionary spending
11 breach of the spending limit set forth in
12 section 251(c)(2)(A) as adjusted by clause
13 (i), and the President shall order a seques-
14 tration, if any, as required by such re-
15 port.”.

16 **SEC. 5. CONFORMING AMENDMENTS TO SECTION 314 OF**
17 **THE CONGRESSIONAL BUDGET AND IM-**
18 **POUNDMENT CONTROL ACT OF 1974.**

19 Section 314(a) of the Congressional Budget Act of
20 1974 is amended to read as follows:

21 “(a) ADJUSTMENTS.—

22 “(1) IN GENERAL.—The chair of the Committee
23 on the Budget of the House of Representatives or
24 the Senate may make adjustments as set forth in
25 paragraph (2) for a bill or joint resolution, amend-

1 ment thereto or conference report thereon, by the
2 amount of new budget authority and outlays flowing
3 therefrom in the same amount as required by section
4 251(b) of the Balanced Budget and Emergency Def-
5 icit Control Act of 1985.

6 “(2) MATTERS TO BE ADJUSTED.—The chair of
7 the Committee on the Budget of the House of Rep-
8 resentatives or the Senate may make the adjust-
9 ments referred to in paragraph (1) to—

10 “(A) the allocations made pursuant to the
11 appropriate concurrent resolution on the budget
12 pursuant to section 302(a);

13 “(B) the budgetary aggregates as set forth
14 in the appropriate concurrent resolution on the
15 budget; and

16 “(C) the discretionary spending limits, if
17 any, set forth in the appropriate concurrent res-
18 olution on the budget.”.

19 **SEC. 6. TREATMENT FOR PAYGO PURPOSES.**

20 The budgetary effects of this Act and any amendment
21 made by it, and the budgetary effects of the Act provided
22 for by section 201 of H. Con. Res. 112 (112th Congress),
23 shall not be entered on either PAYGO scorecard main-
24 tained pursuant to section 4(d) of the Statutory Pay-As-
25 You-Go Act of 2010.

1 **SEC. 7. ELIMINATION OF THE FISCAL YEAR 2013 SEQUES-**
2 **TRATION FOR DEFENSE DIRECT SPENDING.**

3 Any sequestration order issued by the President
4 under the Balanced Budget and Emergency Deficit Con-
5 trol Act of 1985 to carry out reductions to direct spending
6 for the defense function (050) for fiscal year 2013 pursu-
7 ant to section 251A of such Act shall have no force or
8 effect.