

117TH CONGRESS
2D SESSION

S. 3490

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 SENATE OF THE UNITED STATES

JANUARY 12 (legislative day, JANUARY 10), 2022

Mr. TILLIS introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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 “Federal Reserve Regu-
5 latory Oversight Act”.

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 and the Federal reserve banks shall
 14 collect assessments and other fees, as provided under
 15 this Act, that are designed to recover the costs to
 16 the Government of the annual appropriation to the
 17 Board of Governors of the Federal Reserve System
 18 by Congress. The Board of Governors of the Federal
 19 Reserve System and the Federal reserve banks may
 20 only incur obligations or allow and pay expenses
 21 with respect to non-monetary policy related adminis-
 22 trative costs pursuant to an appropriations Act.

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

1 “(A) shall be deposited and credited as off-
 2 setting collections to the account providing ap-
 3 propriations to the Board of Governors of the
 4 Federal Reserve System; and

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

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

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

13 “(1) MONETARY POLICY.—The term ‘monetary
 14 policy’ means a strategy for producing a generally
 15 acceptable exchange medium that supports the pro-
 16 ductive employment of economic resources by reli-
 17 ably serving as both a unit of account and store of
 18 value.

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 and includes—

24 “(A) direct operating expenses for super-
 25 vising and regulating entities supervised and

1 regulated by the Board of Governors of the
2 Federal Reserve System, including conducting
3 examinations, conducting stress tests, commu-
4 nicating with the entities regarding supervisory
5 matters and laws, and regulations;

6 “(B) operating expenses for activities inte-
7 gral to carrying out supervisory and regulatory
8 responsibilities, such as training staff in the su-
9 pervisory function, research and analysis func-
10 tions including library subscription services, and
11 collecting and processing regulatory reports
12 filed by supervised institutions; and

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

16 (b) EFFECTIVE DATE.—The amendments made by
17 this section shall apply with respect to expenses paid and
18 fees collected on or after October 1, 2021.

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