



BUDGET WEEK

Committee on the Budget • Majority Caucus
U.S. House of Representatives
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Summarizing budgetary issues in legislation
scheduled for the House floor

5 April 2005

Week of 4 April 2005

SUSPENSION CALENDAR

- 1) ***Commemorating the Life of the late Zurab Zhvania, Prime Minister of the Republic of Georgia*** (H.Res. 108). 
This resolution has no budget implications.
- 2) ***Commending the Outstanding Efforts by Members of the Armed Forces and Civilian Employees of the Department of State and the United States Agency for International Development in Response to the Earthquake and Tsunami of December 26, 2004*** (H.Res. 120). 
This resolution has no budget implications.
- 3) ***Honoring the Life and Contributions of Yogi Bhajan, a Leader of Sikhs, and Expressing Condolences to the Sikh Community on His Passing*** (H.Con.Res. 34). 
This resolution has no budget implications.
- 4) ***Realtime Investor Protection Act*** (H.R. 1077). 
This bill requires registered securities associations to: 1) establish and maintain registration information systems on their members and associated persons; and 2) establish and maintain toll-free telephone listings – as well as readily accessible electronic or other procedures – to receive and promptly respond to inquiries regarding that information. The Congressional Budget Office [CBO] has not provided a cost estimate for H.R. 1077, but it is not expected to either increase direct spending – spending not subject to annual appropriations – or reduce revenue.
- 5) ***Mortgage Servicing Clarification Act*** (H.R. 1025). 
In gathering information pursuant to their activities, debt collectors are required to disclose that their business is debt collection, and that any information obtained will be used for that purpose. This bill exempts from these mandatory disclosures certain servicers of federally related mortgage loans, when the loans are secured by first liens that include loans in default at the time the servicer became responsible for servicing such loans. CBO has not provided a cost estimate for H.R. 1025, but it is not expected to either increase direct spending or reduce revenue.
- 6) ***Increased Capital Access for Growing Business Act*** (H.R. 436). 
This bill modifies the rules exempting certain firms from registering under the Investment Company Act of 1940. Under the act, a firm may be exempt if it engages primarily in

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PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to address support or opposition on any other grounds. A green flag indicates no serious budgetary or budget compliance concerns. A yellow flag indicates moderate or potential problems. A red flag indicates serious problems. Also note: Floor schedules and legislative details are subject to change after publication.

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furnishing capital and managerial expertise to "eligible portfolio companies" – companies that do not have ready access to capital through conventional financial channels. The bill expands the criteria of an "eligible portfolio company" to include companies that are not publicly traded or that have publicly traded shares of not more than \$250 million in total value. In turn, the bill also alters the criteria for the financing companies. Consequently, the bill could affect revenue indirectly, because certain provisions of the tax code key off definitions in securities law that the bill modifies. No estimate has been prepared for this bill, but it is not expected to increase direct spending or significantly reduce revenue.

7) *Native American Housing Enhancement Act of 2005* (H.R. 797).

This bill requires Indian tribes who exercise powers of self-government to comply with the Indian Civil Rights Act when receiving assistance under title V of the Housing Act of 1949. Such tribes – as well as tribes acting under the affordable housing provisions of the Native American Housing Assistance and Self-Determination Act of 1996 – are exempt from complying with title VI of the Civil Rights Act of 1964 and with title VIII of the Civil Rights Act of 1968. CBO has not provided a cost estimate for this bill.

8) *Supporting the Goals and Ideals of Financial Literacy Month, and for Other Purposes* 
(H.Res.148).

This resolution has no budget implications.

LEGISLATION CONSIDERED UNDER A RULE

Bill: ***Bankruptcy Abuse Prevention and Consumer Protection Act of 2005*** (S.256). 

Committee: Judiciary

Summary: This bill amends Federal bankruptcy law to revamp guidelines governing dismissal or conversion of a chapter 7 liquidation (complete relief in bankruptcy) to one under either chapter 11 (reorganization) or chapter 13 (adjustment of debts of an individual with regular income). It also establishes means-testing eligibility for chapter 7 bankruptcy relief. In addition, the bill addresses abusive creditor practices, priority for child support payments, and certain small business provisions. The bill reenacts chapter 12 – adjustment of debts of a family farmer with regular annual income – as amended by this Act (thereby reinstating permanently family farmer bankruptcy relief).

The bill violates the Congressional Budget Act under the fiscal year 2005 budget resolution, currently in force. Nevertheless, it is expected that a conference report on the fiscal year 2006 budget (H.Con.Res. 95) will accommodate the bill.

Cost: CBO estimates that enactment of this bill will increase direct spending by less than \$100,000 in fiscal year 2005, and by \$26 million over the period from fiscal year 2006-10. The costs are for new temporary judges, and the extension of four existing temporary judgeships. The measure also expected to cause a revenue loss of \$6 million in 2006.

Budget Act: Under the budget resolution now in force, enacting this bill will violate sections 302(f), 303, and 311 of the Budget Act. The bill violates 302(f) because its direct spending will exceed, by \$6 million over 5 years, the Committee on Judiciary's allocation. It will violate section 303 because its revenue loss first becomes effective in 2006, a year for which a final budget resolution has not yet been adopted. It will violate section 311 because the revenue loss allowed under the budget resolution now in force already has been exceeded. The bill would not, however, violate H.Con.Res. 95, the House-passed budget resolution for fiscal year 2006. Under that resolution, the Judiciary Committee has sufficient room in its allocation to accommodate the spending in this measure. A conference report on H.Con.Res. 95 has not yet been adopted.

Prepared by The Committee on the Budget