

118TH CONGRESS  
1ST SESSION

# S. 2168

To rescind discretionary appropriations in the event of a debt ceiling crisis period and to honor the full faith and credit of the debts of the United States in the event of a debt ceiling crisis.

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IN THE SENATE OF THE UNITED STATES

JUNE 22, 2023

Mr. BRAUN introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To rescind discretionary appropriations in the event of a debt ceiling crisis period and to honor the full faith and credit of the debts of the United States in the event of a debt ceiling crisis.

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 “No Default Act”.

5 **SEC. 2. RESCISSION OF DISCRETIONARY SPENDING AND**

6 **HONORING DEBTS DURING A DEBT CEILING**

7 **CRISIS.**

8 (a) **DEFINITIONS.**—In this section:

1           (1) CURRENT FISCAL YEAR.—The term “cur-  
2           rent fiscal year” means the fiscal year during which  
3           the applicable rescission of discretionary appropria-  
4           tions under subsection (b) occurs.

5           (2) DEBT CEILING CRISIS PERIOD.—The term  
6           “debt ceiling crisis period” means a period—

7                   (A) beginning on the date on which, but  
8                   for subsection (c), the Secretary of the Treas-  
9                   ury would not be able to issue obligations under  
10                  chapter 31 of title 31, United States Code, or  
11                  other obligations whose principal and interest  
12                  are guaranteed by the United States Govern-  
13                  ment, because of the limit on the face amount  
14                  of such obligations that may be outstanding at  
15                  one time under section 3101(b) of title 31,  
16                  United States Code; and

17                   (B) ending on the date on which the first  
18                   measure suspending or increasing the limit  
19                   under section 3101(b) of title 31, United States  
20                  Code, is enacted into law after the date de-  
21                  scribed in subparagraph (A).

22           (3) DISCRETIONARY APPROPRIATIONS.—The  
23           term “discretionary appropriations” has the mean-  
24           ing given such term in section 250(c) of the Bal-

1       anced Budget and Emergency Deficit Control Act of  
2       1985 (2 U.S.C. 900(c)).

3       (b) RESCISSION OF DISCRETIONARY SPENDING.—

4 For each discretionary appropriations account, effective  
5 on the first day of a debt ceiling crisis period, and every  
6 30 days thereafter until the end of the debt ceiling crisis  
7 period, 1 percent of the amount provided for the discre-  
8 tionary appropriations account under the appropriation  
9 Act for the current fiscal year is permanently rescinded.

10       (c) TEMPORARY SUSPENSION OF DEBT CEILING.—

11           (1) IN GENERAL.—Section 3101(b) of title 31,  
12       United States Code, shall not apply for the period—

13                   (A) beginning on the first day of a debt  
14       ceiling crisis period; and

15                   (B) ending on the last day of the debt ceil-  
16       ing crisis period.

17       (2) SPECIAL RULE RELATING TO OBLIGATIONS

18       ISSUED DURING EXTENSION PERIOD.—Effective on  
19       the last day of a debt ceiling crisis period, the limi-  
20       tation in effect under section 3101(b) of title 31,  
21       United States Code, shall be increased to the extent  
22       that—

23                   (A) the face amount of obligations issued  
24       under chapter 31 of such title and the face  
25       amount of obligations whose principal and in-

1 interest are guaranteed by the United States Gov-  
2 ernment (except guaranteed obligations held by  
3 the Secretary of the Treasury) outstanding on  
4 the first day of the debt ceiling crisis period; ex-  
5 ceeds

6 (B) the face amount of such obligations  
7 outstanding on the last day of the debt ceiling  
8 crisis period.

9 (3) EXTENSION LIMITED TO NECESSARY OBLI-  
10 GATIONS.—An obligation shall not be taken into ac-  
11 count under paragraph (2)(A) unless the issuance of  
12 such obligation was necessary to fund a commitment  
13 incurred pursuant to law by the Federal Government  
14 that required payment on or before the last day of  
15 the applicable debt ceiling crisis period.

16 (d) REPORTS.—

17 (1) IN GENERAL.—Not later than 30 days after  
18 the first day of a debt ceiling crisis period, and every  
19 30 days thereafter until the date that is 30 days  
20 after the end of the debt ceiling crisis period, the Di-  
21 rector of the Office of Management and Budget  
22 shall submit to Congress a report detailing the re-  
23 scission of discretionary appropriations under sub-  
24 section (b) with respect to the debt ceiling crisis pe-  
25 riod.

1           (2) REVIEW BY GAO.—Not later than 90 days  
2           after the date on which the Director of the Office of  
3           Management and Budget submits each report under  
4           paragraph (1), the Comptroller General of the  
5           United States shall submit to Congress a report  
6           evaluating the description of the rescission of discre-  
7           tionary appropriations in the report by the Director  
8           of the Office of Management and Budget.

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