

SEC. 701. CIVIL MONETARY PENALTY INFLATION ADJUSTMENTS.

(a) SHORT TITLE.—This section may be cited as the “Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015”.

(b) AMENDMENTS.—The Federal Civil Penalties Inflation Adjustment Act of 1990 ([28 U.S.C. 2461](#) note) is amended—

(1) in section 4—

(A) by striking the matter preceding paragraph (1) and inserting the following:

“(a) IN GENERAL.—Not later than July 1, 2016, and not later than January 15 of every year thereafter, and subject to subsections (c) and (d), the head of each agency shall—”;

(B) in paragraph (1)—

(i) by striking “by regulation adjust” and inserting “in accordance with subsection (b), adjust”; and

(ii) by striking “, the Tariff Act of 1930, the Occupational Safety and Health Act of 1970, or the Social Security Act” and inserting “ or the Tariff Act of 1930”;

(C) in paragraph (2), by striking “such regulation” and inserting “such adjustment”; and

(D) by adding at the end the following:

“(b) PROCEDURES FOR ADJUSTMENTS.—

“(1) CATCH UP ADJUSTMENT.—For the first adjustment made under subsection (a) after the date of enactment of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015—

“(A) the head of an agency shall adjust civil monetary penalties through an interim final rulemaking; and

“(B) the adjustment shall take effect not later than August 1, 2016.

“(2) SUBSEQUENT ADJUSTMENTS.—For the second adjustment made under subsection (a) after the date of enactment of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, and each adjustment thereafter, the head of an agency shall adjust civil monetary penalties and shall make the adjustment notwithstanding section 553 of title 5, United States Code.

“(c) EXCEPTION.—For the first adjustment made under subsection (a) after the date of enactment of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, the head of an agency may adjust the amount of a civil monetary penalty by less than the otherwise required amount if—

“(1) the head of the agency, after publishing a notice of proposed rulemaking and providing an opportunity for comment, determines in a final rule that—

“(A) increasing the civil monetary penalty by the otherwise required amount will have a negative economic impact; or

“(B) the social costs of increasing the civil monetary penalty by the otherwise required amount outweigh the benefits; and

“(2) the Director of the Office of Management and Budget concurs with the determination of the head of the agency under paragraph (1).

“(d) OTHER ADJUSTMENTS MADE.—If a civil monetary penalty subject to a cost-of-living adjustment under this Act is, during the 12 months preceding a required cost-of-living adjustment, increased by an amount greater than the amount of the adjustment required under subsection (a), the head of the agency is not required to make the cost-of-living adjustment for that civil monetary penalty in that year.”;

(2) in section 5—

(A) in subsection (a), by striking “to the nearest—” and all that follows through the end of subsection (a) and inserting “to the nearest multiple of \$1.”; and

(B) by amending subsection (b) to read as follows:

“(b) DEFINITION.—

“(1) IN GENERAL.—Except as provided in paragraph (2), for purposes of subsection (a), the term ‘cost-of-living adjustment’ means the percentage (if any) for each civil monetary penalty by which—

“(A) the Consumer Price Index for the month of October preceding the date of the adjustment, exceeds

“(B) the Consumer Price Index for the month of October 1 year before the month of October referred to in subparagraph (A).

“(2) INITIAL ADJUSTMENT.—

“(A) IN GENERAL.—Subject to subparagraph (C), for the first inflation adjustment under section 4 made by an agency after the date of enactment of the

Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, the term ‘cost-of-living adjustment’ means the percentage (if any) for each civil monetary penalty by which the Consumer Price Index for the month of October, 2015 exceeds the Consumer Price Index for the month of October of the calendar year during which the amount of such civil monetary penalty was established or adjusted under a provision of law other than this Act.

“(B) APPLICATION OF ADJUSTMENT.—The cost-of-living adjustment described in subparagraph (A) shall be applied to the amount of the civil monetary penalty as it was most recently established or adjusted under a provision of law other than this Act.

“(C) MAXIMUM ADJUSTMENT.—The amount of the increase in a civil monetary penalty under subparagraph (A) shall not exceed 150 percent of the amount of that civil monetary penalty on the date of enactment of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.”;

(3) in section 6, by striking “violations which occur” and inserting “civil monetary penalties, including those whose associated violation predated such increase, which are assessed”; and

(4) by adding at the end the following:

“SEC. 7. IMPLEMENTATION AND OVERSIGHT ENHANCEMENTS.

“(a) OMB GUIDANCE.—Not later than February 29, 2016, not later than December 15, 2016, and December 15 of every year thereafter, the Director of the Office of Management and Budget shall issue guidance to agencies on implementing the inflation adjustments required under this Act.

“(b) AGENCY FINANCIAL REPORTS.—The head of each agency shall include in the Agency Financial Report submitted under OMB Circular A–136, or any successor thereto, information about the civil monetary penalties within the jurisdiction of the agency, including the adjustment of the civil monetary penalties by the head of the agency under this Act.

“(c) GAO REVIEW.—The Comptroller General of the United States shall annually submit to Congress a report assessing the compliance of agencies with the inflation adjustments required under this Act, which may be included as part of another report submitted to Congress.”.

(c) REPEAL.—Section 31001(s) of the Debt Collection Improvement Act of 1996 ([28 U.S.C. 2461](#) note) is amended by striking paragraph (2).