

118TH CONGRESS
1ST SESSION

S. _____

To limit the total assets of Federal reserve banks, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. SCOTT of Florida introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To limit the total assets of Federal reserve banks, 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 “Right-size the Federal
5 Reserve Act”.

6 **SEC. 2. LIMITATION ON TOTAL ASSETS AND INTEREST PAY-**
7 **MENTS.**

8 (a) IN GENERAL.—The Federal Reserve Act is
9 amended—

10 (1) in section 2B (12 U.S.C. 225b), by adding
11 at the end the following:

1 “(d) ADDITIONAL ANNUAL REPORT.—The Board
2 and each Federal reserve bank shall submit to Congress,
3 on an annual basis, a report on how many foreign-owned
4 banks and financial institutions the Board or the Federal
5 reserve banks have paid on interest for reserves or in the
6 lending facilities of the Board.”;

7 (2) in section 19(b) (12 U.S.C. 461(b))—

8 (A) in paragraph (2)(A), by striking “sole-
9 ly for the purpose” and all that follows through
10 the period at the end and inserting “, which
11 shall be not lower than the reserve requirements
12 in effect on March 25, 2020.”; and

13 (B) in paragraph (12)(A), by inserting
14 “that are not in excess of the reserves required
15 to be maintained under this subsection” after
16 “institution”; and

17 (3) by adding at the end the following:

18 **“SEC. 33. LIMITATION ON TOTAL ASSETS.**

19 “(a) IN GENERAL.—The total aggregate assets of all
20 Federal reserve banks shall be in an amount that is not
21 more than 10 percent of the gross domestic product of
22 the United States.

23 “(b) EFFECTIVE DATE.—Subsection (a) shall take
24 effect on the date that is 10 years after the date of enact-
25 ment of this section.”.

1 (b) ELIMINATION OF FACILITY.—The Board of Gov-
2 ernors of the Federal Reserve System—

3 (1) shall, not later than 1 year after the date
4 of enactment of this Act, eliminate the Overnight
5 Reserve Repurchase Facility; and

6 (2) may not create another facility similar to
7 the facility eliminated under paragraph (1).

8 (c) REPORT.—Not later than 1 year after the date
9 of enactment of this Act, and every year thereafter, the
10 Board of Governors of the Federal Reserve System shall
11 submit to Congress a report on the plan and timeline of
12 the Board for meeting the requirements under this section
13 and the amendments made by this section.