To amend the Federal Reserve Act to provide greater accountability to the Federal Reserve System, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. Toomey (for himself, Mr. Cramer, Mr. Cruz, Mr. Hagerty, Mr. Lee, Ms. Lummis, and Mr. Tillis) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Federal Reserve Act to provide greater accountability to the Federal Reserve System, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Federal Reserve Accountability Act of 2022”.

SEC. 2. APPOINTMENT OF GENERAL COUNSEL.

Subsection (l) of section 11 of the Federal Reserve Act (12 U.S.C. 248) is amended by inserting “The President shall appoint a general counsel for the Board, by and
with the advice and consent of the Senate. Sections 3345 through 3349b of title 5, United States Code, shall not apply to the general counsel.” after the period at the end of the first sentence.

SEC. 3. APPOINTMENT OF FEDERAL RESERVE BANK PRESIDENTS.

(a) IN GENERAL.—The fifth paragraph of the fourth unenumerated paragraph of section 4 of the Federal Reserve Act (12 U.S.C. 341) is amended—

(1) in the first sentence, by striking “president, vice presidents,” and inserting “vice presidents”; 

(2) in the second sentence, by striking “Class B and Class C directors of the bank, with the approval of the Board of Governors of the Federal Reserve System, for a term of 5 years” and inserting “President of the United States (by and with the advice and consent of the Senate) for a term of 5 years”; 

(3) by striking the third sentence and inserting “The first vice president of the bank shall be appointed by the Class B and Class C board of directors of the bank for a term of 5 years, and shall, in the absence or disability of the president or during a vacancy in the office of the president, serve as chief executive officer of the bank, until a nominee
for president is confirmed by the Senate or the
President of the United States appoints an acting
president under sections 3345 through 3349b of title
5, United States Code.”;

(4) in the fourth sentence, by striking “the
president or”; and

(5) by inserting “A president may continue to
serve after the expiration of the term of office to
which the president was appointed until the earlier
of the date on which a successor has been appointed
and qualified, the date on which the next session of
Congress subsequent to the expiration of such term
expires, or the date on which the President of the
United States removes the president. No appointed
president shall serve more than a total of 10 years,
not including any such continuation in service.”
after the period at the end of the fourth sentence;
and

(6) by inserting “The president shall have their
primary residence and principal place of business lo-
cated in that Federal Reserve district for not fewer
than 4 years before the date on which the President
nominates the individual to be president of the Fed-
eral Reserve bank for that Federal Reserve district.”
after the period at the end of the fifth sentence, as added by paragraph (5) of this subsection.

(b) Suspension or Removal of Officers.—Section 11(f) of the Federal Reserve Act (12 U.S.C. 248(f)) is amended by inserting “(except the president)” after “reserve bank”.

c) Applicability.—Sections 3345 through 3349b of title 5, United States Code, shall apply to presidents of Federal Reserve banks in the same manner as officers of Executive agencies.

SEC. 4. FEDERAL RESERVE DISTRICTS.

(a) In General.—Section 2 of the Federal Reserve Act (12 U.S.C. 222) is amended by striking the first undesignated paragraph and inserting the following:

“The continental United States shall be divided into 5 Federal Reserve districts. The First Federal Reserve District shall be comprised of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey, Delaware, the Commonwealth of Puerto Rico, and the United States Virgin Islands, with the city of New York, New York, as the location of the Federal Reserve bank. The Second Federal Reserve District shall be comprised of Ohio, West Virginia, Virginia, Maryland, Michigan, Indiana, Kentucky, Illinois, Wisconsin, Minnesota, and the District of Columbia, with
the city of Cleveland, Ohio, as the location of the Federal
Reserve bank. The Third Federal Reserve District shall
be comprised of Missouri, Kansas, Oklahoma, Colorado,
Wyoming, Nebraska, Iowa, North Dakota, South Dakota,
and Montana, with the city of Kansas City, Missouri, as
the location of the Federal Reserve bank. The Fourth Fed-
eral Reserve District shall be comprised of Texas, Arkans-
as, Louisiana, Mississippi, Alabama, Tennessee, Georgia,
North Carolina, South Carolina, and Florida, with the city
of Dallas, Texas, as the location of the Federal Reserve
bank. The Fifth Federal Reserve District shall be com-
prised of California, Oregon, Washington, Alaska, Hawaii,
Idaho, Nevada, Utah, Arizona, New Mexico, Guam, Amer-
ican Samoa, and the Northern Mariana Islands, with the
city of San Francisco, California, as the location of the
Federal Reserve bank. Every national bank in any State
shall, upon commencing business, become a member bank
of the Federal Reserve System by subscribing and paying
for stock in the Federal Reserve bank of its district in
accordance with the provisions of this Act and shall there-
upon be an insured bank under the Federal Deposit Insur-
ance Act, and failure to do so shall subject such bank to
the penalty provided by the sixth paragraph of this sec-
tion.”.
(b) **Federal Open Market Committee.**—Section 12A of the Federal Reserve Act (12 U.S.C. 263) is amended by striking subsection (a) and inserting the following:

“(a) There is hereby created a Federal Open Market Committee (hereinafter referred to as the ‘Committee’), which shall consist of the members of the Board of Governors of the Federal Reserve System and the chief executive officers of the 5 Federal Reserve banks.”.

(e) **Technical and Conforming Amendments.**—

(1) Section 11 of the Federal Reserve Act (12 U.S.C. 248) is amended by striking subsection (e).

(2) Section 16 of the Federal Reserve Act (12 U.S.C. 413) is amended, in the third sentence, by striking “twelve” and inserting “5”.

**SEC. 5. BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.**

Section 10 of the Federal Reserve Act (12 U.S.C. 241) is amended—

(1) in the second sentence, by striking “one of whom shall be selected from” and inserting “2 of whom may be residents of”; and

(2) by inserting “In this paragraph, the term ‘resident of any one Federal Reserve district’ means an individual whose primary residence and principal place of business has been located in a Federal Re-
serve district for not fewer than 4 years before the
date on which the President nominates the indi-
vidual as a member of the Board.” after the period
at the end of the fourth sentence.

SEC. 6. LOBBYING WITH MONEYS.

The Federal Reserve Act is amended by inserting
after section 15 (12 U.S.C. 391 et seq.) the following:

“SEC. 15A. LOBBYING WITH MONEYS.

“No part of the income, interest, fees, money, or
other funds of the Board of Governors of the Federal Re-
serve System or any Federal Reserve bank shall, in the
absence of express authorization by Congress, be used di-
rectly or indirectly to pay for any personal service, adver-
tisement, telegram, telephone, letter, printed or written
matter, or other device, intended or designed to influence
in any manner a Member of Congress, a jurisdiction, or
an official of any government, to favor, adopt, or oppose,
by vote or otherwise, any legislation, law, ratification, pol-
icy, or appropriation, whether before or after the introduc-
tion of any bill, measure, or resolution proposing such leg-
islation, law, ratification, policy, or appropriation; but this
shall not prevent officers or employees of the Federal Re-
serve System from communicating to any such Member
or official, at his request, or to Congress or such official,
through the proper official channels, requests for any leg-
islation, law, ratification, policy, or appropriations which
they deem necessary for the efficient conduct of the public
business, or from making any communication whose prohi-
bition by this section might, in the opinion of the Attorney
General, violate the Constitution or interfere with the con-
duct of foreign policy, counter-intelligence, intelligence, or
national security activities. Violations of this section shall
constitute violations of section 1352(a) of title 31, United
States Code.’’.