SCWA Legislative & Regulatory Update

September 14, 2026

Congress returns from the Labor Day recess today for what is expected to be a short legislative session before members leave Washington for the midterm elections. House leaders have shortened the chamber's schedule and plan to send members home Thursday, while the Senate is scheduled to remain in session through Friday. Both chambers face a limited window to address government funding, defense spending, nominations and several other legislative matters.

On government funding, the House approved the Senate-passed continuing resolution on September 1, and President Trump signed the measure into law on September 2. The legislation keeps the federal government funded through December 11, avoiding a funding lapse at the end of the fiscal year on September 30. The House has also advanced all 12 fiscal year 2027 appropriations bills through committee, with three having passed the full chamber. House leaders have not scheduled additional appropriations bills for floor votes this week.

The Senate remains further behind on the fiscal year 2027 appropriations process, with differences over overall spending levels continuing to affect the timing of committee action. With the House leaving Washington later this week, additional appropriations work is increasingly likely to continue during the post-election lame duck session.

Congress also continues to consider supplemental fiscal year 2026 funding, including additional resources for the Department of Defense. The administration's supplemental requests have not yet been approved, and the department has been moving existing funds between accounts to address funding needs. Senate Republicans are also considering whether to advance another spending package through the budget reconciliation process, although the timing and level of Senate support remain uncertain.

The Senate is also preparing to take up cryptocurrency legislation. The House passed the Digital Asset Market Clarity Act, H.R. 3633, in July, and the Senate is scheduled to hold a procedural vote on the measure Tuesday, September 15. Senate Republicans released revised legislation Monday that includes provisions addressing federal officials' involvement with digital assets. The changes are intended to address concerns raised during negotiations, although it remains to be seen whether the revised language will secure the votes needed to advance the bill.

The House Ways and Means Committee is expected to consider legislation addressing the federal tax treatment of virtual currencies. Committee leaders have indicated an interest in bipartisan support for the measure.

The Senate Finance Committee is scheduled to hold a hearing Tuesday on the nominations of James Gadwood to serve as IRS Chief Counsel and Andrew De Mello to fill the remaining vacancy on the U.S. Tax Court. Gadwood would fill the IRS Chief Counsel position, which has been vacant since the beginning of the current administration. De Mello is an IRS employee who previously served as acting chief counsel.

In the House, members are scheduled to consider several measures this week. Among them are legislation addressing sanctions on Russia and Iran, bills aimed at strengthening federal fraud enforcement and two Congressional Review Act resolutions concerning Environmental Protection Agency waivers related to California vehicle emissions standards. The House schedule also includes dozens of bills under suspension of the rules, a procedure that requires a two-thirds majority for passage.

Those measures include legislation addressing the production of pennies and cash transaction rounding, energy costs associated with electric grid upgrades for large data centers, tax administration issues, water infrastructure projects, disaster assistance, border security and the valuation of employer stock in employee stock ownership plans. The House could also consider a War Powers resolution concerning U.S. military involvement in Iran.

The Senate is scheduled to begin its legislative business this (Monday) afternoon, with a vote on a judicial nomination expected Monday evening. The procedural vote on H.R. 3633 is scheduled for Tuesday afternoon. If the Senate does not advance the cryptocurrency legislation, Senate leaders have indicated that college sports name, image and likeness legislation could be considered instead.

The Senate could also consider legislation reauthorizing Section 702 of the Foreign Intelligence Surveillance Act. If the measure is not taken up this week, further action could be delayed until after the election because the House is not expected to return to Washington before then. Senate leaders are also expected to continue consideration of administration nominees, including judicial nominees and Labor Secretary nominee Keith Sonderling.

Senate Democrats have also indicated that they will seek a vote on a War Powers resolution concerning U.S. military operations in Iran. With the House scheduled to leave Washington Thursday, the week represents one of the final opportunities for both chambers to act on legislation before the election.

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