



(Original Signature of Member)

114TH CONGRESS  
2D SESSION

# H. R. 4900

To establish an Oversight Board to assist the Government of Puerto Rico, including instrumentalities, in managing its public finances, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. Dally introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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## A BILL

To establish an Oversight Board to assist the Government of Puerto Rico, including instrumentalities, in managing its public finances, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Puerto Rico Oversight, Management, and Economic Sta-  
6 bility Act” or “PROMESA”.

7 (b) TABLE OF CONTENTS.—The table of contents of  
8 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Effective date.
- Sec. 3. Severability.
- Sec. 4. Supremacy.
- Sec. 5. Definitions.
- Sec. 6. Placement.
- Sec. 7. Compliance with Federal laws.

#### TITLE I—ESTABLISHMENT AND ORGANIZATION OF OVERSIGHT BOARD

- Sec. 101. Territory Financial Oversight and Management Board.
- Sec. 102. Location of Oversight Board.
- Sec. 103. Executive Director and staff of Oversight Board.
- Sec. 104. Powers of Oversight Board.
- Sec. 105. Exemption from liability for claims.
- Sec. 106. Treatment of actions arising from Act.
- Sec. 107. Budget and funding for operation of Oversight Board.
- Sec. 108. Autonomy of the Oversight Board.
- Sec. 109. Ethics.

#### TITLE II—RESPONSIBILITIES OF OVERSIGHT BOARD

- Sec. 201. Approval of fiscal plans.
- Sec. 202. Approval of budgets.
- Sec. 203. Effect of finding of noncompliance with budget.
- Sec. 204. Review of activities to ensure compliance with fiscal plan.
- Sec. 205. Recommendations on financial stability and management responsibility.
- Sec. 206. Oversight Board duties related to restructuring.
- Sec. 207. Oversight Board authority related to debt issuance.
- Sec. 208. Required reports.
- Sec. 209. Termination of Oversight Board.
- Sec. 210. No full faith and credit of the United States.
- Sec. 211. Analysis of pensions.

#### TITLE III—ADJUSTMENTS OF DEBTS

- Sec. 301. Applicability of other laws; definitions.
- Sec. 302. Who may be a debtor.
- Sec. 303. Reservation of territorial power to control territory and territorial instrumentalities.
- Sec. 304. Petition and proceedings relating to petition.
- Sec. 305. Limitation on jurisdiction and powers of court.
- Sec. 306. Jurisdiction.
- Sec. 307. Venue.
- Sec. 308. Jurisdiction; removal; appeals.
- Sec. 309. Appellate review.
- Sec. 310. Applicable rules of procedure.
- Sec. 311. Leases.
- Sec. 312. Filing of plan of adjustment.
- Sec. 313. Modification of plan.
- Sec. 314. Confirmation.
- Sec. 315. Role and capacity of Oversight Board.

#### TITLE IV—MISCELLANEOUS PROVISIONS

- Sec. 401. Rules of construction.  
Sec. 402. Right of Puerto Rico to determine its future political status.  
Sec. 403. First minimum wage in Puerto Rico.  
Sec. 404. Application of regulation to Puerto Rico.  
Sec. 405. Land conveyance authority, Vieques National Wildlife Refuge,  
Vieques Island.  
Sec. 406. Automatic stay upon enactment.  
Sec. 407. Purchases by territory governments.  
Sec. 408. Intervention in litigation.

#### TITLE V—PUERTO RICO INFRASTRUCTURE REVITALIZATION

- Sec. 501. Definitions.  
Sec. 502. Position of revitalization coordinator.  
Sec. 503. Critical projects.  
Sec. 504. Miscellaneous provisions.  
Sec. 505. Federal agency requirements.  
Sec. 506. Judicial review.  
Sec. 507. Savings clause.

#### TITLE VI—CREDITOR COLLECTIVE ACTION

- Sec. 601. Creditor Collective action.

### 1 **SEC. 2. EFFECTIVE DATE.**

2 (a) IN GENERAL.—Except as provided in subsection  
3 (b), this Act shall take effect on the date of the enactment  
4 of this Act.

5 (b) TITLE III.—Title III shall apply with respect  
6 to—

7 (1) cases commenced under title III on or after  
8 the date of the enactment of this Act; and

9 (2) debts, claims, and liens (as such terms are  
10 defined in section 101 of title 11, United States  
11 Code) created before, on, or after such date.

### 12 **SEC. 3. SEVERABILITY.**

13 If any provision of this Act or the application thereof  
14 to any person or circumstance is held invalid, the remain-  
15 der of this Act, or the application of that provision to per-

1 sons or circumstances other than those as to which it is  
2 held invalid, is not affected thereby, provided that title III  
3 is not severable from titles I or II, and titles I or II are  
4 not severable from title III.

5 **SEC. 4. SUPREMACY.**

6 The provisions of this Act shall prevail over any gen-  
7 eral or specific provisions of territory law or regulation  
8 that is inconsistent with this Act.

9 **SEC. 5. DEFINITIONS.**

10 In this Act—

11 (1) **AGREED ACCOUNTING STANDARDS.**—The  
12 term “agreed accounting standards” means modified  
13 accrual accounting standards or, for any period dur-  
14 ing which the Board determines in its sole discretion  
15 that a territorial government is not reasonably capa-  
16 ble of comprehensive reporting that complies with  
17 modified accrual accounting standards, such other  
18 accounting standards as proposed by the Board.

19 (2) **BOND.**—The term “Bond” means a bond,  
20 loan, letter of credit, other borrowing title, obligation  
21 of insurance, or other indebtedness, including rights,  
22 entitlements, or obligations whether such rights, en-  
23 titlements, or obligations arise from contract, stat-  
24 ute, or any other source of law, in any case, related  
25 to such a bond, loan, letter of credit, other bor-

1 rowing title, obligation of insurance, or other indebt-  
2 edness in physical or dematerialized form, of  
3 which—

4 (A) the issuer, obligor, or guarantor is the  
5 territorial government; and

6 (B) the date of issuance or incurrence pre-  
7 cedes the date of enactment of this Act.

8 (3) BOND CLAIM.—The term “Bond Claim”  
9 means, as it relates to a Bond—

10 (A) right to payment, whether or not such  
11 right is reduced to judgment, liquidated, unliq-  
12 uidated, fixed, contingent, matured, unmatured,  
13 disputed, undisputed, legal, equitable, secured,  
14 or unsecured; or

15 (B) right to an equitable remedy for  
16 breach of performance if such breach gives rise  
17 to a right to payment, whether or not such  
18 right to an equitable remedy is reduced to judg-  
19 ment, fixed, contingent, matured, unmatured,  
20 disputed, undisputed, secured, or unsecured.

21 (4) BUDGET.—The term “Budget” means the  
22 Territory Budget or an Instrumentality Budget, as  
23 applicable.

24 (5) PUERTO RICO.—The term “Puerto Rico”  
25 means the Commonwealth of Puerto Rico.

1           (6) COMPLIANT BUDGET.—The term “compli-  
2           ant budget” means a budget that is prepared in ac-  
3           cordance with—

4                   (A) agreed accounting standards; and

5                   (B) the applicable Fiscal Plan.

6           (7) COVERED TERRITORIAL INSTRUMEN-  
7           TALITY.—The term “covered territorial instrumen-  
8           tality” means a territorial instrumentality des-  
9           ignated by the Board pursuant to section 101 to be  
10          subject to the requirements of this Act.

11          (8) COVERED TERRITORY.—The term “covered  
12          territory” means a territory for which a Board has  
13          been established under section 101.

14          (9) EXECUTIVE DIRECTOR.—The term “Execu-  
15          tive Director” means an Executive Director ap-  
16          pointed under section 103(a).

17          (10) FISCAL PLAN.—The term “Fiscal Plan”  
18          means a Territory Fiscal Plan or an Instrumentality  
19          Fiscal Plan, as applicable.

20          (11) GOVERNMENT OF PUERTO RICO.—The  
21          term “Government of Puerto Rico” means the gov-  
22          ernment of the Commonwealth of Puerto Rico, in-  
23          cluding all its territorial instrumentalities.

24          (12) GOVERNOR.—The term “Governor” means  
25          the chief executive of a covered territory.

1           (13) INSTRUMENTALITY BUDGET.—The term  
2           “Instrumentality Budget” means a budget for a cov-  
3           ered territorial instrumentality, designated by the  
4           Board in accordance with section 101, submitted,  
5           approved, and certified in accordance with section  
6           202.

7           (14) INSTRUMENTALITY FISCAL PLAN.—The  
8           term “Instrumentality Fiscal Plan” means a fiscal  
9           plan for a covered territorial instrumentality, des-  
10          ignated by the Board in accordance with section  
11          101, submitted, approved, and certified in accord-  
12          ance with section 201.

13          (15) LEGISLATURE.—The term “Legislature”  
14          means the legislative body responsible for enacting  
15          the laws of a covered territory.

16          (16) MODIFIED ACCRUAL ACCOUNTING STAND-  
17          ARDS.—The term “modified accrual accounting  
18          standards” means recognizing revenues as they be-  
19          come available and measurable and recognizing ex-  
20          penditures when liabilities are incurred, in each case  
21          as defined by the Governmental Accounting Stand-  
22          ards Board, in accordance with generally accepted  
23          accounting principles.

24          (17) OVERSIGHT BOARD.—The term “Oversight  
25          Board” means a Financial Oversight and Manage-

1       ment Board established in accordance with section  
2       101.

3           (18) TERRITORIAL GOVERNMENT.—The term  
4       “territorial government” means the government of a  
5       covered territory, including all covered territorial in-  
6       strumentalities.

7           (19) TERRITORIAL INSTRUMENTALITY.—

8           (A) IN GENERAL.—The term “territorial  
9       instrumentality” means any political subdivi-  
10      sion, public agency, instrumentality, or public  
11      corporation of a territory, and this term should  
12      be broadly construed to effectuate the purposes  
13      of this Act.

14          (B) EXCLUSION.—The term “territorial in-  
15      strumentality” does not include an Oversight  
16      Board.

17          (20) TERRITORY.—The term “territory”  
18      means—

19           (A) Puerto Rico;

20           (B) Guam;

21           (C) American Samoa;

22           (D) the Commonwealth of the Northern  
23      Mariana Islands; or

24           (E) the United States Virgin Islands.



1           (21) TERRITORY BUDGET.—The term “Terri-  
2       tory Budget” means a budget for a territorial gov-  
3       ernment submitted, approved, and certified in ac-  
4       cordance with section 202.

5           (22) TERRITORY FISCAL PLAN.—The term  
6       “Territory Fiscal Plan” means a fiscal plan for a  
7       territorial government submitted, approved, and cer-  
8       tified in accordance with section 201.

9       **SEC. 6. PLACEMENT.**

10       The Law Revision Counsel is directed to place this  
11       Act in chapter 4 of title 48, United States Code, as sub-  
12       chapter VIII.

13       **SEC. 7. COMPLIANCE WITH FEDERAL LAWS.**

14       Except as otherwise provided in this Act, nothing in  
15       this Act shall be construed as impairing or in any manner  
16       relieving a territorial government, or any territorial instru-  
17       mentality thereof, from compliance with Federal laws or  
18       requirements protecting the health, safety, and environ-  
19       ment of persons in such territory.

1 **TITLE I—ESTABLISHMENT AND**  
2 **ORGANIZATION OF OVER-**  
3 **SIGHT BOARD**

4 **SEC. 101. TERRITORY FINANCIAL OVERSIGHT AND MAN-**  
5 **AGEMENT BOARD.**

6 (a) **PURPOSE.**—The purpose of the Oversight Board  
7 is to provide a method to achieve fiscal responsibility and  
8 access to the capital markets.

9 (b) **ESTABLISHMENT.**—

10 (1) **IN GENERAL.**—Except as provided in para-  
11 graph (2), a Financial Oversight and Management  
12 Board for a territory is established in accordance  
13 with this section only if the Legislature of the terri-  
14 tory adopts a resolution signed by the Governor re-  
15 questing the establishment.

16 (2) **PUERTO RICO.**—Notwithstanding paragraph  
17 (1), a Financial Oversight and Management Board  
18 is hereby established for Puerto Rico.

19 (3) **CONSTITUTIONAL BASIS.**—The Congress en-  
20 acts this subsection pursuant to article IV, section  
21 3 of the Constitution of the United States, which  
22 provides Congress the power to dispose of and make  
23 all needful rules and regulations for territories.

24 (c) **TREATMENT.**—An Oversight Board established  
25 under this section—

1           (1) shall be created as an entity within the ter-  
2           ritorial government for which it is established in ac-  
3           cordance with this title; and

4           (2) shall not be considered to be a department,  
5           agency, establishment, or instrumentality of the  
6           Federal Government.

7           (d) OVERSIGHT OF TERRITORIAL INSTRUMENTAL-  
8           ITIES.—

9           (1) DESIGNATION.—

10           (A) IN GENERAL.—An Oversight Board, in  
11           its sole discretion at such time as the Oversight  
12           Board determines to be appropriate, may des-  
13           ignate any territorial instrumentality as a cov-  
14           ered territorial instrumentality that is subject  
15           to the requirements of this Act.

16           (B) BUDGETS AND REPORTS.—The Over-  
17           sight Board may require in its sole discretion  
18           the Governor to submit to the Oversight Board  
19           such budgets and monthly or quarterly reports  
20           regarding a covered territorial instrumentality  
21           as the Oversight Board determines to be nec-  
22           essary and may designate any covered terri-  
23           torial instrumentality to be included in the Ter-  
24           ritory Budget; except that the Oversight Board  
25           may not designate a covered territorial instru-

1           mentality to be included in the Territory Budg-  
2           et if applicable territory law does not require  
3           legislative approval of such covered territorial  
4           instrumentality's budget.

5           (C) SEPARATE INSTRUMENTALITY BUDG-  
6           ETS AND REPORTS.—The Oversight Board in  
7           its sole discretion may or, if it requires a budg-  
8           et from a covered territorial instrumentality  
9           whose budget does not require legislative ap-  
10          proval under applicable territory law, must des-  
11          ignate a covered territorial instrumentality to  
12          be the subject of an Instrumentality Budget  
13          separate from the applicable Territory Budget  
14          and require that the Governor develop such an  
15          Instrumentality Budget.

16          (D) INCLUSION IN TERRITORY FISCAL  
17          PLAN.—The Oversight Board may require in its  
18          sole discretion the Governor to include a cov-  
19          ered territorial instrumentality in the applicable  
20          Territory Fiscal Plan.

21          (E) SEPARATE INSTRUMENTALITY FISCAL  
22          PLANS.—The Oversight Board may designate in  
23          its sole discretion a covered territorial instru-  
24          mentality to be the subject of an Instrumen-  
25          tality Fiscal Plan separate from the applicable

1 Territory Fiscal Plan and require that the Gov-  
2 ernor develop such an Instrumentality Fiscal  
3 Plan.

4 (2) EXCLUSION.—

5 (A) IN GENERAL.—An Oversight Board, in  
6 its sole discretion, at such time as the Oversight  
7 Board determines to be appropriate, may ex-  
8 clude any territorial instrumentality from the  
9 requirements of this Act.

10 (B) TREATMENT.—A territorial instrumen-  
11 tality excluded pursuant to this paragraph shall  
12 not be considered to be a covered territorial in-  
13 strumentality.

14 (e) MEMBERSHIP.—

15 (1) IN GENERAL.—The Oversight Board shall  
16 consist of 7 members appointed by the President  
17 who meet the qualifications described in subsection  
18 (e), except that the Oversight Board may take any  
19 action under this Act (or any amendments made by  
20 this Act) at any time after the President has ap-  
21 pointed 3 of its members.

22 (2) APPOINTED MEMBERS.—The President  
23 shall appoint the individual members of the Over-  
24 sight Board, of which two individuals should be se-  
25 lected from a list of individuals submitted by the

1 Speaker of the House of Representatives; two should  
2 be selected from a list submitted by the Majority  
3 Leader of the Senate; one should be selected from  
4 a list submitted by the Minority Leader of the  
5 House of Representatives; and one should be se-  
6 lected from a list submitted by the Minority Leader  
7 of the Senate. Of the two individuals to be selected  
8 from a list of individuals submitted by the Speaker  
9 of the House of Representatives, one shall maintain  
10 a primary residence in the territory or have a pri-  
11 mary place of business in the territory.

12 (3) **EX OFFICIO MEMBERS.**—The Governor, or  
13 the Governor’s designee, shall be an ex officio mem-  
14 ber of the Oversight Board without voting rights.

15 (4) **CHAIR.**—The voting members of the Over-  
16 sight Board shall designate one of the voting mem-  
17 bers of the Oversight Board as the Chair of the  
18 Oversight Board (referred to hereafter in this title  
19 as the “Chair”).

20 (5) **TERM OF SERVICE.**—

21 (A) **IN GENERAL.**—Each appointed mem-  
22 ber of the Oversight Board shall be appointed  
23 for a term of 3 years.

1           (B) REMOVAL.—The President may re-  
2           move any member of the Oversight Board only  
3           for cause.

4           (C) CONTINUATION OF SERVICE UNTIL  
5           SUCCESSOR APPOINTED.—Upon the expiration  
6           of a term of office, a member of the Oversight  
7           Board may continue to serve until a successor  
8           has been appointed.

9           (f) ELIGIBILITY FOR APPOINTMENTS.—An individual  
10          is eligible for appointment as a member of the Oversight  
11          Board only if the individual—

12           (1) has knowledge and expertise in finance, mu-  
13          nicipal bond markets, management, law, or the orga-  
14          nization or operation of business or government; and

15           (2) is not an officer, elected official, or em-  
16          ployee of the territorial government or a candidate  
17          for elected office of the territorial government.

18          (g) NO COMPENSATION FOR SERVICE.—Members of  
19          the Oversight Board shall serve without pay, but may re-  
20          ceive reimbursement from the Oversight Board for any  
21          reasonable and necessary expenses incurred by reason of  
22          service on the Oversight Board.

23          (h) ADOPTION OF BYLAWS FOR CONDUCTING BUSI-  
24          NESS OF OVERSIGHT BOARD.—

1           (1) **IN GENERAL.**—As soon as practicable after  
2 the appointment of its members, the Oversight  
3 Board shall adopt bylaws, rules, and procedures gov-  
4 erning its activities under this Act, including proce-  
5 dures for hiring experts and consultants and conflict  
6 of interest rules. Such bylaws, rules, and procedures  
7 shall be public documents, and shall be submitted by  
8 the Oversight Board upon adoption to the Governor,  
9 the Legislature, the President, and Congress. The  
10 Oversight Board may hire professionals as it deter-  
11 mines to be necessary to carry out this subsection.

12           (2) **ACTIVITIES REQUIRING APPROVAL OF MA-**  
13 **JORITY OF MEMBERS.**—Under the bylaws adopted  
14 pursuant to paragraph (1), the Oversight Board  
15 may conduct its operations under such procedures as  
16 it considers appropriate, except that an affirmative  
17 vote of a majority of the members of the Oversight  
18 Board’s full appointed membership shall be required  
19 in order for the Oversight Board to approve a Fiscal  
20 Plan under section 201, to approve a Budget under  
21 section 202, or to cause a legislative act not to be  
22 enforced under section 204.

23           (3) **ADOPTION OF RULES AND REGULATIONS OF**  
24 **TERRITORIAL GOVERNMENT.**—The Oversight Board  
25 may incorporate in its bylaws, rules, and procedures



1 under this subsection such rules and regulations of  
2 the territorial government as it considers appro-  
3 priate to enable it to carry out its activities under  
4 this Act with the greatest degree of independence  
5 practicable.

6 (4) EXECUTIVE SESSION.—Upon a majority  
7 vote of the Oversight Board’s full appointed mem-  
8 bership, the Oversight Board may conduct its busi-  
9 ness in an executive session that consists solely of  
10 the Oversight Board’s appointed members and is  
11 closed to the public, but only for the business items  
12 set forth as part of the vote to convene an executive  
13 session.

14 **SEC. 102. LOCATION OF OVERSIGHT BOARD.**

15 The Oversight Board shall have an office in the cov-  
16 ered territory and additional offices as it sees fit. At any  
17 time, any department or agency of the United States may  
18 provide the Oversight Board use of Federal facilities and  
19 equipment, with partial or no reimbursement, and subject  
20 to such terms and conditions as the head of that depart-  
21 ment or agency may establish.

22 **SEC. 103. EXECUTIVE DIRECTOR AND STAFF OF OVERSIGHT**  
23 **BOARD.**

24 (a) EXECUTIVE DIRECTOR.—The Oversight Board  
25 shall have an Executive Director who shall be appointed

1 by the Chair with the consent of the Oversight Board. The  
2 Executive Director shall be paid at a rate determined by  
3 the Oversight Board.

4 (b) STAFF.—With the approval of the Chair, the Ex-  
5 ecutive Director may appoint and fix the pay of additional  
6 personnel as the Executive Director considers appropriate,  
7 except that no individual appointed by the Executive Di-  
8 rector may be paid at a rate greater than the rate of pay  
9 for the Executive Director unless the Oversight Board pro-  
10 vides for otherwise. Such personnel may include private  
11 citizens, employees of the Federal Government, or employ-  
12 ees of the territorial government.

13 (c) INAPPLICABILITY OF CERTAIN EMPLOYMENT  
14 AND PROCUREMENT LAWS.—

15 (1) CIVIL SERVICE LAWS.—The Executive Di-  
16 rector and staff of the Oversight Board may be ap-  
17 pointed without regard to the provisions of title 5,  
18 United States Code, governing appointments in the  
19 competitive service, and paid without regard to the  
20 provisions of chapter 51 and subchapter III of chap-  
21 ter 53 of that title relating to classification and Gen-  
22 eral Schedule pay rates.

23 (2) COVERED TERRITORY EMPLOYMENT AND  
24 PROCUREMENT LAWS.—The Executive Director and  
25 staff of the Oversight Board may be appointed and

1       paid without regard to any provision of the laws of  
2       the covered territory governing appointments and  
3       salaries. Any provision of the laws of the covered  
4       territory governing procurement shall not apply to  
5       the Oversight Board.

6       (d) **STAFF OF FEDERAL AGENCIES.**—Upon request  
7       of the Chair, the head of any Federal department or agen-  
8       cy may detail, on a reimbursable or nonreimbursable basis,  
9       and in accordance with the Intergovernmental Personnel  
10      Act of 1970 (42 U.S.C. 4701 et seq.), any of the personnel  
11      of that department or agency to the Oversight Board to  
12      assist it in carrying out its duties under this Act.

13      (e) **STAFF OF TERRITORIAL GOVERNMENT.**—Upon  
14      request of the Chair, the head of any department or agen-  
15      cy of the covered territory may detail, on a reimbursable  
16      or nonreimbursable basis, any of the personnel of that de-  
17      partment or agency to the Oversight Board to assist it  
18      in carrying out its duties under this Act.

19      **SEC. 104. POWERS OF OVERSIGHT BOARD.**

20      (a) **HEARINGS AND SESSIONS.**—The Oversight Board  
21      may, for the purpose of carrying out this Act, hold hear-  
22      ings, sit and act at times and places, take testimony, and  
23      receive evidence as the Oversight Board considers appro-  
24      priate. The Oversight Board may administer oaths or af-  
25      firmations to witnesses appearing before it.

1           (b) POWERS OF MEMBERS AND AGENTS.—Any mem-  
2 ber or agent of the Oversight Board may, if authorized  
3 by the Oversight Board, take any action that the Over-  
4 sight Board is authorized to take by this section.

5           (c) OBTAINING OFFICIAL DATA.—

6           (1) FROM FEDERAL GOVERNMENT.—Notwith-  
7 standing sections 552 (commonly known as the  
8 Freedom of Information Act), 552a (commonly  
9 known as the Privacy Act of 1974), and 552b (com-  
10 monly known as the Government in the Sunshine  
11 Act) of title 5, United States Code, the Oversight  
12 Board may secure directly from any department or  
13 agency of the United States information necessary  
14 to enable it to carry out this Act, with the approval  
15 of the head of that department or agency.

16           (2) FROM TERRITORIAL GOVERNMENT.—Not-  
17 withstanding any other provision of law, the Over-  
18 sight Board shall have the right to secure copies,  
19 whether written or electronic, of such records, docu-  
20 ments, information, data, or metadata from the ter-  
21 ritorial government necessary to enable the Over-  
22 sight Board to carry out its responsibilities under  
23 this Act. At the request of the Oversight Board, the  
24 Oversight Board shall be granted direct access to  
25 such information systems, records, documents, infor-

1       mation, or data as will enable the Oversight Board  
2       to carry out its responsibilities under this Act. The  
3       head of the entity of the territorial government re-  
4       sponsible shall provide the Oversight Board with  
5       such information and assistance (including granting  
6       the Oversight Board direct access to automated or  
7       other information systems) as the Oversight Board  
8       requires under this paragraph.

9       (d) GIFTS, BEQUESTS, AND DEVISES.—The Over-  
10      sight Board may accept, use, and dispose of gifts, be-  
11      quests, or devises of services or property, both real and  
12      personal, for the purpose of aiding or facilitating the work  
13      of the Oversight Board. Gifts, bequests, or devises of  
14      money and proceeds from sales of other property received  
15      as gifts, bequests, or devises shall be deposited in such  
16      account as the Oversight Board may establish and shall  
17      be available for disbursement upon order of the Chair,  
18      consistent with the Oversight Board's bylaws, or rules and  
19      procedures. All gifts, bequests or devises and the identities  
20      of the donors shall be publicly disclosed by the Oversight  
21      Board within 30 days of receipt.

22      (e) SUBPOENA POWER.—

23           (1) IN GENERAL.—The Oversight Board may  
24      issue subpoenas requiring the attendance and testi-  
25      mony of witnesses and the production of books,

1 records, correspondence, memoranda, papers, docu-  
2 ments, **electronic files**, metadata, tapes, and mate-  
3 rials of any nature relating to any matter under in-  
4 vestigation by the Oversight Board. The attendance  
5 of witnesses and the production of such materials  
6 may be required from any place within the United  
7 States at any **designated place** of hearing within the  
8 United States.

9 (2) **FAILURE TO OBEY A SUBPOENA.**—If a per-  
10 son **refuses to** obey a subpoena issued under para-  
11 graph (1), the Oversight Board may apply to the  
12 district court for the district for the covered terri-  
13 tory or, for any territory that does not have a dis-  
14 trict court, to the United States District Court for  
15 the District of Hawaii, for an order requiring that  
16 person to appear before the Oversight Board to give  
17 testimony, **produce evidence**, or both, relating to the  
18 matter under investigation. Any failure to obey the  
19 order of the court may be punished by the court as  
20 civil contempt.

21 (3) **SERVICE OF SUBPOENAS.**—The subpoena of  
22 the Oversight Board shall be served in **the** manner  
23 provided for subpoenas issued by the district courts  
24 under the Federal Rules of Civil Procedure.

1           (f) ADMINISTRATIVE SUPPORT SERVICES.—Upon the  
2 request of the Oversight Board, the Administrator of Gen-  
3 eral Services shall promptly provide to the Oversight  
4 Board, on a reimbursable basis, the administrative sup-  
5 port services necessary for the Oversight Board to carry  
6 out its responsibilities under this Act.

7           (g) AUTHORITY TO ENTER INTO CONTRACTS.—The  
8 Executive Director may enter into such contracts as the  
9 Executive Director considers appropriate (subject to the  
10 approval of the Chair) consistent with the Oversight  
11 Board’s bylaws, rules, and regulations to carry out the  
12 Oversight Board’s responsibilities under this Act.

13           (h) AUTHORITY TO ENFORCE CERTAIN LAWS OF  
14 THE COVERED TERRITORY.—The Oversight Board shall  
15 ensure the purposes of this Act are met, including by en-  
16 suring the prompt enforcement of any applicable laws of  
17 the covered territory prohibiting public sector employees  
18 from participating in a strike or lockout. In the application  
19 of this subsection, with respect to Puerto Rico, the term  
20 “applicable laws” refers to 3 L.P.R.A. 1451q and 3  
21 L.P.R.A. 1451r.

22           (i) VOLUNTARY AGREEMENT CERTIFICATION.—

23           (1) IN GENERAL.—If the Oversight Board de-  
24 termines in its sole discretion that the covered terri-  
25 tory or covered territorial instrumentality has suc-

1        successfully reached a voluntary agreement with holders  
2        of its debt to restructure such debt in a manner that  
3        provides for a sustainable level of debt for such cov-  
4        ered territory or covered territorial instrumentality  
5        and is in conformance with the certified Fiscal Plan  
6        as applicable—

7                (A) the Oversight Board shall issue a cer-  
8                tification to the applicable covered territory or  
9                covered territorial instrumentality that the vol-  
10              untary agreement provides for a sustainable  
11              level of debt and is in conformance with the ap-  
12              plicable certified Fiscal Plan; and

13              (B) the effectiveness of any such voluntary  
14              agreement must be conditioned on the Over-  
15              sight Board delivering the certification de-  
16              scribed in subparagraph (A).

17              (2) PREEXISTING VOLUNTARY AGREEMENTS.—  
18              Any voluntary agreements that the territorial gov-  
19              ernment has consummated with holders of its debts  
20              to restructure such debt for the territorial govern-  
21              ment prior to the date of enactment of the Act shall  
22              be deemed to be in conformance with the require-  
23              ments of this subsection.

24              (j) RESTRUCTURING FILINGS.—



1           (1) IN GENERAL.—Subject to paragraph (3),  
2           before taking an action described in paragraph (2)  
3           on behalf of a debtor or potential debtor in a case  
4           under title III, the Oversight Board must certify the  
5           action.

6           (2) ACTIONS DESCRIBED.—The actions referred  
7           to in paragraph (1) are—

8                   (A) the filing of a petition; or

9                   (B) the submission or modification of a  
10           plan of adjustment.

11           (3) CONDITION FOR PLANS OF ADJUSTMENT.—  
12           The Oversight Board can only certify a plan of ad-  
13           justment only if it is consistent with the applicable  
14           certified Fiscal Plan.

15           (k) CIVIL ACTIONS TO ENFORCE POWERS.—The  
16           Oversight Board may seek judicial enforcement of its au-  
17           thority to carry out its responsibilities under this Act.

18           (l) PENALTIES.—

19                   (1) ACTS PROHIBITED.—Any officer or em-  
20           ployee of the territorial government who prepares,  
21           presents, or certifies any information or report for  
22           the Oversight Board or any of its agents that is in-  
23           tentionally false or misleading, or, upon learning  
24           that any such information is false or misleading,  
25           fails to immediately advise the Oversight Board or

1 its agents thereof in writing, shall be subject to  
2 prosecution and penalties under any laws of the ter-  
3 ritory prohibiting the provision of false information  
4 to government officials, which in the case of Puerto  
5 Rico, shall include 33 L.P.R.A. 4889.

6 (2) ADMINISTRATIVE DISCIPLINE.—In addition  
7 to any other applicable penalty, any officer or em-  
8 ployee of the territorial government who knowingly  
9 and willfully violates paragraph (1) or takes any  
10 such action in violation of any valid order of the  
11 Oversight Board or fails or refuses to take any ac-  
12 tion required by any such order, shall be subject to  
13 appropriate administrative discipline, including  
14 (when appropriate) suspension from duty without  
15 pay or removal from office, by order of the Gov-  
16 ernor.

17 (3) REPORT BY GOVERNOR ON DISCIPLINARY  
18 ACTIONS TAKEN.—In the case of a violation of para-  
19 graph (2) by an officer or employee of the territorial  
20 government, the Governor shall immediately report  
21 to the Oversight Board all pertinent facts together  
22 with a statement of the action taken thereon.

23 **SEC. 105. EXEMPTION FROM LIABILITY FOR CLAIMS.**

24 The Oversight Board, its members, and its employees  
25 may not be liable for any obligation of or claim against

1 the Oversight Board or its members or employees or the  
2 territorial government resulting from actions taken to  
3 carry out this Act.

4 **SEC. 106. TREATMENT OF ACTIONS ARISING FROM ACT.**

5 (a) JURISDICTION.—Except as provided in section  
6 104(e)(2) (relating to the issuance of an order enforcing  
7 a subpoena), and title III (relating to adjustments of  
8 debts), any action against the Oversight Board, and or  
9 any action otherwise arising out of this Act, in whole or  
10 in part, shall be brought in the United States district  
11 court for the covered territory or, for any covered territory  
12 that does not have a district court, in the United States  
13 District Court for the District of Hawaii.

14 (b) APPEAL.—Notwithstanding any other provision  
15 of law, any order of the United States District Court that  
16 is issued pursuant to an action brought under subsection  
17 (a) shall be subject to review only pursuant to a notice  
18 of appeal to the applicable United States Court of Ap-  
19 peals.

20 (c) TIMING OF RELIEF.—Except with respect to any  
21 orders entered to remedy constitutional violations, no  
22 order of any court granting declaratory or injunctive relief  
23 against the Oversight Board, including relief permitting  
24 or requiring the obligation, borrowing, or expenditure of  
25 funds, shall take effect during the pendency of the action

1 before such court, during the time appeal may be taken,  
2 or (if appeal is taken) during the period before the court  
3 has entered its final order disposing of such action.

4 (d) **EXPEDITED CONSIDERATION.**—It shall be the  
5 duty of the applicable United States District Court, the  
6 applicable United States Court of Appeals, and, as appli-  
7 cable, the Supreme Court of the United States to advance  
8 on the docket and to expedite to the greatest possible ex-  
9 tent the disposition of any matter brought under this Act.

10 (e) **REVIEW OF OVERSIGHT BOARD CERTIFI-**  
11 **CATIONS.**—There shall be no jurisdiction in any United  
12 States district court to review challenges to the Oversight  
13 Board’s certification determinations under this Act.

14 **SEC. 107. BUDGET AND FUNDING FOR OPERATION OF**  
15 **OVERSIGHT BOARD.**

16 (a) **SUBMISSION OF BUDGET.**—The Oversight Board  
17 shall submit a budget for each fiscal year during which  
18 the Oversight Board is in operation, to the President, the  
19 House of Representatives Committee on Natural Re-  
20 sources and the Senate Committee on Energy and Natural  
21 Resources, the Governor, and the Legislature.

22 (b) **FUNDING.**—The Oversight Board may use its  
23 powers with respect to the Territory Budget of the covered  
24 territory to ensure that sufficient funds are available to

1 cover all expenses of the Oversight Board. If the Oversight  
2 Board elects to do so—

3 (1) the Oversight Board shall submit to the  
4 Governor and the Legislature the budget described  
5 in subsection (a); and

6 (2) the territorial government shall designate a  
7 dedicated funding source, not subject to subsequent  
8 legislative appropriations, sufficient to support the  
9 annual expenses of the Oversight Board as deter-  
10 mined in the Oversight Board's sole and exclusive  
11 discretion.

12 **SEC. 108. AUTONOMY OF THE OVERSIGHT BOARD.**

13 (a) IN GENERAL.—Neither the Governor nor the  
14 Legislature may—

15 (1) exercise any control, supervision, oversight,  
16 or review over the Oversight Board or its activities;  
17 or

18 (2) enact, implement, or enforce any statute,  
19 resolution, policy, or rule with respect to the Over-  
20 sight Board or its activities.

21 (b) OVERSIGHT BOARD LEGAL REPRESENTATION.—

22 In any action brought by or on behalf of the Oversight  
23 Board, and in any action brought by the Oversight Board,  
24 the Oversight Board shall be represented by such counsel

1 as it may hire or retain so long as no conflict of interest  
2 exists.

3 **SEC. 109. ETHICS.**

4 All members and staff of the Oversight Board shall  
5 be subject to—

6 (1) the Federal conflict of interest requirements  
7 described in section 2018 of title 18, United States  
8 Code; and

9 (2) the financial disclosure requirements under  
10 title I of the Ethics in Government Act of 1978 (5  
11 U.S.C. app.).

12 **TITLE II—RESPONSIBILITIES OF**  
13 **OVERSIGHT BOARD**

14 **SEC. 201. APPROVAL OF FISCAL PLANS.**

15 (a) **IN GENERAL.**—As soon as practicable after at  
16 least 4 members have been appointed to the Oversight  
17 Board in accordance with section 101(e) in the fiscal year  
18 in which the Oversight Board is established, and in each  
19 fiscal year thereafter during which the Oversight Board  
20 is in operation, the Oversight Board shall deliver a notice  
21 to the Governor providing a schedule for the process of  
22 development, submission, approval, and certification of  
23 Fiscal Plans. The notice may also set forth a schedule for  
24 revisions to any Fiscal Plan that has already been cer-  
25 tified, which revisions must be subject to subsequent ap-

1 proval and certification by the Oversight Board. The Over-  
2 sight Board shall consult with the Governor in establishing  
3 a schedule, but the Oversight Board shall retain sole dis-  
4 cretion to set or, by delivery of a subsequent notice to the  
5 Governor, change the dates of such schedule as it deems  
6 appropriate and reasonably feasible.

7 (b) REQUIREMENTS.—

8 (1) IN GENERAL.—A Fiscal Plan developed  
9 under this section shall, with respect to the terri-  
10 torial government or covered territorial instrumen-  
11 tality, endeavor to provide a method to achieve fiscal  
12 responsibility and access to the capital markets,  
13 and—

14 (A) provide for estimates of revenues and  
15 expenditures in conformance with agreed ac-  
16 counting standards and be based on—

17 (i) applicable laws; or

18 (ii) specific bills that require enact-  
19 ment in order to reasonably achieve the  
20 projections of the Fiscal Plan;

21 (B) ensure the funding of essential public  
22 services;

23 (C) provide adequate funding for public  
24 pension systems;

1 (D) provide for the elimination of struc-  
2 tural deficits;

3 (E) for fiscal years covered by a Fiscal  
4 Plan in which a stay under titles III or IV is  
5 not effective, provide for a debt burden that is  
6 sustainable;

7 (F) improve fiscal governance, account-  
8 ability, and internal controls;

9 (G) enable the achievement of fiscal tar-  
10 gets;

11 (H) create independent forecasts of rev-  
12 enue for the period covered by the Fiscal Plan;

13 (I) include a debt sustainability analysis;

14 (J) provide for capital expenditures and in-  
15 vestments necessary to promote economic  
16 growth;

17 (K) to greatest extent feasible, adopt rec-  
18 ommendations submitted to the territorial gov-  
19 ernment by the Oversight Board under section  
20 205(a); and

21 (L) include such additional information as  
22 the Oversight Board deems necessary.

23 (2) TERM.—A Fiscal Plan developed under this  
24 section shall cover a period of fiscal years as deter-  
25 mined by the Oversight Board in its sole discretion



1 but in any case a period of not less than 5 fiscal  
2 years from the fiscal year in which it is certified by  
3 the Oversight Board.

4 (c) DEVELOPMENT, REVIEW, APPROVAL, AND CER-  
5 TIFICATION OF FISCAL PLAN.—

6 (1) TIMING REQUIREMENT.—The Governor  
7 may **not submit** to the Legislature a Territory Budg-  
8 et under section 202 for a fiscal year unless the  
9 Oversight Board has certified the Fiscal Plan for  
10 that fiscal year in accordance with this subsection,  
11 unless the Oversight Board in its sole **discretion**  
12 waives this requirement.

13 (2) FISCAL PLAN DEVELOPED BY GOVERNOR.—  
14 The Governor shall submit to the Oversight Board  
15 any proposed Fiscal Plan required by the Oversight  
16 Board by the time specified in the notice **delivered**  
17 under subsection (a).

18 (3) REVIEW BY THE OVERSIGHT BOARD.—The  
19 Oversight Board shall review the proposed Fiscal  
20 Plan to determine whether it satisfies the require-  
21 ments set forth in subsection (b) and, if the Over-  
22 sight Board determines in its sole discretion that the  
23 proposed Fiscal Plan—

1 (A) satisfies such requirements, the Over-  
2 sight Board shall approve the proposed Fiscal  
3 Plan; or

4 (B) does not satisfy such requirements, the  
5 Oversight Board shall provide to the Gov-  
6 ernor—

7 (i) a notice of violation that includes  
8 recommendations for revisions to the appli-  
9 cable Fiscal Plan; and

10 (ii) an opportunity to correct the vio-  
11 lation in accordance with subsection (d)(1).

12 (d) REVISED FISCAL PLAN.—

13 (1) IN GENERAL.—If the Governor receives a  
14 notice of violation under subsection (c)(3), the Gov-  
15 ernor shall submit to the Oversight Board a revised  
16 proposed Fiscal Plan in accordance with subsection  
17 (b) by the time specified in the notice delivered  
18 under subsection (a). The Governor may submit as  
19 many revised Fiscal Plans to the Oversight Board as  
20 the schedule established in the notice delivered under  
21 subsection (a) permits.

22 (2) DEVELOPMENT BY OVERSIGHT BOARD.—If  
23 the Governor fails to **submit** to the Oversight **Board**  
24 a Fiscal Plan that the Oversight Board determines  
25 in its sole discretion satisfies the requirements set

1       forth in subsection (b) by the time specified in the  
2       notice delivered under subsection (a), the Oversight  
3       Board shall develop and submit to the Governor and  
4       the Legislature a Fiscal Plan that satisfies the re-  
5       quirements set forth in subsection (b).

6       (e) APPROVAL AND CERTIFICATION.—

7           (1) APPROVAL OF FISCAL PLAN DEVELOPED BY  
8       GOVERNOR.—If the Oversight Board approves a Fis-  
9       cal Plan under subsection (c)(3), it shall deliver a  
10      compliance certification for such Fiscal Plan to the  
11      Governor and the Legislature.

12          (2) DEEMED APPROVAL OF FISCAL PLAN DE-  
13      VELOPED BY OVERSIGHT BOARD.—If the Oversight  
14      Board approves a Fiscal Plan under subsection  
15      (d)(2), such Fiscal Plan shall be deemed approved  
16      by the Governor, and the Oversight Board shall  
17      issue a compliance certification for such Fiscal Plan  
18      to the Governor and the Legislature.

19      (f) JOINT DEVELOPMENT OF FISCAL PLAN.—Not-  
20      withstanding any other provision of this section, if the  
21      Governor and the Oversight Board jointly develop a Fiscal  
22      Plan for the fiscal year that meets the requirements under  
23      this section, and that the Governor and the Oversight  
24      Board certify that the fiscal plan reflects a consensus be-  
25      tween the Governor and the Oversight Board, then such

1 Fiscal Plan shall serve as the Fiscal Plan for the territory  
2 or territorial instrumentality for that fiscal year.

3 **SEC. 202. APPROVAL OF BUDGETS.**

4 (a) **REASONABLE SCHEDULE FOR DEVELOPMENT OF**  
5 **BUDGETS.**—As soon as practicable after at least 4 mem-  
6 bers have been appointed to the Oversight Board in the  
7 fiscal year in which the Oversight Board is established,  
8 and in each fiscal year thereafter during which the Over-  
9 sight Board is in operation, the Oversight Board shall de-  
10 liver a notice to the Governor and the Legislature pro-  
11 viding a schedule for developing, submitting, approving,  
12 and certifying Budgets for a period of fiscal years as de-  
13 termined by the Oversight Board in its sole discretion but  
14 in any case a period of not less than one fiscal year fol-  
15 lowing the fiscal year in which the notice is delivered. The  
16 notice may also set forth a schedule for revisions to Budg-  
17 ets that have already been certified, which revisions must  
18 be subject to subsequent approval and certification by the  
19 Oversight Board. The Oversight Board shall consult with  
20 the Governor and the Legislature in establishing a sched-  
21 ule, but the Oversight Board shall retain sole discretion  
22 to set or, by delivery of a subsequent notice to the Gov-  
23 ernor and the Legislature, change the dates of such sched-  
24 ule as it deems appropriate and reasonably feasible.

1           (b) **REVENUE FORECAST.**—The Oversight Board  
2 shall submit to the Governor and Legislature a forecast  
3 of revenues for the period covered by the Budgets by the  
4 time specified in the notice delivered under subsection (a),  
5 for use by the Governor in developing the Budget under  
6 subsection (c).

7           (c) **BUDGETS DEVELOPED BY GOVERNOR.**—

8           (1) **GOVERNOR'S PROPOSED BUDGETS.**—The  
9 Governor shall submit to the Oversight Board pro-  
10 posed Budgets by the time specified in the notice de-  
11 livered under subsection (a). In consultation with the  
12 Governor in accordance with the process specified in  
13 the notice delivered under subsection (a), the Over-  
14 sight Board shall determine in its sole discretion  
15 whether each proposed Budget is compliant with the  
16 applicable Fiscal Plan and—

17                   (A) if a proposed Budget is a compliant  
18 budget, the Oversight Board shall—

19                           (i) approve the Budget; and

20                           (ii) if the Budget is a Territory Bud-  
21 et, submit the Territory Budget to the  
22 Legislature; or

23                   (B) if the Oversight Board determines that  
24 the Budget is not a compliant budget, the Over-  
25 sight Board shall provide to the Governor—

1 (i) a notice of violation that includes  
2 a description of any necessary corrective  
3 action; and

4 (ii) an opportunity to correct the vio-  
5 lation in accordance with paragraph (2).

6 (2) GOVERNOR'S REVISIONS.—The Governor  
7 may correct any violations identified by the Over-  
8 sight Board and submit a revised proposed **Budget**  
9 to the Oversight Board in accordance with para-  
10 graph (1). The Governor may submit as many re-  
11 vised Budgets to the Oversight Board as the sched-  
12 ule established in the notice delivered under sub-  
13 section (a) permits. If the Governor fails to develop  
14 a Budget that the Oversight Board determines is a  
15 compliant **budget** by the time specified in the notice  
16 delivered under subsection (a), the Oversight Board  
17 shall develop and submit to the Governor, in the  
18 case of an Instrumentality Budget, and to the Gov-  
19 ernor and the Legislature, in the case of a Territory  
20 Budget, a revised compliant budget.

21 (d) BUDGET APPROVAL BY LEGISLATURE.—

22 (1) LEGISLATURE ADOPTED BUDGET.—The  
23 Legislature shall submit to the Oversight Board the  
24 Territory **Budget** adopted by the Legislature by the  
25 time specified in the notice delivered under sub-

1 section (a). The Oversight Board shall determine  
2 whether the adopted Territory Budget is a compliant  
3 budget and—

4 (A) if the adopted Territory Budget is a  
5 compliant budget, the Oversight Board shall  
6 issue a compliance certification for such compli-  
7 ant budget pursuant to subsection (c); and

8 (B) if the adopted Territory Budget is not  
9 a compliant budget, the Oversight Board shall  
10 provide to the Legislature—

11 (i) a notice of violation that includes  
12 a description of any necessary corrective  
13 action; and

14 (ii) an opportunity to correct the vio-  
15 lation in accordance with paragraph (2).

16 (2) LEGISLATURE'S REVISIONS.—The Legisla-  
17 ture may correct any violations identified by the  
18 Oversight Board and submit a revised Territory  
19 Budget to the Oversight Board in accordance with  
20 the process established under paragraph (1) and by  
21 the time specified in the notice delivered under sub-  
22 section (a). The Legislature may submit as many re-  
23 vised adopted Territory Budgets to the Oversight  
24 Board as the schedule established in the notice deliv-  
25 ered under subsection (a) permits. If the Legislature

1 fails to adopt a Territory Budget that the Oversight  
2 Board determines is a compliant budget by the time  
3 specified in the notice delivered under subsection (a),  
4 the Oversight Board shall develop a revised Terri-  
5 tory Budget that is a compliant budget and submit  
6 it to the Governor and the Legislature.

7 (e) CERTIFICATION OF BUDGETS.—

8 (1) CERTIFICATION OF DEVELOPED AND AP-  
9 PROVED TERRITORY BUDGETS.—If the Governor and  
10 the Legislature develop and approve a Territory  
11 Budget that is a compliant budget by the day before  
12 the first day of the fiscal year for which the Terri-  
13 tory Budget is being developed and in accordance  
14 with the process established under subsections (c)  
15 and (d), the Oversight Board shall issue a compli-  
16 ance certification to the Governor and the Legisla-  
17 ture for such Territory Budget.

18 (2) CERTIFICATION OF DEVELOPED INSTRU-  
19 MENTALITY BUDGETS.—If the Governor develops an  
20 Instrumentality Budget that is a compliant budget  
21 by the day before the first day of the fiscal year for  
22 which the Instrumentality Budget is being developed  
23 and in accordance with the process established under  
24 subsection (c), the Oversight Board shall issue a



1 compliance certification to the Governor for such In-  
2 strumentality Budget.

3 (3) DEEMED CERTIFICATION OF TERRITORY  
4 BUDGETS.—If the Governor and the Legislature fail  
5 to develop and approve a Territory Budget that is  
6 a compliant budget by the day before the first day  
7 of the fiscal year for which the Territory Budget is  
8 being developed, the Oversight Board shall submit a  
9 Budget to the Governor and the Legislature (includ-  
10 ing any revision to the Territory Budget made by  
11 the Oversight Board pursuant to that subsection)  
12 and such Budget shall be—

13 (A) deemed to be approved by the Gov-  
14 ernor and the Legislature;

15 (B) the subject of a compliance certifi-  
16 cation issued by the Oversight Board to the  
17 Governor and the Legislature; and

18 (C) in full force and effect beginning on  
19 the first day of the applicable fiscal year.

20 (4) DEEMED CERTIFICATION OF INSTRUMEN-  
21 TIALITY BUDGETS.—If the Governor fails to develop  
22 an Instrumentality Budget that is a compliant budg-  
23 et by the day before the first day of the fiscal year  
24 for which the Instrumentality Budget is being devel-  
25 oped, the Oversight Board shall submit an Instru-

1       mentality Budget to the Governor (including any re-  
2       vision to the Territory Budget made by the Over-  
3       sight Board pursuant to that subsection) and such  
4       Budget shall be—

5               (A) deemed to be approved by the Gov-  
6       ernor;

7               (B) the subject of a compliance certifi-  
8       cation issued by the Oversight Board to the  
9       Governor; and

10              (C) in full force and effect beginning on  
11       the first day of the applicable fiscal year.

12       (f) **JOINT DEVELOPMENT OF BUDGETS.**—Notwith-  
13       standing any other provision of this section, if, in the case  
14       of a Territory Budget, the Governor, the Legislature, and  
15       the Oversight Board, or in the case of an Instrumentality  
16       Budget, the Governor and the Oversight Board, jointly de-  
17       velop such Budget for the fiscal year that meets the re-  
18       quirements under this section, and that the relevant par-  
19       ties certify reflects a consensus among them, then such  
20       Budget shall serve as the Budget for the territory or terri-  
21       torial instrumentality for that fiscal year.

22       **SEC. 203. EFFECT OF FINDING OF NONCOMPLIANCE WITH**  
23       **BUDGET.**

24       (a) **SUBMISSION OF REPORTS.**—Not later than 15  
25       days after the last day of each quarter of a fiscal year

1 (beginning with the fiscal year determined by the Over-  
2 sight Board), the Governor shall submit to the Oversight  
3 Board a report, in such form as the Oversight Board may  
4 require, describing—

5           (1) the actual cash revenues, cash expenditures,  
6           and cash flows of the territorial government for the  
7           preceding quarter, as compared to the projected rev-  
8           enues, expenditures, and cash flows contained in the  
9           certified Budget for such preceding quarter; and

10           (2) any other information requested by the  
11           Oversight Board, which may include a balance sheet  
12           or a requirement that the Governor provide informa-  
13           tion for each covered territorial instrumentality sep-  
14           arately.

15           (b) INITIAL ACTION BY OVERSIGHT BOARD.—

16           (1) IN GENERAL.—If the Oversight Board de-  
17           termines, based on reports submitted by the Gov-  
18           ernor under subsection (a), independent audits, or  
19           such other information as the Oversight Board may  
20           obtain, that the actual quarterly revenues, expendi-  
21           tures, or cash flows of the territorial government are  
22           not consistent with the projected revenues, expendi-  
23           tures, or cash flows set forth in the certified Budget  
24           for such quarter, the Oversight Board shall—

1 (A) require the territorial government to  
2 provide such additional information as the  
3 Oversight Board determines to be necessary to  
4 explain the inconsistency; and

5 (B) if the additional information provided  
6 under subparagraph (A) does not provide an ex-  
7 planation for the inconsistency that the Over-  
8 sight Board finds reasonable and appropriate,  
9 advise the territorial government to correct the  
10 inconsistency by implementing remedial action.

11 (2) DEADLINES.—The Oversight Board shall  
12 establish the deadlines by which the territorial gov-  
13 ernment shall meet the requirements of subpara-  
14 graphs (A) and (B) of paragraph (1).

15 (c) CERTIFICATION OF VARIANCE.—

16 (1) VARIANCE.—If the territorial government  
17 fails to provide additional information under sub-  
18 section (b)(1)(A), or fails to correct a variance under  
19 subsection (b)(1)(B), prior to the applicable deadline  
20 under subsection (b)(2), the Oversight Board shall  
21 certify to the President, the House of Representa-  
22 tives Committee on Natural Resources, the Senate  
23 Committee on Energy and Natural Resources, the  
24 Governor, and the Legislature that the territorial  
25 government is at variance with the applicable cer-

1       tified Budget, and shall describe the nature and  
2       amount of the variance.

3           (2) CORRECTION OF VARIANCE.—If the Over-  
4       sight Board determines that the territorial govern-  
5       ment has initiated such measures as the Oversight  
6       Board considers sufficient to correct a variance cer-  
7       tified under paragraph (1), the Oversight Board  
8       shall certify the correction to the President, the  
9       House of Representatives Committee on Natural Re-  
10      sources, the Senate Committee on Energy and Nat-  
11      ural Resources, the Governor, and the Legislature.

12      (d) BUDGET REDUCTIONS BY OVERSIGHT BOARD.—  
13      If the Oversight Board determines that the Governor, in  
14      the case of any then-applicable certified Instrumentality  
15      Budgets, and the Governor and the Legislature, in the  
16      case of the then-applicable certified Territory Budget,  
17      have failed to correct a variance identified by the Over-  
18      sight Board under subsection (c), the Oversight Board  
19      shall—

20           (1) with respect to the territorial government,  
21      other than covered territorial instrumentalities,  
22      make appropriate reductions in nondebt expendi-  
23      tures to ensure that the actual quarterly revenues  
24      and expenditures for the territorial government are  
25      in compliance with the applicable certified Territory

1 Budget or, in the case of the fiscal year in which the  
2 Oversight Board is established, the budget **adopted**  
3 by the Governor and the Legislature; and

4 (2) with respect to covered territorial instru-  
5 mentalities at the sole discretion of the Oversight  
6 Board—

7 (A) make reductions in nondebt expendi-  
8 tures to ensure that the actual quarterly reve-  
9 nues and expenses for the covered territorial in-  
10 strumentality are in compliance with the appli-  
11 cable certified Budget or, in the case of the fis-  
12 cal year in which the Oversight Board is estab-  
13 lished, the budget adopted by the Governor and  
14 the Legislature or the covered territorial instru-  
15 mentality, as applicable; or

16 (B)(i) institute automatic hiring **freezes** at  
17 the covered territorial instrumentality; **and**

18 (ii) prohibit the covered territorial instru-  
19 mentality from entering into any contract in ex-  
20 cess of \$100,000, or engaging in any financial  
21 or other transactions, unless the contract or  
22 transaction was previously approved by the  
23 Oversight Board.

24 (e) TERMINATION OF BUDGET REDUCTIONS.—The  
25 Oversight Board shall cancel the reductions under sub-

1 section (d) if the Oversight Board determines that the ter-  
2 ritorial government or covered territorial instrumentality,  
3 as applicable, has initiated appropriate measures to reduce  
4 expenditures or increase revenues to ensure that the terri-  
5 torial government or covered territorial instrumentality is  
6 in compliance with the applicable certified Budget or, in  
7 the case of the fiscal year in which the Oversight Board  
8 is established, the budget adopted by the Governor and  
9 the Legislature.

10 **SEC. 204. REVIEW OF ACTIVITIES TO ENSURE COMPLIANCE**

11 **WITH FISCAL PLAN.**

12 (a) SUBMISSION OF LEGISLATIVE ACTS TO OVER-  
13 SIGHT BOARD.—

14 (1) SUBMISSION OF ACTS.—Except to the ex-  
15 tent that the Oversight Board may provide otherwise  
16 in its bylaws, rules, and procedures, not later than  
17 7 business days after a territorial government duly  
18 enacts any law during any fiscal year in which the  
19 Oversight Board is in operation, the Governor shall  
20 submit the law to the Oversight Board.

21 (2) COST ESTIMATE; CERTIFICATION OF COM-  
22 PLIANCE OR NONCOMPLIANCE.—The Governor shall  
23 include with each law submitted to the Oversight  
24 Board under paragraph (1) the following:

1           (A) A formal estimate prepared by an ap-  
2           propriate entity of the territorial government  
3           with expertise in budgets and financial manage-  
4           ment of the impact, if any, that the law will  
5           have on expenditures and revenues.

6           (B) If the appropriate entity described in  
7           subparagraph (A) finds that the law is not sig-  
8           nificantly inconsistent with the Fiscal Plan for  
9           the fiscal year, it shall issue a certification of  
10          such finding.

11          (C) If the appropriate entity described in  
12          subparagraph (A) finds that the law is signifi-  
13          cantly inconsistent with the Fiscal Plan for the  
14          fiscal year, it shall issue a certification of such  
15          finding, together with the entity's reasons for  
16          such finding.

17          (3) NOTIFICATION.—The Oversight Board shall  
18          send a notification to the Governor and the Legisla-  
19          ture if—

20                 (A) the Governor submits a law to the  
21                 Oversight Board under this subsection that is  
22                 not accompanied by the estimate required under  
23                 paragraph (2)(A);

24                 (B) the Governor submits a law to the  
25                 Oversight Board under this subsection that is



1 not accompanied by either a certification de-  
2 scribed in paragraph (2)(B) or (2)(C); or

3 (C) the Governor submits a law to the  
4 Oversight Board under this subsection that is  
5 accompanied by a certification described in  
6 paragraph (2)(C) that the law is significantly  
7 inconsistent with the Fiscal Plan.

8 (4) OPPORTUNITY TO RESPOND TO NOTIFICA-  
9 TION.—

10 (A) FAILURE TO PROVIDE ESTIMATE OR  
11 CERTIFICATION.—After sending a notification  
12 to the Governor and the Legislature under  
13 paragraph (3)(A) or (3)(B) with respect to a  
14 law, the Oversight Board may direct the Gov-  
15 ernor to provide the missing estimate or certifi-  
16 cation (as the case may be), in accordance with  
17 such procedures as the Oversight Board may  
18 establish.

19 (B) SUBMISSION OF CERTIFICATION OF  
20 SIGNIFICANT INCONSISTENCY WITH FISCAL  
21 PLAN AND BUDGET.—In accordance with such  
22 procedures as the Oversight Board may estab-  
23 lish, after sending a notification to the Gov-  
24 ernor and Legislature under subparagraph (C)  
25 of paragraph (3) that a law is significantly in-

1 consistent with the Fiscal Plan, the Oversight  
2 Board shall direct the territorial government  
3 to—

4 (i) correct the law to eliminate the in-  
5 consistency; or

6 (ii) provide an explanation for the in-  
7 consistency that the Oversight Board finds  
8 reasonable and appropriate.

9 (5) FAILURE TO COMPLY.—If the territorial  
10 government fails to comply with a direction given by  
11 the Oversight Board under paragraph (4) with re-  
12 spect to a law, the Oversight Board may take such  
13 actions as it considers necessary, consistent with this  
14 Act, to ensure that the enactment or enforcement of  
15 the law will not adversely affect the territorial gov-  
16 ernment's compliance with the Fiscal Plan, including  
17 preventing the enforcement or application of the law.

18 (6) PRELIMINARY REVIEW OF PROPOSED  
19 ACTS.—At the request of the Legislature, the Over-  
20 sight Board may conduct a preliminary review of  
21 proposed legislation before the Legislature to deter-  
22 mine whether the legislation as proposed would be  
23 consistent with the applicable Fiscal Plan under this  
24 subtitle, except that any such preliminary review  
25 shall not be binding on the Oversight Board in re-

1 viewing any law subsequently submitted under this  
2 subsection.

3 (b) EFFECT OF APPROVED FISCAL PLAN ON CON-  
4 TRACTS, RULES, AND REGULATIONS.—

5 (1) TRANSPARENCY IN CONTRACTING.—The  
6 Oversight Board shall work with a covered terri-  
7 tory's office of the comptroller or any functionally  
8 equivalent entity to promote compliance with the ap-  
9 plicable law of any covered territory that requires  
10 agencies and instrumentalities of the territorial gov-  
11 ernment to maintain a registry of all contracts exe-  
12 cuted, including amendments thereto, and to remit  
13 a copy to the office of the comptroller for inclusion  
14 in a comprehensive database available to the public;  
15 with respect to Puerto Rico, the term "applicable  
16 law" refers to 2 L.P.R.A. 97.

17 (2) AUTHORITY TO REVIEW CERTAIN CON-  
18 TRACTS.—The Oversight Board may establish poli-  
19 cies to require prior Oversight Board approval of  
20 certain contracts, including leases, proposed to be  
21 executed by the territorial government, to ensure  
22 such proposed contracts are not inconsistent with  
23 the approved Fiscal Plan.

24 (3) SENSE OF CONGRESS.—It is the sense of  
25 Congress that any policies established by the Over-

1 sight Board pursuant to paragraph (2) should be de-  
2 signed to make the government contracting process  
3 more effective, to increase the public's faith in this  
4 process, to make appropriate use of the Oversight  
5 Board's time and resources, and to avoid creating  
6 any additional bureaucratic obstacles to efficient  
7 contracting.

8 (4) AUTHORITY TO REVIEW CERTAIN RULES  
9 AND REGULATIONS.—The provisions of this para-  
10 graph shall apply with respect to a rule or regulation  
11 proposed to be issued by the Governor (or the head  
12 of any department or agency of the territorial gov-  
13 ernment) in the same manner as such provisions  
14 apply to a contract.

15 (5) FAILURE TO COMPLY.—If a contract, rule,  
16 or regulation fails to comply with policies established  
17 by the Oversight Board under this subsection, the  
18 Oversight Board may take such actions as it con-  
19 siders necessary to ensure that such contract, rule,  
20 or regulation will not adversely affect the territorial  
21 government's compliance with the Fiscal Plan, in-  
22 cluding by preventing the execution or enforcement  
23 of the contract, rule, or regulation.

24 (c) RESTRICTIONS ON REPROGRAMMING OF  
25 AMOUNTS IN BUDGET.—

1           (1) SUBMISSIONS OF REQUESTS TO OVERSIGHT  
2 BOARD.—If the Governor submits a request to the  
3 Legislature for the reprogramming of any amounts  
4 provided in an approved Budget, the Governor shall  
5 submit such request to the Oversight Board, which  
6 shall analyze whether the proposed reprogramming  
7 is significantly inconsistent with the Budget, and  
8 submit its analysis to the Legislature as soon as  
9 practicable after receiving the request.

10           (2) NO ACTION PERMITTED UNTIL ANALYSIS  
11 RECEIVED.—The Legislature may not adopt a re-  
12 programming, and no officer or employee of the ter-  
13 ritorial government may carry out any reprogram-  
14 ming, until the Oversight Board has provided the  
15 Legislature with an analysis that certifies such re-  
16 programming will not be significantly inconsistent  
17 with the Fiscal Plan and Budget.

18           (d) IMPLEMENTATION OF FEDERAL PROGRAMS.—In  
19 taking actions under this Act, the Oversight Board shall  
20 not exercise applicable authorities to impede territorial ac-  
21 tions taken to—

22           (1) comply with a court-issued consent decree  
23 with respect to Federal programs;

24           (2) implement a federally-authorized or feder-  
25 ally-delegated program; or

1           (3) implement territorial laws, which are con-  
2           sistent with a certified fiscal plan, that execute fed-  
3           eral requirements and standards.

4   **SEC. 205. RECOMMENDATIONS ON FINANCIAL STABILITY**  
5                           **AND MANAGEMENT RESPONSIBILITY.**

6           (a) IN GENERAL.—The Oversight Board may at any  
7           time submit recommendations to the Governor and the  
8           Legislature on actions the territorial government may take  
9           to ensure compliance with the Fiscal Plan, or to otherwise  
10          promote the financial stability, economic growth, manage-  
11          ment responsibility, and service delivery efficiency of the  
12          territorial government, including recommendations relat-  
13          ing to—

14                 (1) the management of the territorial govern-  
15                 ment’s financial affairs, including economic fore-  
16                 casting and multiyear fiscal forecasting capabilities,  
17                 information technology, placing controls on expendi-  
18                 tures for personnel, reducing benefit costs, reforming  
19                 procurement practices, and placing other controls on  
20                 expenditures;

21                 (2) the structural relationship of departments,  
22                 agencies, and independent agencies within the terri-  
23                 torial government;

1           (3) the modification of existing revenue struc-  
2           tures, or the establishment of additional revenue  
3           structures;

4           (4) the establishment of alternatives for meet-  
5           ing obligations to pay for the pensions of former ter-  
6           ritorial government employees;

7           (5) modifications or transfers of the types of  
8           services that are the responsibility of, and are deliv-  
9           ered, by the territorial government;

10          (6) modifications of the types of services that  
11          are delivered by entities other than the territorial  
12          government under alternative service delivery mecha-  
13          nisms (including privatization and commercializa-  
14          tion);

15          (7) the effects of the territory's laws and court  
16          orders on the operations of the territorial govern-  
17          ment;

18          (8) the establishment of a personnel system for  
19          employees of the territorial government that is based  
20          upon employee performance standards; and

21          (9) the improvement of personnel training and  
22          proficiency, the adjustment of staffing levels, and  
23          the improvement of training and performance of  
24          management and supervisory personnel.

1 (b) RESPONSE TO RECOMMENDATIONS BY THE TER-  
2 RITORIAL GOVERNMENT.—

3 (1) IN GENERAL.—In the case of any rec-  
4 ommendations submitted under subsection (a) that  
5 are within the authority of the territorial govern-  
6 ment to adopt, not later than 90 days after receiving  
7 the recommendations, the Governor or the Legisla-  
8 ture (whichever has the authority to adopt the rec-  
9 ommendation) shall submit a statement to the Over-  
10 sight Board that provides notice as to whether the  
11 territorial government will adopt the recommenda-  
12 tions.

13 (2) IMPLEMENTATION PLAN REQUIRED FOR  
14 ADOPTED RECOMMENDATIONS.—If the Governor or  
15 the Legislature (whichever is applicable) notifies the  
16 Oversight Board under paragraph (1) that the terri-  
17 torial government will adopt any of the recommenda-  
18 tions submitted under subsection (a), the Governor  
19 or the Legislature (whichever is applicable) shall in-  
20 clude in the statement a written plan to implement  
21 the recommendation that includes—

22 (A) specific performance measures to de-  
23 termine the extent to which the territorial gov-  
24 ernment has adopted the recommendation; and



1 (B) a clear and specific timetable pursuant  
2 to which the territorial government will imple-  
3 ment the recommendation.

4 (3) EXPLANATIONS REQUIRED FOR REC-  
5 OMMENDATIONS NOT ADOPTED.—If the Governor or  
6 the Legislature (whichever is applicable) notifies the  
7 Oversight Board under paragraph (1) that the terri-  
8 torial government will not adopt any recommenda-  
9 tion submitted under subsection (a) that the terri-  
10 torial government has authority to adopt, the Gov-  
11 ernor or the Legislature shall include in the state-  
12 ment explanations for the rejection of the rec-  
13 ommendations, and the Governor or the Legislature  
14 shall submit such statement of explanations to the  
15 President and Congress.

16 **SEC. 206. OVERSIGHT BOARD DUTIES RELATED TO RE-**  
17 **STRUCTURING.**

18 (a) REQUIREMENTS FOR RESTRUCTURING CERTIFI-  
19 CATION.—The Oversight Board, prior to issuing a restruc-  
20 turing certification regarding an entity, shall determine,  
21 in its sole discretion, that—

22 (1) the territorial government completed the  
23 process set forth in title VI;

24 (2) the entity has adopted procedures necessary  
25 to deliver timely audited financial statements and

1 draft financial statements and other information suf-  
2 ficient for any interested person to perform due dili-  
3 gence on the entity's financial condition, which shall  
4 exist in the public domain;

5 (3) the entity is either a covered territory that  
6 has adopted a fiscal plan certified by the Oversight  
7 Board, a covered territorial instrumentality that is  
8 subject to a territory Fiscal Plan certified by the  
9 Oversight Board, or a covered territorial instrumen-  
10 tality that has adopted an instrumentality Fiscal  
11 Plan certified by the Oversight Board;

12 (4) only if the entity does not receive, as deter-  
13 mined in the Oversight Board's sole discretion, 10  
14 percent or more of its revenues from the taxing  
15 power of the government of the covered territory, the  
16 entity is insolvent; and

17 (5) such appropriate consideration is given to  
18 relative priority of claims as established by law so  
19 that no one group or class of creditors gains an ad-  
20 vantage over any other class in which such advan-  
21 tage did not exist prior to the Oversight Board's de-  
22 termination.

23 (b) ISSUANCE OF RESTRUCTURING CERTIFI-  
24 CATION.—The issuance of a restructuring certification  
25 under this section, which shall require no less than a vote

1 of 5 members of the Oversight Board in the affirmative,  
2 shall satisfy the requirement set forth in section 302(2)  
3 of this Act.

4 **SEC. 207. OVERSIGHT BOARD AUTHORITY RELATED TO**  
5 **DEBT ISSUANCE.**

6 For so long as the Oversight Board remains in oper-  
7 ation, no territorial government may, without the prior ap-  
8 proval of the Oversight Board, issue debt or guarantee.  
9 exchange, modify, repurchase, redeem, or enter into simi-  
10 lar transactions with respect to its debt.

11 **SEC. 208. REQUIRED REPORTS.**

12 (a) ANNUAL REPORT.—Not later than 30 days after  
13 the last day of each fiscal year, the Oversight Board shall  
14 submit a report to the President, Congress, the Governor  
15 and the Legislature, describing—

16 (1) the progress made by the territorial govern-  
17 ment in meeting the objectives of this Act during the  
18 fiscal year;

19 (2) the assistance provided by the Oversight  
20 Board to the territorial government in meeting the  
21 purposes of this Act during the fiscal year;

22 (3) recommendations to the President and Con-  
23 gress on changes to this Act or other Federal laws,  
24 or other actions of the Federal Government, that

1 would assist the territorial government in complying  
2 with the certified Fiscal Plan;

3 (4) the precise manner in which funds allocated  
4 to the Oversight Board under section 107 and, as  
5 applicable, section 104(d) have been spent by the  
6 Oversight Board during the fiscal year; and

7 (5) any other activities of the Oversight Board  
8 during the fiscal year.

9 (b) REPORT ON DISCRETIONARY TAX ABATEMENT  
10 AGREEMENTS.—Within six months of the establishment  
11 of the Oversight Board, the Governor shall submit a report  
12 to the Oversight Board documenting all existing discre-  
13 tionary tax abatement or similar tax relief agreements to  
14 which the territorial government, or any territorial instru-  
15 mentality, is a party, provided that—

16 (1) nothing in this Act shall be interpreted to  
17 limit the power of the territorial government or any  
18 territorial instrumentality to execute or modify dis-  
19 cretionary tax abatement or similar tax relief agree-  
20 ments, or to enforce compliance with the terms and  
21 conditions of any discretionary tax abatement or  
22 similar tax relief agreement, to which the territorial  
23 government or any territorial instrumentality is a  
24 party; and

1           (2) the Members and Staff of the Oversight  
2 Board shall not disclose the contents of the report  
3 described in this subsection, and shall otherwise  
4 comply with all applicable territorial and Federal  
5 laws and regulations regarding the handling of con-  
6 fidential taxpayer information.

7 **SEC. 209. TERMINATION OF OVERSIGHT BOARD.**

8           An Oversight Board shall terminate upon certifi-  
9 cation by the Oversight Board that—

10           (1) the applicable territorial government has  
11 adequate access to short-term and long-term credit  
12 markets at reasonable interest rates to meet the bor-  
13 rowing needs of the territorial government; and

14           (2) for at least 4 consecutive fiscal years—

15                   (A) the territorial government has devel-  
16 oped its **Budgets** in accordance with modified  
17 accrual **accounting** standards; and

18                   (B) the expenditures made by the terri-  
19 torial government during each fiscal year did  
20 not exceed the revenues of the territorial gov-  
21 ernment **during** that year, as determined in ac-  
22 cordance **with** modified accrual accounting  
23 standards.

1 SEC. 210. NO FULL FAITH AND CREDIT OF THE UNITED  
2 STATES.

3 (a) IN GENERAL.—The full faith and credit of the  
4 United States is not pledged for the payment of any prin-  
5 cipal of or interest on any bond, note, or other obligation  
6 issued by the Oversight Board. The United States is not  
7 responsible or liable for the payment of any principal of  
8 or interest on any bond, note, or other obligation issued  
9 by the Oversight Board.

10 (b) SUBJECT TO APPROPRIATIONS.—Any claim to  
11 which the United States is determined to be liable shall  
12 be subject to appropriations.

13 SEC. 211. ANALYSIS OF PENSIONS.

14 (a) DETERMINATION.—If the Oversight Board deter-  
15 mines, in its sole discretion, that a pension system of the  
16 territorial government is materially underfunded, the  
17 Oversight Board shall conduct an analysis prepared by an  
18 independent actuary of such pension system to assist the  
19 Oversight Board in evaluating the fiscal and economic im-  
20 pact of the pension cash flows.

21 (b) PROVISIONS OF ANALYSIS.—An analysis con-  
22 ducted under **subsection** (a) shall include—

23 (1) **an actuarial study** of the pension liabilities  
24 and **funding strategy** that includes a forward looking  
25 projection of payments **of** at least 30 years **of benefit**.

1 payments and funding strategy to cover such pay-  
2 ments ;

3 (2) sources of funding to cover such payments ;

4 (3) a review of the existing benefits and their  
5 sustainability; and

6 (4) a review of the system's legal structure and  
7 operational arrangements, and any other studies of  
8 the pension system the Oversight Board shall deem  
9 necessary.

10 (c) SUPPLEMENTARY INFORMATION.—In any case,  
11 the analysis conducted under subsection (a) shall include  
12 information regarding the fair market value and liabilities  
13 using an appropriate discount rate as determined by the  
14 Oversight Board.

## 15 **TITLE III—ADJUSTMENTS OF** 16 **DEBTS**

### 17 **SEC. 301. APPLICABILITY OF OTHER LAWS; DEFINITIONS.**

18 (a) SECTIONS APPLICABLE TO CASES UNDER THIS  
19 TITLE.—Sections 101 (except as otherwise provided in  
20 this section), 102, 104, 105, 106, 107, 108, 112, 333,  
21 344, 347(b), 349, 350(b), 351, 361, 362, 364(c), 364(d),  
22 364(e), 364(f), 365, 366, 501, 502, 503, 504, 506,  
23 507(a)(2), 509, 510, 524(a)(1), 524(a)(2), 544, 545, 546,  
24 547, 548, 549(a), 549(e), 549(d), 550, 551, 552, 553,  
25 555, 556, 557, 559, 560, 561, 562, 902 (except as other-

1 wise provided in this section), 922, 923, 924, 925, 926,  
2 927, 928, 942, 944, 945, 946, 1102, 1103, 1109, 1111(b),  
3 1122, 1123(a)(1), 1123(a)(2), 1123(a)(3), 1123(a)(4),  
4 1123(a)(5), 1123(b), 1123(d), 1124, 1125, 1126(a),  
5 1126(b), 1126(c), 1126(e), 1126(f), 1126(g), 1127(d),  
6 1128, 1129(a)(2), 1129(a)(3), 1129(a)(6), 1129(a)(8),  
7 1129(a)(10), 1129(b)(1), 1129(b)(2)(A), 1129(b)(2)(B),  
8 1142(b), 1143, 1144, 1145, and 1146(a) of title 11,  
9 United States Code, apply in a case under this title and  
10 section 930 of title 11, United States Code, applies in a  
11 case under this title; however, section 930 shall not apply  
12 in any case during the first 120 days after the date on  
13 which such case is commenced under this title.

14 (b) MEANINGS OF TERMS.—A term used in a section  
15 of title 11, United States Code, made applicable in a case  
16 under this title by subsection (a), has the meaning given  
17 to the term for the purpose of the applicable section, un-  
18 less the term is otherwise defined in this title.

19 (c) DEFINITIONS.—In this title—

20 (1) AFFILIATE.—The term “affiliate” means, in  
21 addition to the definition made applicable in a case  
22 under this title by subsection (a)—

23 (A) for a territory, any territorial instru-  
24 mentality; and



1 (B) for a territorial instrumentality, the  
2 governing territory and any of the other terri-  
3 torial instrumentalities of the territory.

4 (2) DEBTOR.—The term “debtor” means the  
5 territory or covered territorial instrumentality con-  
6 cerning which a case under this title has been com-  
7 menced.

8 (3) PROPERTY OF THE ESTATE.—The term  
9 “property of the estate”, when used in a section of  
10 title 11 or 28, United States Code, made applicable  
11 in a case under this title by subsection (a), means  
12 property of the debtor.

13 (4) STATE.—The term “State” when used in a  
14 section of title 11, United States Code, made appli-  
15 cable in a case under this title by section 301(a)  
16 means State or territory when used in reference to  
17 the relationship of a State to the municipality of the  
18 State or the territorial instrumentality of a territory,  
19 as applicable.

20 (5) TRUSTEE.—The term “trustee”, when used  
21 in a section of title 11, United States Code, made  
22 applicable in a case under this title by subsection  
23 (a), means the Oversight Board.

24 (d) REFERENCE TO TITLE.—Solely for purposes of  
25 this title, a reference to “this title”, “this chapter”, or

1 words of similar import in a section of title 11, United  
2 States Code, made applicable in a case under this title  
3 by subsection (a) or to “this title”, “title 11”, “the Code”,  
4 or words of similar import in a section of title 28, United  
5 States Code, made applicable in a case under this chapter  
6 by sections 306 or 309 or in the Federal Rules of Bank-  
7 ruptcy Procedure made applicable in a case under this title  
8 by section 310 shall be deemed to be a reference to this  
9 title.

10 (e) **SUBSTANTIALLY SIMILAR.**—In determining  
11 whether claims are “substantially similar” for the purpose  
12 of section 1122 of title 11, United States Code, made ap-  
13 plicable in a case under this title by subsection (a), the  
14 Board shall consider whether such claims are secured and  
15 whether such claims have priority over other claims.

16 (f) **OPERATIVE CLAUSES.**—A section made applicable  
17 in a case under this title by subsection (a) that is operative  
18 if the business of the debtor is authorized to be operated  
19 is operative in a case under this title.

20 **SEC. 302. WHO MAY BE A DEBTOR.**

21 An entity may be a debtor under this title if—

22 (1) the entity is—

23 (A) a territory that has requested the es-  
24 tablishment of an Oversight Board or has had  
25 an Oversight Board established for it by the

1 United States Congress in accordance with sec-  
2 tion 101 of this Act; or

3 (B) a covered territorial instrumentality of  
4 a territory described in paragraph (1)(A);

5 (2) the Oversight Board has issued a certifi-  
6 cation under section 206(b) for such entity; and

7 (3) the entity desires to effect a plan to adjust  
8 its debts.

9 **SEC. 303. RESERVATION OF TERRITORIAL POWER TO CON-**  
10 **TROL TERRITORY AND TERRITORIAL INSTRU-**  
11 **MENTALITIES.**

12 Subject to the limitations set forth in titles I and II  
13 of this Act, this title does not limit or impair the power  
14 of a territory to control, by legislation or otherwise, the  
15 territory or any territorial instrumentality thereof in the  
16 exercise of the political or governmental powers of the ter-  
17 ritory or territorial instrumentality, including expendi-  
18 tures for such exercise, but—

19 (1) a territory law prescribing a method of com-  
20 position or moratorium of indebtedness of the terri-  
21 tory or any territorial instrumentality thereof may  
22 not bind any creditor that does not consent to the  
23 composition or moratorium; and

1           (2) a judgment entered under a law described  
2           in paragraph (1) may not bind a creditor that does  
3           not consent to the composition.

4   **SEC. 304. PETITION AND PROCEEDINGS RELATING TO PETI-**  
5                           **TION.**

6           (a) **COMMENCEMENT OF CASE.**—A voluntary case  
7           under this title is commenced by the filing with the district  
8           court of a petition by the Oversight Board pursuant to  
9           the determination under section 302, provided that an oth-  
10          erwise eligible entity may not commence a case under this  
11          chapter after the Oversight Board applicable to such eligi-  
12          ble entity has been terminated in accordance with section  
13          209.

14          (b) **OBJECTION TO PETITION.**—After any objection  
15          to the petition, the court, after notice and a hearing, may  
16          dismiss the petition if the petition does not meet the re-  
17          quirements of this title; however, this subsection shall not  
18          apply in any case during the first 120 days after the date  
19          on which such case is commenced under this title.

20          (c) **ORDER FOR RELIEF.**—The commencement of a  
21          case under this title constitutes an order for relief.

22          (d) **APPEAL.**—The court may not, on account of an  
23          appeal from an order for relief, delay any proceeding  
24          under this title in the case in which the appeal is being

1 taken, or order a stay of such proceeding pending such  
2 appeal.

3 (e) **VALIDITY OF DEBT.**—The reversal on appeal of  
4 a finding of jurisdiction shall not affect the validity of any  
5 debt incurred that is authorized by the court under section  
6 364(c) or 364(d) of title 11, United States Code.

7 **SEC. 305. LIMITATION ON JURISDICTION AND POWERS OF**  
8 **COURT.**

9 (a) **IN GENERAL.**—Subject to the limitations set  
10 forth in titles I and II of this Act, notwithstanding any  
11 power of the court, unless the debtor consents or the plan  
12 so provides, the court may not, by any stay, order, or de-  
13 cree, in the case or otherwise, interfere with—

14 (1) any of the political or governmental powers  
15 of the debtor;

16 (2) any of the property or revenues of the debt-  
17 or; or

18 (3) the use or enjoyment by the debtor of any  
19 income-producing property.

20 **SEC. 306. JURISDICTION.**

21 (a) The district courts shall have original and exclu-  
22 sive jurisdiction of a case under this title.

23 (b) Section 157 of title 28, United States Code, shall  
24 apply to a case under this title.

1 **SEC. 307. VENUE.**

2 (a) IN GENERAL.—Venue shall be proper in—

3 (1) with respect to a territory, the district court  
4 for the territory or, for any territory that does not  
5 have a district court, the United States District  
6 Court for the District of Hawaii; and

7 (2) with respect to a covered territorial instru-  
8 mentality, the district court for the territory in  
9 which the covered territorial instrumentality is lo-  
10 cated or, for any territory that does not have a dis-  
11 trict court, the United States District Court for the  
12 District of Hawaii.

13 (b) ALTERNATIVE VENUE.—If the oversight Board  
14 determines that the venue under paragraph (a) will not  
15 adequately provide for proper case management, then  
16 venue shall be proper in the district court for the jurisdic-  
17 tion in which the Oversight Board maintains an office that  
18 is located outside the territory.

19 **SEC. 308. JURISDICTION; REMOVAL; APPEALS.**

20 (a) FEDERAL SUBJECT MATTER JURISDICTION.—  
21 Except as provided in section 306 the district courts shall  
22 have—

23 (1) except as provided in paragraph <sup>(2)</sup>~~(2)~~, the  
24 district court shall have original and exclusive juris-  
25 diction of all cases under this title; ✓

1           (2) except as provided in paragraph <sup>(3)</sup>~~(2)~~ and ✓  
2 notwithstanding any Act of Congress that confers  
3 exclusive jurisdiction on a court or courts other than  
4 the district courts, the district courts shall have  
5 original but not exclusive jurisdiction of all civil pro-  
6 ceedings arising under this title, or arising in or re-  
7 lated to cases under this title; and

8           (3) the district court in which a case under this  
9 title is commenced or is pending shall have exclusive  
10 jurisdiction of all property, wherever located, of the  
11 debtor as of the commencement of such case.

12       (b) **PERSONAL JURISDICTION.**—The district court in  
13 which a case under this title is pending shall have personal  
14 jurisdiction over any person or entity to the fullest extent  
15 permitted under the Constitution of the United States.

16 **SEC. 309. APPELLATE REVIEW.**

17       Sections 158(a) and (d) of title 28, United States  
18 Code, shall apply to a case under this title.

19 **SEC. 310. APPLICABLE RULES OF PROCEDURE.**

20       The Federal Rules of Bankruptcy Procedure shall  
21 apply to a case under this title and to all civil proceedings  
22 arising in or related to cases under this title.

23 **SEC. 311. LEASES.**

24       A lease to a territory or territorial instrumentality  
25 shall not be treated as an executory contract or unexpired

1 lease for the purposes of section 365 or 502(b)(6) of title  
2 11, United States Code, solely by reason of the lease being  
3 subject to termination in the event the debtor fails to ap-  
4 propriate rent.

5 **SEC. 312. FILING OF PLAN OF ADJUSTMENT.**

6 (a) **EXCLUSIVITY.**—Only the debtor, upon the  
7 issuance of a certification by the Oversight Board pursu-  
8 ant to section 104(j), may file a plan of adjustment of  
9 the debts of the debtor.

10 (b) **DEADLINE FOR FILING PLAN.**—If the debtor  
11 does not file a plan of adjustment with the petition, the  
12 debtor shall file a plan of adjustment at the time set by  
13 the court.

14 **SEC. 313. MODIFICATION OF PLAN.**

15 The debtor, upon the issuance of a certification by  
16 the Oversight Board pursuant to section 104(j), may mod-  
17 ify the plan at any time before confirmation, but may not  
18 modify the plan so that the plan as modified fails to meet  
19 the requirements of this title. After the debtor files a  
20 modification, the plan as modified becomes the plan.

21 **SEC. 314. CONFIRMATION.**

22 (a) **OBJECTION.**—A special tax payer may object to  
23 confirmation of a plan.

24 (b) **CONFIRMATION.**—The court shall confirm the  
25 plan if—



1           (1) the **plan** complies with the provisions of **title**  
2           11 of the **United States Code**, made applicable to a  
3           case under **this title** by section 301;

4           (2) the plan complies with the provisions of this  
5           title;

6           (3) the debtor is not prohibited by law from  
7           taking any action **necessary** to carry out the plan;

8           (4) except to the extent that the holder of a  
9           particular claim has agreed to a different treatment  
10          of such claim, the plan provides that on the effective  
11          date of the plan each holder of a claim of a kind  
12          specified in 507(a)(2) of title 11, United States  
13          Code, will receive on account of such claim cash  
14          equal to the allowed amount of such claim;

15          (5) any **legislative**, regulatory, or electoral **ap-**  
16          proval necessary under applicable law in order to  
17          carry out any provision of the plan has been ob-  
18          tained, or such provision is expressly conditioned on  
19          such approval;

20          (6) the plan is in the best interests of creditors  
21          and is feasible;

22          (7) the **plan** is consistent with the applicable  
23          Fiscal Plan certified by the Oversight Board under  
24          title II; and

1 (8) all amounts to be paid by the debtor or any  
2 person for services or expenses in the case or inci-  
3 dent to the plan have been fully disclosed and are  
4 reasonable.

5 **SEC. 315. ROLE AND CAPACITY OF OVERSIGHT BOARD.**

6 (a) ACTIONS OF OVERSIGHT BOARD.—Subject to sec-  
7 tions 303 and 307, for the purposes of this title, the Over-  
8 sight Board may take any action necessary on behalf of ✓  
9 the debtor to prosecute the case of the debtor, including—

- 10 (1) filing a petition under section 304;  
11 (2) submitting or modifying a plan of adjust-  
12 ment under sections 312 and 313; or  
13 (3) otherwise generally submitting filings in re-  
14 lation to the case with the court.

15 (b) REPRESENTATIVE OF DEBTOR.—The oversight ✓  
16 Board in a case under this title is the representative of  
17 the debtor.

18 **TITLE IV—MISCELLANEOUS**  
19 **PROVISIONS**

20 **SEC. 401. RULES OF CONSTRUCTION.**

21 Nothing in this Act is intended, or may be con-  
22 structed—

- 23 (1) to limit the authority of Congress to exer-  
24 cise ultimate legislative authority over the territories;

1           (2) to authorize the application of section  
2           103(e) of this Act (relating to issuance of sub-  
3           poenas) to judicial officers or employees of territory  
4           courts;

5           (3) to alter, amend, or abrogate any provision  
6           of the Covenant To Establish a Commonwealth of  
7           the Northern Mariana Islands in Political Union  
8           With the United States of America (48 U.S.C. 1801  
9           et seq.); or

10          (4) to alter, amend, or abrogate the treaties of  
11          cession regarding certain islands of American Samoa  
12          (48 U.S.C. 1661).

13 **SEC. 402. RIGHT OF PUERTO RICO TO DETERMINE ITS FU-**  
14 **TURE POLITICAL STATUS.**

15          Nothing in this Act shall be interpreted to restrict  
16          Puerto Rico's right to determine its future political status,  
17          including by conducting the plebiscite as authorized by  
18          Public Law 113-76.

19 **SEC. 403. FIRST MINIMUM WAGE IN PUERTO RICO.**

20          Section 6(g) of the Fair Labor Standards Act of  
21          1938 (29 U.S.C. 206(g)) is amended—

22                 (1) in paragraph (1)—

23                         (A) by striking “subsection (a)(1), any em-  
24                         ployer” and inserting “subsection (a)(1)—

25                         “(A) any employer”;

1 (B) by striking the period at the end and  
2 inserting “; and”; and

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

4 “(B) the Governor of Puerto Rico, subject  
5 to the approval of the Financial Oversight and  
6 Management Board established pursuant to sec-  
7 tion 101 of the Puerto Rico Oversight, Manage-  
8 ment, and Economic Stability Act, may des-  
9 ignate a time period not to exceed five years  
10 during which employers in Puerto Rico may pay  
11 employees who are initially employed after the  
12 date of enactment of such Act a wage which is  
13 not less than \$4.25 an hour.”; and

14 (2) in paragraph (4), by striking “years” and  
15 inserting “years, except in the case of the wage ap-  
16 plicable in Puerto Rico, 25 years”.

17 **SEC. 404. APPLICATION OF REGULATION TO PUERTO RICO.**

18 The regulations issued by the Secretary of Labor re-  
19 lating to exemptions regarding the rates of pay for execu-  
20 tive, administrative, professional, outside sales, and com-  
21 puter employees, and published in the Federal Register  
22 on July 6, 2015, shall have no force or effect in the Com-  
23 monwealth of Puerto Rico.

1 SEC. 405. LAND CONVEYANCE AUTHORITY, VIEQUES NA-  
 2 TIONAL WILDLIFE REFUGE, VIEQUES ISLAND.

3 Section 1508(e) of the Floyd D. Spence National De-  
 4 fense Authorization Act for Fiscal Year 2001 (as enacted  
 5 into law by Public Law 106-398; 114 Stat. 1654A-356)  
 6 is amended—

7 (1) by striking “The Secretary” and inserting  
 8 the following:

9 “(1) IN GENERAL.—Except as provided in para-  
 10 graph (2), the Secretary”; and

11 (2) by adding at the end the following new  
 12 paragraph:

13 “(2) CONVEYANCE AUTHORITY.—

14 “(A) CONVEYANCE AUTHORIZED ~~BY~~ <sup>FOR</sup> ~~THE~~ <sup>THE</sup> ~~POSE~~ <sup>PURPOSE</sup> ✓  
 15 ~~POSE~~.—Except as provided in subparagraph  
 16 (B), the Secretary of the Interior is authorized  
 17 to convey, without consideration, all or any por-  
 18 tion of the Conservation Zones transferred to  
 19 the Secretary under subsection (a) to the Com-  
 20 monwealth of Puerto Rico <sup>for the purpose</sup> specified in subpara- ✓  
 21 graph (B). The conveyance shall be subject to  
 22 interest <sup>to</sup> retained pursuant to section 1506 of ✓  
 23 this Act. ✓ ✓

24 “(B) CERTAIN LANDS EXCLUDED.—The  
 25 conveyance authority provided by this para-  
 26 graph does not include the land encompassing

1           Solid Waste Management Unit 4, as depicted  
2           on the map of former Naval Ammunition Sup-  
3           port Detachment, Vieques, maintained by the  
4           Naval Facilities Engineering Command.

5           “(C) INDEMNIFICATION.—The indem-  
6           nification requirements and conditions specified  
7           in section 1502(e) of this Act shall apply with  
8           respect to **the** release or threatened release  
9           (after the conveyance is made under this para-  
10          graph) **of** any hazardous substance or pollutant  
11          or contaminant as a result of Department of  
12          Defense activities on the conveyed property.

13          “(D) RELATION TO COOPERATIVE AGREE-  
14          MENT.—The cooperative agreement entered into  
15          under subsection (d)(1) shall no longer apply to  
16          any portion of the Conservation Zones **conveyed**  
17          by the **Secretary** of the Interior under this  
18          paragraph.

19          “(E) RELATION TO OTHER LAWS.—Noth-  
20          ing in this paragraph shall be construed to af-  
21          fect **the** continued applicability of section  
22          120(h) of the Comprehensive Environmental  
23          Response, Compensation, and Liability Act of  
24          1980 (42 U.S.C. 9620(h)) and the Endangered  
25          Species Act of 1973 (16 U.S.C. 1531 et seq.)

1 to any portion of the Conservation Zones con-  
2 veyed by the Secretary of the Interior under  
3 this paragraph.”.

4 **SEC. 406. AUTOMATIC STAY UPON ENACTMENT.**

5 (a) DEFINITIONS.—In this section:

6 (1) LIABILITY.—The term “Liability” means a  
7 bond, loan, letter of credit, other borrowing title, ob-  
8 ligation of insurance, or other indebtedness, includ-  
9 ing rights, entitlements, or obligations whether such  
10 rights, entitlements, or obligations arise from con-  
11 tract, statute, or any other source of law, in any  
12 case, related to such a bond, loan, letter of credit,  
13 other borrowing title, obligation of insurance, or  
14 other indebtedness in physical or dematerialized  
15 form, of which—

16 (A) the issuer, obligor, or guarantor is the  
17 Government of Puerto Rico; and

18 (B) the date of issuance or incurrence pre-  
19 ceedes the date of enactment of this Act.

20 (2) LIABILITY CLAIM.—The term “Liability  
21 Claim” means, as it relates to a Liability—

22 (A) right to payment, whether or not such  
23 right is reduced to judgment, liquidated, unliq-  
24 uidated, fixed, contingent, matured, unmatured,

1           disputed, undisputed, legal, equitable, secured,  
2           or unsecured; or

3           (B) right to an equitable remedy for  
4           breach of performance if such breach gives rise  
5           to a **right** to payment, whether or not such  
6           right to an equitable remedy is reduced to judg-  
7           ment, fixed, contingent, matured, unmatured,  
8           disputed, undisputed, secured, or unsecured.

9           (b) IN GENERAL.—Except as provided in subsection  
10          (c) of this section, the establishment of an Oversight  
11          Board for the Commonwealth of Puerto Rico (i.e., the en-  
12          actment of this Act) in accordance with section 101 oper-  
13          ates with respect to a Liability as a stay, applicable to  
14          all entities (as such term is defined in section 101 of title  
15          11, United States Code), of—

16               (1) the **commencement** or continuation, includ-  
17               ing the issuance or employment of process, of a judi-  
18               cial, administrative, or other action or proceeding  
19               against the Government of Puerto Rico that was or  
20               could have **been** commenced before the enactment of  
21               this Act, or to recover a Liability Claim against the  
22               Government of Puerto Rico that arose before the en-  
23               actment of this Act;

24               (2) the **enforcement**, against the Government of  
25               Puerto Rico or against property of the Government



1 of Puerto Rico, of a judgment obtained before the  
2 enactment of this Act;

3 (3) any act to obtain possession of property of  
4 the Government of Puerto Rico or of property from  
5 the Government of Puerto Rico or to exercise control  
6 over property of the Government of Puerto Rico;

7 (4) any act to create, perfect, or enforce any  
8 lien against property of the Government of Puerto  
9 Rico;

10 (5) any act to create, perfect, or enforce against  
11 property of the Government of Puerto Rico any lien  
12 to the extent that such lien secures a Liability Claim  
13 that arose before the enactment of this Act;

14 (6) any act to collect, assess, or recover a Li-  
15 ability Claim against the Government of Puerto Rico  
16 that arose before the enactment of this Act; and

17 (7) the setoff of any debt owing to the Govern-  
18 ment of Puerto Rico that arose before the enactment  
19 of this Act against any Liability Claim against the  
20 Government of Puerto Rico.

21 (c) **STAY NOT OPERABLE.**—The establishment of an  
22 Oversight Board for the Commonwealth of Puerto Rico  
23 in accordance with section 101 does not operate as a stay  
24 solely under subsection (b)(1) of this section, of the con-  
25 tinuation of, including the issuance or employment of

1 process, of a judicial, administrative, or other action or  
2 proceeding against the Government of Puerto Rico that  
3 was commenced on or before December 18, 2015.

4 (d) CONTINUATION OF STAY.—Except as provided in  
5 subsections (e), (f), and (g) the stay under subsection (b)  
6 continues until the earlier of—

7 (1) February 15, 2017; or

8 (2) with respect to the government of the Com-  
9 monwealth of Puerto Rico or any of its territorial in-  
10 strumentalities, the date on which a case is filed by  
11 or on behalf of the government of the Common-  
12 wealth of Puerto Rico or any of its territorial instru-  
13 mentalities, as applicable, under title III.

14 (e) JURISDICTION.—

15 (1) The United States District Court for the  
16 District of Puerto Rico shall have original and exclu-  
17 sive jurisdiction of any civil actions arising under  
18 this section.

19 (2) On motion of a party in interest and after  
20 notice and a hearing, the United States District  
21 Court for the District of Puerto Rico, for cause  
22 shown, shall grant relief from the stay provided  
23 under subsection (b) of this section.

24 (f) TERMINATION OF STAY; HEARING.—Thirty days  
25 after a request under subsection (e) for relief from the

1 stay of any act against property of the Government of  
2 Puerto Rico under subsection (b), such stay is terminated  
3 with respect to the party in interest making such request,  
4 unless the court, after notice and a hearing, orders such  
5 stay continued in effect pending the conclusion of, or as  
6 a result of, a final hearing and determination under sub-  
7 section (e). A hearing under this subsection may be a pre-  
8 liminary hearing, or may be consolidated with the final  
9 hearing under subsection (e). The court shall order such  
10 stay continued in effect pending the conclusion of the final  
11 hearing under subsection (e) if there is a reasonable likeli-  
12 hood that the party opposing relief from such stay will  
13 prevail at the conclusion of such final hearing. If the hear-  
14 ing under this subsection is a preliminary hearing, then  
15 such final hearing shall be concluded not later than thirty  
16 days after the conclusion of such preliminary hearing, un-  
17 less the 30-day period is extended with the consent of the  
18 parties in interest or for a specific time which the court  
19 finds is required by compelling circumstances.

20 (g) RELIEF TO PREVENT IRREPARABLE DAMAGE.—  
21 Upon request of a party in interest, the court, with or  
22 without a hearing, shall grant such relief from the stay  
23 provided under subsection (b) as is necessary to prevent  
24 irreparable damage to the interest of an entity in property,  
25 if such interest will suffer such damage before there is

1 an opportunity for notice and a hearing under subsection  
2 (e) or (f).

3 (h) NO FORCE OR EFFECT OF STAY IN VIOLA-  
4 TION.—No order, judgment, or decree entered in violation  
5 of this section shall have any force or effect.

6 (i) GOVERNMENT OF PUERTO RICO.—For purposes  
7 of this section, the term “Government of Puerto Rico”,  
8 in addition to the definition set forth in section 5(11) of  
9 this Act, shall include—

10 (1) the directors and officers of and employees  
11 acting in their official capacity on behalf of the Gov-  
12 ernment of Puerto Rico; and

13 (2) the Oversight Board, including the directors  
14 and officers of and employees acting in their official  
15 capacity on behalf of the Oversight Board.

16 (j) NO DEFAULT UNDER EXISTING CONTRACTS.—

17 (1) Notwithstanding any contractual provision  
18 or applicable law to the contrary and so long as a  
19 stay under this section is in effect, the holder of a  
20 Liability Claim or any other claim (as such term is  
21 defined in section 101 of title 11, United States  
22 Code) may not exercise or continue to exercise any  
23 remedy under a contract or applicable law—

24 (A) that is conditioned upon the financial  
25 condition of, or the commencement of a restruc-

1           turing: insolvency, bankruptcy, or other pro-  
2           ceeding (or a similar or analogous process) by,  
3           the Government of Puerto Rico, including a de-  
4           fault or an event of default thereunder; or

5           (B) with respect to Liability Claims—

6                 (i) for the non-payment of principal or  
7                 interest; or

8                 (ii) for the breach of any condition or  
9                 covenant.

10           (2) The term “remedy” as used in paragraph  
11           (1) shall be interpreted broadly, and shall include  
12           any right existing in law or contract, and any right  
13           to—

14                 (A) setoff;

15                 (B) apply or appropriate funds;

16                 (C) seek the appointment of a custodian;

17                 (D) seek to raise rates; or

18                 (E) exercise control over property of the  
19           Government of Puerto Rico.

20           (3) Notwithstanding any contractual provision  
21           or applicable law to the contrary and so long as a  
22           stay under this section is in effect, a contract to  
23           which the Government of Puerto Rico is a party may  
24           not be terminated or modified, and any right or obli-  
25           gation under such contract may not be terminated

1 or modified, solely because of a provision in such  
2 contract is conditioned on—

3 (A) the insolvency or financial condition of  
4 the Government of Puerto Rico at any time  
5 prior to the effectiveness of the stay under this  
6 section;

7 (B) the adoption of a resolution or estab-  
8 lishment of an Oversight Board pursuant to  
9 section 101 of this Act; or

10 (C) a default under a separate contract  
11 that is due to, triggered by, or a result of the  
12 occurrence of the events or matters in sub-  
13 section (i)(1)(B).

14 (4) Notwithstanding any contractual provision  
15 to the contrary and so long as a stay under this sec-  
16 tion is in effect, a counterparty to a contract with  
17 the Government of Puerto Rico for the provision of  
18 goods and services shall, unless the Government of  
19 Puerto Rico advises to the contrary in writing, con-  
20 tinue to perform all obligations under, and comply  
21 with the terms of, such contract so long as a stay  
22 under this section is in effect, provided that the Gov-  
23 ernment of Puerto Rico is not in default under such  
24 contract other than as a result of a condition speci-  
25 fied in paragraph (3).

1           (k) EFFECT.—This section does not discharge an ob-  
2 ligation of the Government of Puerto Rico or release, in-  
3 validate, or impair any security interest or lien securing  
4 such obligation. This section does not impair or affect the  
5 implementation of any restructuring support agreement  
6 executed by the Government of Puerto Rico to be imple-  
7 mented pursuant to Puerto Rico law specifically enacted  
8 for that purpose prior to the enactment of this Act or the  
9 obligation of the Government of Puerto Rico to proceed  
10 in good faith as set forth in any such agreement.

11           (l) FINDINGS.—Congress finds the following:

12           (1) A combination of severe economic decline,  
13 accumulated operating deficits, lack of financial  
14 transparency, management inefficiencies, and exces-  
15 sive borrowing has created a fiscal emergency in  
16 Puerto Rico.

17           (2) As a result of its fiscal emergency, the Gov-  
18 ernment of Puerto Rico has been unable to provide  
19 its citizens with effective services.

20           (3) The current fiscal emergency has also af-  
21 fected the **long-term** economic stability of Puerto  
22 Rico by contributing to the accelerated outmigration  
23 of residents and businesses.

24           (f) A comprehensive approach to fiscal, man-  
25 agement, and structural problems and adjustments

1       that exempts no part of the Government of Puerto  
2       Rico is **necessary**, involving independent oversight  
3       and a federal **statutory** authority for the Govern-  
4       ment of Puerto Rico to restructure debts in a fair  
5       and orderly process.

6       (5) Additionally, an immediate—but tem-  
7       porary—stay on litigation is essential to stabilize the  
8       region for the purposes of resolving this territorial  
9       crisis.

10       (Δ) The stay advances the best interests  
11       common to all stakeholders, including but not  
12       limited to a functioning independent Oversight  
13       Board **created** pursuant to this Act to deter-  
14       mine **whether** to appear or intervene on behalf  
15       of the Government of Puerto Rico in any litiga-  
16       tion **that may** have been commenced prior to  
17       the **effectiveness** or upon expiration of **the** stay.

18       (B) The stay is limited in nature and nar-  
19       rowly tailored to achieve the purposes of this  
20       Act, including to ensure all creditors have **a fair**  
21       opportunity to consensually renegotiate **terms of**  
22       repayment **based** on accurate financial informa-  
23       tion **that is reviewed** by an independent **author-**  
24       ity or, **at a minimum**, receive a recovery **from**  
25       the **Government** of Puerto Rico equal to their



1 best possible outcome absent the provisions of  
2 this Act.

3 (6) Finally, the ability of the Government of  
4 Puerto Rico to obtain funds from capital markets in  
5 the future will be severely diminished without con-  
6 gressional action to restore its financial account-  
7 ability and stability.

8 (m) PURPOSES.—The purposes of this Act are to—

9 (1) provide the Government of Puerto Rico with  
10 the resources and the tools it needs to address an  
11 immediate existing and imminent crisis;

12 (2) allow the Government of Puerto Rico a lim-  
13 ited period of time during which it can focus its re-  
14 sources on negotiating a voluntary resolution with  
15 its creditors instead of defending numerous, costly  
16 creditor lawsuits;

17 (3) provide an oversight mechanism to assist  
18 the Government of Puerto Rico in reforming its fis-  
19 cal governance and support the implementation of  
20 potential debt restructuring;

21 (4) make available a federal restructuring au-  
22 thority, if necessary, to allow for an orderly adjust-  
23 ment of all of the Government of Puerto Rico's li-  
24 abilities; and

1           (5) benefit the lives of 3.5 million American  
2           citizens living in Puerto Rico by encouraging the  
3           Government of Puerto Rico to resolve its long-  
4           standing fiscal governance issues and return to eco-  
5           nomic growth.

6   **SEC. 407. PURCHASES BY TERRITORY GOVERNMENTS.**

7           The text of section 1469e of title 48, United States  
8           Code, is deleted in its entirety and replaced with “The  
9           Governments of Puerto Rico, Guam, American Samoa, the  
10          Commonwealth of the Northern Mariana Islands, and the  
11          United States Virgin Islands are authorized to make pur-  
12          chases through the General Services Administration.”.

13   **SEC. 408. INTERVENTION IN LITIGATION.**

14          (a) INTERVENTION.—The Oversight Board may in-  
15          tervene in any litigation filed against the territorial gov-  
16          ernment.

17          (b) INJUNCTIVE RELIEF.—

18                (1) IN GENERAL.—If the Oversight Board in-  
19                tervenes in a litigation under subsection (a), the  
20                Oversight Board may seek injunctive relief, including  
21                a stay of **litigation**.

22                (2) NO INDEPENDENT BASIS FOR RELIEF.—

23                This section **does** not create an independent **basis on**  
24                which injunctive relief, including a stay of **litigation**,  
25                **may be granted**.

1 **TITLE V—PUERTO RICO INFRA-**  
2 **STRUCTURE REVITALIZATION**

3 **SEC. 501. DEFINITIONS.**

4 In this title:

5 (1) **ACT 76.**—The term “Act 76” means Puerto  
6 Rico Act 76–2000 (3 L.P.R.A. 1931 et seq.), ap-  
7 proved on May 5, 2000, as amended.

8 (2) **CRITICAL PROJECT.**—The term “Critical  
9 Project” means a project identified under the provi-  
10 sions of this title and intimately related to address-  
11 ing an emergency whose approval, consideration,  
12 permitting, and implementation shall be expedited  
13 and streamlined according to the statutory process  
14 provided by Act 76, or otherwise adopted pursuant  
15 to this title.

16 (3) **ENERGY COMMISSION OF PUERTO RICO.**—  
17 The term “Energy Commission of Puerto Rico”  
18 means the Puerto Rico Energy Commission as es-  
19 tablished by Subtitle B of Puerto Rico Act 57–2014.

20 (4) **ENERGY PROJECTS.**—The term “Energy  
21 Projects” means those projects addressing the gen-  
22 eration, distribution, or transmission of energy.

23 (5) **EMERGENCY.**—The term “emergency”  
24 means any event or grave problem of deterioration  
25 in the physical infrastructure for the rendering of

1 essential services to the people, or that endangers  
2 the life, public health, or safety of the population or  
3 of a sensitive ecosystem, or as otherwise defined by  
4 section 1 of Act 76 (3 L.P.R.A. 1931). This shall in-  
5 clude problems in the physical infrastructure for en-  
6 ergy, water, sewer, solid waste, highways or roads,  
7 ports, telecommunications, and other similar infra-  
8 structure.

9 (6) ENVIRONMENTAL QUALITY BOARD.—The  
10 term “Environmental Quality Board” means the  
11 Puerto Rico Environmental Quality Board, a board  
12 within the executive branch of the Government of  
13 Puerto Rico as established by section 7 of the Puer-  
14 to Rico Act 416–2004 (12 L.P.R.A. 8002a).

15 (7) EXPEDITED PERMITTING PROCESS.—The  
16 term “Expedited Permitting Process” means a Puer-  
17 to Rico Agency’s alternate procedures, conditions,  
18 and terms mirroring those established under Act 76  
19 (3 L.P.R.A. 1932) and pursuant to this title and  
20 shall not apply to any Federal law, statute, or re-  
21 quirement.

22 (8) GOVERNOR.—The term “Governor” means  
23 the Governor of Puerto Rico.

24 (9) INTERAGENCY ENVIRONMENTAL SUB-  
25 COMMITTEE.—The term “Interagency Environ-

1       mental Subcommittee” means the Interagency Sub-  
2       committee on Expedited Environmental Regulations  
3       as further described by section 504, and adopted  
4       pursuant to this title.

5           (10) LEGISLATURE.—The term “Legislature”  
6       means the Legislature of Puerto Rico.

7           (11) PLANNING BOARD.—The term “Planning  
8       Board” means the Puerto Rico Planning Board, a  
9       board within the executive branch of the Govern-  
10      ment of Puerto Rico established by Act 75–1975 (23  
11      L.P.R.A. 62 et seq).

12          (12) PUERTO RICO AGENCY OR AGENCIES.—  
13      The terms “Puerto Rico Agency” or “Puerto Rico  
14      Agencies” means any board, body, Board of exam-  
15      iners, public corporation, commission, independent  
16      office, division, administration, bureau, department,  
17      authority, official, person, entity, municipality, or  
18      any instrumentality of the Commonwealth of Puerto  
19      Rico, or an administrative body authorized by law to  
20      perform duties of regulating, investigating, or that  
21      may issue a decision, or with the power to issue li-  
22      censes, certificates, permits, concessions, accredita-  
23      tions, privileges, franchises, except the Senate and  
24      the House of Representatives of the Legislature and  
25      the judicial branch.

1           (13) PUERTO RICO ELECTRIC POWER AUTHOR-  
2           ITY.—The term “Puerto Rico Electric Power Au-  
3           thority” means the Puerto Rico Electric Power Au-  
4           thority established by Puerto Rico Act 83-1941.

5 **SEC. 502. POSITION OF REVITALIZATION COORDINATOR.**

6           (a) ESTABLISHMENT.—There is established, under  
7 the Oversight Board, the position of the Revitalization Co-  
8 ordinator.

9           (b) APPOINTMENT.—

10           (1) IN GENERAL.—The Revitalization Coordi-  
11 nator shall be appointed by the Governor as follows:

12           (A) Prior to the appointment of the Revi-  
13 talization Coordinator, the Oversight Board  
14 shall submit to the Governor no less than three  
15 nominees for appointment within 60 days of the  
16 appointment of at least 4 members to the Over-  
17 sight Board.

18           (B) In **consultation** with the Oversight  
19 Board, not later than 10 days **after** receiving  
20 the nominations under subparagraph (A), the  
21 Governor shall select one of the nominees as the  
22 Revitalization Coordinator. Such nomination  
23 shall be effective **immediately**.

24           (C) If the Governor fails to **select** a Revi-  
25 talization Coordinator, the **Oversight** Board

1 shall, by majority vote, select a Revitalization  
2 Coordinator from the list of nominees provided  
3 under paragraph (A).

4 (2) QUALIFICATIONS.—In selecting nominees  
5 under paragraph (1)(A), the Oversight Board shall  
6 only nominate persons who—

7 (A) have substantial knowledge and exper-  
8 tise in the planning, predevelopment, financing  
9 and development of infrastructure projects, pro-  
10 vided that stronger consideration shall be given  
11 to candidates who have experience with Energy  
12 Projects;

13 (B) does not currently provide, or in the  
14 preceding 3 calendar years provided, goods or  
15 services to the government of Puerto Rico (and,  
16 as applicable, is not the spouse, parent, child,  
17 or sibling of an individual who provides or has  
18 provided goods and services to the government  
19 of Puerto Rico in the preceding 3 calendar  
20 years); and

21 (C) shall not be an officer, employee of, or  
22 former officer or employee of the government of  
23 Puerto Rico in the preceding 3 calendar years.

24 (3) COMPENSATION.—The Revitalization Coor-  
25 dinator shall be compensated at an annual rate de-

1       terminated by the Oversight Board sufficient in the  
2       judgment of the Oversight Board to obtain the serv-  
3       ices of an individual with the skills and experience  
4       required to discharge the duties of the position, but  
5       such compensation shall not exceed the annual sal-  
6       ary of the Executive Director's.

7       (c) ASSIGNMENT OF PERSONNEL.—The Executive  
8       Director of the Oversight Board may assign Oversight  
9       Board personnel to assist the Revitalization Coordinator.

10      (d) REMOVAL.—

11           (1) IN GENERAL.—The Revitalization Coordi-  
12          nator may be removed for any reason, in the Over-  
13          sight Board's discretion.

14           (2) TERMINATION OF POSITION.—Upon the ter-  
15          mination of the Oversight Board, the position of the  
16          Revitalization Coordinator shall be terminated once  
17          all approved Critical Projects have been completed.

18      **SEC. 503. CRITICAL PROJECTS.**

19      (a) IDENTIFICATION OF PROJECTS.—

20           (1) PROJECT SUBMISSION.—Any project spon-  
21          sor may submit, so long as the Oversight Board is  
22          in operation, any existing, ongoing, or proposed  
23          project to the Revitalization Coordinator. The Revi-  
24          talization Coordinator shall require such submission  
25          to include:



1                   the  
(A) ~~The~~ impact the project will have on an  
2 emergency; ;

3                   the  
(B) ~~The~~ availability of immediate private  
4 capital or other funds, including, loan guaran-  
5 tees, loans, or grants, to implement, <sup>operate, or maintain</sup> the project; ;

6                   <sup>environmental and economic</sup> ~~Economic~~ benefits provided by the  
7 project, including the number of jobs to be cre-  
8 ated; ;

9                   the  
(D) ~~The~~ status of the project if it is exist-  
10 ing or ongoing; ; and

11                   <sup>in</sup> ~~In~~ addition to the requirements found  
12 in subparagraphs (A) through (D), the Revital-  
13 ization Coordinator may <sup>request an Energy</sup> ~~require the following~~  
14 <sup>Project proponent to address</sup> ~~criteria for Energy Projects~~ and how the project  
15 will—

16                   (i) reduce reliance on oil for electric  
17 generation in Puerto Rico;

18                   (ii) improve performance of energy in-  
19 frastructure and overall energy efficiency;

20                   (iii) expedite the diversification and  
21 conversion of fuel sources for electric gen-  
22 eration from oil to natural gas, and renew-  
23 ables in Puerto Rico;

1 (iv) promote the development and uti-  
2 lization of energy sources found on Puerto  
3 Rico;

4 (v) contribute to transitioning to  
5 privatized generation capacities in Puerto  
6 Rico;

7 (vi) ~~support the Energy Commission~~  
8 ~~of Puerto Rico in its goals, including the~~  
9 ~~goal to reduce energy costs~~ <sup>lower for rate payers</sup> and increase  
10 the availability of affordable energy; and

11 (vii) achieve in whole or in part the  
12 recommendations of the study in section  
13 505(d) of this title.

(2) Identification of relevant Puerto Rico Agencies. - within 20 days of receiving a project submission under paragraph (1), the Revitalization Coordinator shall, in consultation with the Governor, identify all Puerto Rico Agencies that will have a role in the permitting, approval, authorizing, or other activity related to the development of such project submission.

3  
(B) CERTIFICATION OF EXPEDITED PERMITTING PROCESS.—

(A) Not later than 20 days after receiving a project submission, each Puerto Rico Agency identified in paragraph (1) shall submit to the Revitalization Coordinator the Agency's Expedited Permitting Process.

(B) FAILURE TO PROVIDE EXPEDITED PERMITTING PROCESS.—If a Puerto Rico Agency fails to provide an Expedited Permitting Process within 20 days of receiving a project

1 submission, the Revitalization Coordinator  
2 shall—

3 (i) consult with the Governor to de-  
4 velop within <sup>20</sup>~~10~~ days an Expedited Permit-  
5 ting Process for the Agency; and

6 (ii) require such Puerto Rico Agency  
7 to implement the Expedited Permitting  
8 Process developed under clause (i). <sup>for critical projects</sup>

9 (b) CRITICAL PROJECT REPORT.—

10 (1) IN GENERAL.—For each submitted project,  
11 the Revitalization Coordinator in consultation with  
12 <sup>Governor and</sup> the relevant Puerto Rico Agencies identified in sub-  
13 section (a)<sup>2</sup>~~(1)~~ shall develop a Critical Project Report  
14 within 60 days <sup>of the identification of relevant Puerto Rico Agencies</sup> ~~from the submission of the project~~, under subsection (a)(2).  
15 which shall include:

16 (A) An assessment of how well the project  
17 meets the criteria in subsection (a)(1).

18 (B) A recommendation by the Governor on  
19 whether the project should be considered a Crit-  
20 ical Project. If the Governor fails to provide a  
21 recommendation, the failure shall constitute a  
22 concurrence with the Revitalization Coordina-  
23 tor's recommendation in subparagraph <sup>D</sup>~~(C)~~.

(C) in the case of an Energy Project that will connect with the Puerto Rico Electric Power Authority's transmission or distribution facilities, a recommendation by the Energy Commission of Puerto Rico <sup>(62754818)</sup> if no such recommendation is provided, such failure shall constitute a concurrence with the Revitalization Coordinator's recommendation in subparagraph (D)

D

1           (~~E~~) A recommendation by the Revitaliza-  
2           tion Coordinator on whether the project should  
3           be considered a Critical Project.

4           (2) SUBMISSION TO OVERSIGHT BOARD.—Not  
5           later than 5 days after finalizing a Critical Project  
6           Report, the Revitalization Coordinator shall submit  
7           it to the Oversight Board.

8           (c) ACTION BY THE OVERSIGHT BOARD.—Not later  
9           than 30 days after receiving the Critical Project Report,  
10          the Oversight Board, by majority vote, shall approve or  
11          disapprove the project as a Critical Project, if the Over-  
12          sight Board—

13           (1) approves the project, the project shall be  
14          deemed a Critical Project;

15           (2) disapproves the project, the Oversight  
16          Board shall submit to the Revitalization Coordinator  
17          in writing the reasons for disapproval; and

18           (3) fails to act and the Revitalization Coordi-  
19          nator had recommended the project be deemed a  
20          Critical Project, then the project shall be deemed a  
21          Critical Project.

22   **SEC. 504. MISCELLANEOUS PROVISIONS.**

23           (a) CREATION OF INTERAGENCY ENVIRONMENTAL  
24          SUBCOMMITTEE.—

1 (1) ESTABLISHMENT.—Not later than 60 days  
 2 after the date on which the Revitalization Coordi-  
 3 nator is appointed, the Interagency Environmental  
 4 Subcommittee shall be established and shall evaluate  
 5 environmental documents required under Puerto  
 6 Rico law for any Critical Project within the Exped-  
 7 ited Permitting Process established by the Revital-  
 8 ization Coordinator under section 503(a)(2).

9 (2) COMPOSITION.—The Interagency Environ-  
 10 mental Subcommittee shall consist of the Revitaliza-  
 11 tion Coordinator, and a representative selected by  
 12 the Governor in consultation with the Revitalization  
 13 Coordinator representing each of the following agen-  
 14 cies: The Environmental Quality Board, the Plan-  
 15 ning Board, the Puerto Rico Department of Natural  
 16 and Environmental Resources, and any other Puerto  
 17 Rico Agency determined to be relevant by the Revi-  
 18 talization Coordinator.

19 (b) REGULATIONS, ORDERS, AND CONTRACTS.—The  
 20 Oversight Board shall approve or disapprove of any action  
 21 taken by the Governor pursuant to or mirroring section  
 22 11 of Act 76 (3 L.P.R.A. 1941) pursuant to section  
 23 204(b).

24 (c) LENGTH OF EXPEDITED PERMITTING PROC-  
 25 ESS.—~~For each~~ Critical Project, Puerto Rico ~~Agency~~

With respect to a  
 Puerto Rico  
 Agency's activities  
 related to only a

<sup>Such</sup> Agency  
 ^

1 shall operate as if the Governor has declared an emergency  
2 pursuant to section 2 of Act 76 (3 L.P.R.A. 1932). Sec-  
3 tion 12 of Act 76 (3 L.P.R.A. 1942) shall not be applica-  
4 ble to Critical Projects. Critical Projects shall be  
5 prioritized to the maximum extent possible in each Puerto  
6 Rico Agency.

7 (d) **EXPEDITED PERMITTING PROCESS COMPLI-**  
8 **ANCE.**—

9 (1) **WRITTEN NOTICE.**—A Critical Project  
10 sponsor may in writing notify the Oversight Board  
11 of a Puerto Rico Agency's, or the Revitalization Co-  
12 ordinator's failure to adhere to the Expedited Per-  
13 mitting Process.

14 (2) **FINDING OF FAILURE.**—If the Oversight  
15 Board finds either the Puerto Rico Agency or Revi-  
16 talization Coordinator has failed to adhere to the  
17 Expedited Permitting Process, the Oversight Board  
18 shall direct the offending party to comply with the  
19 Expedited Permitting Process. The Oversight Board  
20 may take such enforcement action as necessary as  
21 provided by section 104(k).

22 (e) **REVIEW OF LEGISLATURE ACTS.**—

23 (1) **SUBMISSION OF ACTS TO OVERSIGHT**  
24 **BOARD.**—The Legislature shall notify and submit to  
25 the Revitalization Coordinator and Oversight Board

1 any Act of the Legislature that may affect the Expedited  
2 Permitting Process pursuant to section 204(a).

3 (2) FINDING OF OVERSIGHT BOARD.—Upon receipt of an act from the Legislature under paragraph (1), the Oversight Board shall promptly review whether the proposed act would significantly impact the Expedited Permitting Process, and upon such a finding, the act shall be deemed to be significantly inconsistent with the Fiscal Plan and Budget as identified by section 204(a).

11 (f) ESTABLISHMENT OF CERTAIN TERMS AND CONDITIONS.—No Puerto Rico Agency may include in any certificate, right-of-way, permit, lease, or other authorization  
12 issued for a Critical Project any term or condition that  
13 may be permitted, but is not required, by any applicable  
14 Puerto Rico law, if the Revitalization Coordinator determines the term or condition would prevent or impair the  
15 expeditious construction, operation, or expansion of the  
16 Critical Project. The Revitalization Coordinator may request a Puerto Rico Agency to include any certificate,  
17 right-of-way, permit, lease, or other authorization, term  
18 or condition, that may be permitted in accordance with  
19 applicable laws if the Revitalization Coordinator determines such inclusion would support the expeditious construction, operation, or expansion of any Critical Project.

(g) DISCLOSURE.— All Critical Project reports, and justifications for approval or rejection of Critical Project status shall be made publicly available online within 5 days of receipt or completion

1 **SEC. 505. FEDERAL AGENCY REQUIREMENTS.**

2 (a) **FEDERAL POINTS OF CONTACT.**—At the request  
3 of the Revitalization Coordinator and within 30 days of  
4 receiving such a request, each Federal agency with juris-  
5 diction over the permitting, or administrative or environ-  
6 mental review of private or public projects on Puerto Rico,  
7 shall name a Point of Contact who will serve as that agen-  
8 cy's liaison with the Revitalization Coordinator.

9 (b) **FEDERAL GRANTS AND LOANS.**—For each Crit-  
10 ical Project with a pending or potential Federal grant,  
11 loan, or loan guarantee application, the Revitalization Co-  
12 ordinator and the relevant Point of Contact shall cooper-  
13 ate with each other to ensure expeditious review of such  
14 application.

15 (c) **EXPEDITED REVIEWS AND ACTIONS OF FEDERAL**  
16 **AGENCIES.**—All reviews conducted and actions taken by  
17 any Federal agency relating to a Critical Project, shall be  
18 expedited in a manner consistent with completion of the  
19 necessary reviews and approvals by the deadlines under  
20 the Expedited Permitting Process, but in no way shall the  
21 deadlines established through the Expedited Permitting  
22 Process be binding on any Federal agency.

23 (d) **TRANSFER OF STUDY OF ELECTRIC RATES.**—  
24 Section 9 of the Consolidated and Further Continuing Ap-  
25 propriations Act, 2015 (48 U.S.C. 1492a) is amended—



1 (1) in subsection (a)(5), by inserting “, except  
2 that, with respect to Puerto Rico, the term means,  
3 the Secretary of Energy” after “Secretary of the In-  
4 terior”; and

5 (2) in subsection (b)—

6 (A) by inserting “(except in the case of  
7 Puerto Rico, in which case not later than 180  
8 days after the date of enactment of the Puerto  
9 Rico Oversight, Management, and Economic  
10 Stability Act)” after “of this Act”; and

11 (B) by inserting “(except in the case of  
12 Puerto Rico)” after “Empowering Insular Com-  
13 munities activity”.

14 **SEC. 506. JUDICIAL REVIEW.**

15 (a) ~~EXCLUSIVE JURISDICTION.—Except on petition~~  
16 ~~to the United States Supreme Court, the United States~~  
17 ~~District Court for the District of Puerto Rico shall have~~  
18 ~~original and exclusive jurisdiction to determine the ade-~~  
19 ~~quacy of any environmental review with respect to any ac-~~  
20 ~~tion under this title.~~

21 <sup>a</sup>  
(~~b~~) **DEADLINE FOR FILING OF A CLAIM.—**A claim  
22 arising under this title must be brought no later than 30  
23 days after the date of the decision or action giving rise  
24 to the claim.

1       <sup>b</sup>  
 1       ~~(t)~~ EXPEDITED CONSIDERATION.—The District  
 2 Court for the District of Puerto Rico shall set any action  
 3 brought under <sup>+his title</sup> ~~subsection (a)~~ for expedited consideration,  
 4 taking into account the ~~national~~ interest of enhancing  
 5 Puerto Rico’s infrastructure for electricity, water and  
 6 sewer services, roads and bridges, ports, and solid waste  
 7 management to achieve compliance with local and Federal  
 8 environmental laws, regulations, and policies while ensur-  
 9 ing the continuity of adequate services to the people of  
 10 Puerto Rico and <sup>Puerto Rico’s</sup> ~~the Commonwealth’s~~ sustainable eco-  
 11 nomic development.

12 **SEC. 507. SAVINGS CLAUSE.**

13       Nothing in this title is intended to change or alter  
 14 any Federal legal requirements or laws.

15                   **TITLE VI—CREDITOR**  
 16                   **COLLECTIVE ACTION**

17 **SEC. 601. CREDITOR COLLECTIVE ACTION.**

18       (a) DEFINITIONS.—In this title:

19               (1) ADMINISTRATIVE SUPERVISOR.—The term  
 20 “Administrative Supervisor” means the Oversight  
 21 Board established under section 101.

22               (2) AUTHORIZED TERRITORIAL INSTRUMENTEN-  
 23 TALITY.—The term “Authorized Territorial Instru-  
 24 mentality” means a covered territorial instrumen-  
 25 tality authorized in accordance with subsection (e).

1           (3) CALCULATION AGENT.—The term “Calcula-  
2           tion Agent” means a calculation agent appointed in  
3           accordance with subsection (j).

4           (4) CAPITAL APPRECIATION BOND.—The term  
5           “Capital Appreciation Bond” means a Bond that  
6           does not pay interest on a current basis, but for  
7           which interest amounts are added to principal over  
8           time as specified in the relevant offering materials  
9           for such Bond, including that the accreted interest  
10          amount added to principal increases daily.

11          (5) CONVERTIBLE CAPITAL APPRECIATION  
12          BOND.—The term “Convertible Capital Appreciation  
13          Bond” means a Bond that does not pay interest on  
14          a current basis, but for which interest amounts are  
15          added to principal over time as specified in the rel-  
16          evant offering materials and which converts to a cur-  
17          rent pay bond on a future date.

18          (6) INFORMATION AGENT.—The term “Infor-  
19          mation Agent” means an information agent ap-  
20          pointed in accordance with subsection (k).

21          (7) ISSUER.—The term “Issuer” means, as ap-  
22          plicable, the Territory Government Issuer or an Au-  
23          thorized Territorial Instrumentality that has issued  
24          or guaranteed at least one Bond that is Out-  
25          standing.

1           (8) MODIFICATION.—The term “Modification”  
2 means any modification, amendment, supplement or  
3 waiver affecting one or more series of Bonds, includ-  
4 ing those effected by way of exchange, repurchase,  
5 conversion, or substitution.

6           (9) OUTSTANDING.—The term “Outstanding,”  
7 in the context of the principal amount of Bonds,  
8 shall be determined in accordance with subsection  
9 (b).

10          (10) OUTSTANDING PRINCIPAL.—The term  
11 “Outstanding Principal” means—

12           (A) for a Bond that is not a Capital Ap-  
13 preciation Bond or a Convertible Capital Appre-  
14 ciation Bond, the outstanding principal amount  
15 of such Bond; and

16           (B) for a Bond that is a Capital Apprecia-  
17 tion Bond or a Convertible Capital Appreciation  
18 Bond, the current accreted value of such Cap-  
19 ital Appreciation Bond or a Convertible Capital  
20 Appreciation Bond, as applicable.

21          (11) POOL.—The term “Pool” means a pool es-  
22 tablished in accordance with subsection (d).

23          (12) QUALIFYING MODIFICATION.—The term  
24 “Qualifying Modification” means a Modification pro-  
25 posed in accordance with subsection (g).

1           (13) SECURED POOL.—The term “Secured  
2 Pool” means a Pool established in accordance with  
3 subsection (d) consisting only of Bonds that are se-  
4 cured by a lien on property.

5           (14) TERRITORY GOVERNMENT ISSUER.—The  
6 term “Territory Government Issuer” means the gov-  
7 ernment of the Commonwealth of Puerto Rico.

8           (b) OUTSTANDING BONDS.—In determining whether  
9 holders of the requisite principal amount of Outstanding  
10 Bonds have voted in favor of, or consented to, a proposed  
11 Qualifying Modification, a Bond will be deemed not to be  
12 outstanding, and may not be counted in a vote or consent  
13 solicitation for or against a proposed Qualifying Modifica-  
14 tion, if on the record date for the proposed Qualifying  
15 Modification—

16           (1) the Bond has previously been cancelled or  
17 delivered for cancellation or is held for reissuance  
18 but has not been reissued;

19           (2) the Bond has previously been called for re-  
20 demption in accordance with its terms or previously  
21 become due and payable at maturity or otherwise  
22 and the Issuer has previously satisfied its obligation  
23 to make, or provide for, all payments due in respect  
24 of the Bond in accordance with its terms;

1           (3) the Bond has been substituted with a secu-  
2           rity of another series; or

3           (4) the Bond is held by the Issuer or by an Au-  
4           thorized Territorial Instrumentality of the Territory  
5           Government Issuer or by a corporation, trust or  
6           other legal entity that is controlled by the Issuer or  
7           an Authorized Territorial Instrumentality of the  
8           Territory Government Issuer, as applicable.

9 For purposes of this subsection, a corporation, trust or  
10 other legal entity is controlled by the Issuer or by an Au-  
11 thorized Territorial Instrumentality of the Territory Gov-  
12 ernment Issuer if the Issuer or an Authorized Territorial  
13 Instrumentality of the Territory Government Issuer, as  
14 applicable, has the power, directly or indirectly, through  
15 the ownership of voting securities or other ownership in-  
16 terests, by contract or otherwise, to direct the manage-  
17 ment of or elect or appoint a majority of the board of di-  
18 rectors or other persons performing similar functions in  
19 lieu of, or in addition to, the board of directors of that  
20 legal entity.

21           (c) CERTIFICATION OF DISENFRANCHISED BONDS.—  
22 Prior to any vote on, or consent solicitation for, a Quali-  
23 fying Modification, the Issuer shall deliver to the Calcula-  
24 tion Agent a certificate signed by an authorized represent-  
25 ative of the Issuer specifying any Bonds that are deemed

1 not to be Outstanding for the purpose of subsection (b)  
2 above.

3 (d) DETERMINATION OF POOLS FOR VOTING.—The  
4 Administrative Supervisor, in consultation with the Issuer,  
5 shall establish Pools in accordance with the following:—

6 (1) <sup>not</sup> ~~Not~~ less than one Pool shall be established  
7 for each Issuer;

8 (2) <sup>a</sup> ~~A~~ Pool that contains one or more Secured  
9 Bonds shall be a Secured Pool.; and

10 (3) <sup>the</sup> ~~The~~ Administrative Supervisor shall estab-  
11 lish Pools according to the following principles:

12 (A) <sup>for</sup> ~~For~~ each Issuer that has issued mul-  
13 tiple Bonds that are distinguished by specific  
14 provisions governing priority or security ar-  
15 rangements, including Bonds that have been  
16 issued as general obligations of the Territory  
17 Government Issuer to which the Territory Gov-  
18 ernment Issuer pledged the full or good faith,  
19 credit, and taxing power of the Territory Gov-  
20 ernment Issuer, separate Pools shall be estab-  
21 lished corresponding to the relative priority or  
22 security arrangements of each holder of Bonds  
23 against each Issuer, as applicable;

24 (B) <sup>for</sup> ~~For~~ each Issuer that has issued senior  
25 and subordinated Bonds, separate Pools shall

1 be established for the senior and subordinated  
2 Bonds corresponding to the relative priority or  
3 security arrangements;

4 (C) <sup>for</sup> ~~For~~ each Issuer that has issued mul-  
5 tiple Bonds, for at least some of which a guar-  
6 antee of repayment has been provided by the  
7 Territory Government Issuer, separate Pools  
8 shall be established for guaranteed and non-  
9 guaranteed Bonds;

10 (D) <sup>subject</sup> ~~Subject~~ to the other requirements con-  
11 tained in this section, for each Issuer that has  
12 issued multiple Bonds, for at least some of  
13 which a dedicated revenue stream has been  
14 pledged for repayment, separate Pools for such  
15 Issuer shall be established as follows:—

16 (i) <sup>for</sup> ~~For~~ each dedicated revenue stream  
17 that has been pledged for repayment, not  
18 less than one Secured Pool for Bonds for  
19 which such revenue stream has been  
20 pledged, and separate Secured Pools shall  
21 be established for Bonds of different pri-  
22 ority; <sup>and</sup> ~~and~~

23 (ii) <sup>not</sup> ~~Not~~ less than one Pool for all  
24 other Bonds issued by the Issuer for which



1 a dedicated revenue stream has not been  
2 pledged for repayment;

3 (E) <sup>the</sup> ~~The~~ Administrative Supervisor shall  
4 not place into separate Pools Bonds of the same  
5 Issuer that have identical rights in security or  
6 priority.

7 (e) AUTHORIZATION OF TERRITORY INSTRUMENTAL-  
8 TIES.—A covered territorial instrumentality is an Author-  
9 ized Territorial Instrumentality if it has been specifically  
10 authorized to be eligible to avail itself of the procedures  
11 under this section by the Administrative Supervisor.

12 (f) INFORMATION DELIVERY REQUIREMENT.—Be-  
13 fore a Qualifying Modification to solicit the consent or the  
14 vote of any holder for a Qualifying Modification is sub-  
15 mitted, the Issuer shall—

16 (1) provide to the Calculation Agent, the Infor-  
17 mation Agent, and the Administrative Supervisor,  
18 the following information—

19 (A) a description of the Issuer's economic  
20 and financial circumstances which are, in the  
21 Issuer's opinion, relevant to the request for ~~the~~  
22 proposed **Qualifying** Modification, a **description**  
23 of the Issuer's existing debts, a description of  
24 the impact of the proposed **Qualifying** Modifica-

1           tion on the Territory's or its territorial instru-  
2           mentalities' public debt;

3           (B) if the Issuer is seeking Modifications  
4           affecting any other Pools of Bonds of the Terri-  
5           tory Government Issuer or its Authorized Terri-  
6           torial Instrumentalities, a description of such  
7           other Modifications; and

8           (C) the applicable Fiscal Plan certified in  
9           accordance with section ~~203~~<sup>201</sup>; and

10          (2) not propose the Modification to the holders  
11          of Bonds in the Pool for which the Modification is  
12          being proposed until it has received a certification  
13          from the Administrative Supervisor that the Pool  
14          has been established in accordance with this section  
15          and that the proposed Modification is a Qualifying  
16          Modification.

17          (g) QUALIFYING MODIFICATION.—A Modification  
18          will not be considered to be Qualifying Modification un-  
19          less—

20                (1) the Issuer proposing the Modification has  
21                consulted with holders of Bonds in the Pool for  
22                which the Modification is being proposed prior to so-  
23                liciting a vote on such Modification;

24                (2) each exchanging, repurchasing, converting,  
25                or substituting holder of Bonds of any series in a

1 Pool affected by that Modification is offered the  
2 same amount of consideration per amount of prin-  
3 cipal, the same amount of consideration per amount  
4 of interest accrued but unpaid and the same amount  
5 of consideration per amount of past due interest, re-  
6 spectively, as that offered to each other exchanging,  
7 repurchasing, converting, or substituting holder of  
8 Bonds of any series in a Pool affected by that Modi-  
9 fication (or, where a menu of instruments or other  
10 consideration is offered, each exchanging, repur-  
11 chasing, converting, or substituting holder of Bonds  
12 of any series in a Pool affected by that Modification  
13 is offered the same amount of consideration per  
14 amount of principal, the same amount of consider-  
15 ation per amount of interest accrued but unpaid and  
16 the same amount of consideration per amount of  
17 past due interest, respectively, as that offered to  
18 each other exchanging, repurchasing, converting, or  
19 substituting holder of Bonds of any series in a Pool  
20 affected by that Modification electing the same op-  
21 tion under such menu of instruments);

22 (3) if the Modification relates to Bonds in a Se-  
23 cured Pool, the holders of such Bonds retain the  
24 liens securing such Bonds and the Modification does

1 not reduce the Outstanding Principal amount of  
2 such Bonds; and

3 (4) the Modification is certified by the Adminis-  
4 trative Supervisor as—

5 (A) the plan is in the best interests of  
6 creditors and is feasible; and

7 (B) being consistent with the applicable  
8 Fiscal Plan that has been certified under sec-  
9 tion 20~~3~~<sup>1</sup>; or

10 (C) if an applicable Fiscal Plan has not yet  
11 been certified by the Administrative Supervisor,  
12 being an appropriate Modification, in the Ad-  
13 ministrative Supervisor's sole discretion.

14 (h) SOLICITATION.—

15 (1) Upon receipt of a certification from the Ad-  
16 ministrative Supervisor under subsection (f)(2) that  
17 a proposed Modification is a Qualifying Modification,  
18 the Information Agent shall, if practical and except  
19 as provided in paragraph (2), submit to the holders  
20 of any Outstanding Bonds affected by such Quali-  
21 fying Modification, including holders of the right to  
22 vote such Outstanding Bonds, the information sub-  
23 mitted by the relevant issuer under subsection (f)(1)  
24 in order to solicit the vote or consent of such hold-  
25 ers.



1           (2) If the Information Agent is unable to iden-  
2           tify the address of holders of any Outstanding  
3           Bonds affected by a Qualifying Modification, the In-  
4           formation Agent may solicit the vote or consent of  
5           such holders by—

6                   (A) delivering the solicitation to the paying  
7                   agent for any affected Outstanding Bonds or  
8                   Depository Trust Corporation if it serves as the  
9                   clearing system for any affected Outstanding  
10                  Bonds; or

11                   (B) delivering or publishing the solicitation  
12                   by whatever additional means the Information  
13                   Agent, after consultation with the Issuer, deems  
14                   necessary and appropriate in order to make a  
15                   reasonable effort to inform holders of any af-  
16                   fected Outstanding Bonds of the Qualifying  
17                   Modification which may include, notice by mail,  
18                   publication in electronic media, publication on a  
19                   website of the Issuer, or publication in news-  
20                   papers of national circulation in the United  
21                   States and in a newspaper of general circula-  
22                   tion in the Commonwealth of Puerto Rico.

23           (i) VOTING.—For each Pool, any Qualifying Modi-  
24           fication may be proposed only by the Issuer and made,  
25           and future compliance therewith may be waived, with the

1 written consent of the Issuer and the affirmative vote or  
2 consent of holders of the right to vote the Outstanding  
3 Bonds of at least two-thirds of the aggregate Outstanding  
4 Principal amount of the Outstanding Bonds of all Bonds  
5 in the Pool.

6 (j) CALCULATION AGENT.—For the purpose of calcu-  
7 lating the principal amount of the Bonds of any series eli-  
8 gible to participate in such a vote or consent solicitation  
9 and tabulating such votes or consents, the Territory Gov-  
10 ernment Issuer may appoint a Calculation Agent for each  
11 Pool reasonably acceptable to the Administrative Super-  
12 visor.

13 (k) INFORMATION AGENT.—For the purpose of ad-  
14 ministering a vote of holders of Bonds, including the hold-  
15 ers of the right to vote such Bonds, or seeking the consent  
16 of holder of Bonds, including the holders of the right to  
17 vote such Bonds, to a written action under this section,  
18 the Territory Government Issuer may appoint an Informa-  
19 tion Agent for each Pool reasonably acceptable to the Ad-  
20 ministrative Supervisor.

21 (l) BINDING EFFECT.—

22 (1) For each Pool, a Qualifying Modification  
23 will be conclusive and binding on all holders of the  
24 relevant series of Bonds or all holders of all series  
25 of Bonds whether or not they have given such con-

1 sent, and on all future holders of those Bonds  
2 whether or not notation of such Qualifying Modifica-  
3 tion is made upon the Bonds, if—

4 (A) the holders of the right to vote the  
5 Outstanding Bonds in such Pool pursuant to  
6 subsection (i) have consented to or approved the  
7 Qualifying Modification;

8 (B) each holder who has not consented to  
9 or approved the Qualifying Modification will re-  
10 ceive or retain under the Qualifying Modifica-  
11 tion on account of their claims, property of a  
12 value, as of the effective date of the Qualifying  
13 Modification, that is not less than the amount  
14 that such holders would so receive or retain if  
15 there were no Qualifying Modification;

16 (C) the Administrative Supervisor certifies  
17 that—

18 (i) the voting requirements of this sec-  
19 tion have been satisfied;

20 (ii) the Qualifying Modification is—

21 (I) consistent with the applicable  
22 Fiscal Plan that has been certified  
23 under section 203; or

24 (II) if an applicable Fiscal Plan  
25 has not yet been certified by the Ad-

1                    administrative Supervisor, an appro-  
2                    priate Qualifying Modification, in the  
3                    Administrative Supervisor's sole dis-  
4                    cretion; and

5                    (iii) any conditions on the effective-  
6                    ness of the Qualifying Modification have  
7                    been satisfied or, in the Administrative Su-  
8                    pervisor's sole discretion, satisfaction of  
9                    such conditions has been waived by the Ad-  
10                   administrative Supervisor; and

11                   (D) the United States District Court for  
12                   the District of Puerto Rico has, after reviewing  
13                   an application submitted to it by the applicable  
14                   Issuer for an order approving the Qualifying  
15                   Modification, entered an order that the require-  
16                   ments of this section have been satisfied.

17                   <sup>Upon the</sup>  
17                   (2) ~~The~~ entry of an order under paragraph                   ✓  
18                   (1)(C), the conclusive and binding Qualifying Modi-  
19                   fication shall satisfy, release, and discharge all Bond  
20                   Claims affected by the Qualifying Modification, and  
21                   shall be binding on any person or entity asserting  
22                   claims or other rights, including a beneficial interest  
23                   (directly or indirectly, as principal, agent, counter-  
24                   part, subrogee, insurer or otherwise) in respect of  
25                   Bonds subject to the Qualifying Modification, any



1 trustee, any collateral agent, any indenture trustee,  
 2 any fiscal agent, and any bank that receives or holds  
 3 funds related to such Bonds. The property that is  
 4 the subject of the Qualifying Modification shall vest  
 5 in the Issuer free and clear of all claims in respect  
 6 of any Bonds of any Issuer.

7 (m) JUDICIAL REVIEW.—

8 (1) The United States District Court for the  
 9 District of Puerto Rico shall have original and exclu-  
 10 sive jurisdiction over civil actions arising under this  
 11 section.

12 (2) Notwithstanding section ~~106(e)~~<sup>106(e)</sup>, there ✓  
 13 shall be a cause of action to challenge unlawful ap-  
 14 plication of this section.

15 (3) The district court shall nullify a Modifica-  
 16 tion and any effects on the rights of the holders of  
 17 Bonds resulting from such Modification if and only  
 18 if the district court determines that such Modifica-  
 19 tion is manifestly inconsistent with this section.

20 (n) COMPLETION REQUIRED.—Prior to any certifi-  
 21 cation pursuant to section 207<sup>b</sup> or the filing of any petition ✓  
 22 under title III, an offer for a Qualified Modification shall  
 23 be made to each Pool established under subsection (d).

24 (o) ~~106(e)~~<sup>SAVING CLAUSE,</sup> ~~106(e)~~<sub>A</sub>.—Nothing in this title shall effect the ✓  
 25 powers of the Oversight Board in titles I, II, and III.