

[DISCUSSION DRAFT]114TH CONGRESS
2^D SESSION**H. R.** _____

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

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; that was referred to the Committee on _____

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.

TITLE I—ESTABLISHMENT AND ORGANIZATION OF OVERSIGHT BOARD

- Sec. 101. Puerto Rico Financial Oversight and Management Board.
- Sec. 102. Location of the Oversight Board's office.
- 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. Funding for operation of Oversight Board.
- Sec. 108. Reactivation of activities.
- Sec. 109. Application of laws of Puerto Rico to Oversight Board.

TITLE II—RESPONSIBILITIES OF OVERSIGHT BOARD

Subtitle A—Establishment and Enforcement of Fiscal Plan and Budget for Government of Puerto Rico

- Sec. 201. Development of budgets.
- Sec. 202. Oversight Board related to debt issuance and restructuring.
- Sec. 203. Development and approval of fiscal plans.
- Sec. 204. Review of activities of Government of Puerto Rico to ensure compliance with approved financial plan and budget.
- Sec. 205. Restrictions on borrowing by Puerto Rico during oversight year.
- Sec. 206. Effect of finding of noncompliance with financial plan and budget.
- Sec. 207. Recommendations on financial stability and management responsibility.
- Sec. 208. Oversight periods described.
- Sec. 209. Electronic Reporting.

Subtitle B—Issuance of Bonds

- Sec. 211. Oversight Board to issue bonds.
- Sec. 212. Pledge of security interest in revenues of Government of Puerto Rico.
- Sec. 213. Establishment of debt service reserve fund.
- Sec. 214. Other requirements for issuance of bonds.
- Sec. 215. No full faith and credit of the United States.

Subtitle C—Other Duties of Oversight Board

- Sec. 221. Duties of Oversight Board during year other than oversight year.
- Sec. 222. General assistance in achieving financial stability and management efficiency.
- Sec. 223. Obtaining reports.
- Sec. 224. Reports and comments.

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. Jurisdiction; removal; appeals.
- Sec. 306. Limitation on jurisdiction and powers of court.
- Sec. 307. Venue.

- Sec. 308. Applicable rules of procedure.
- Sec. 309. Role and capacity of oversight board.
- Sec. 310. List of creditors.
- Sec. 311. Dismissal.
- Sec. 312. Leases.
- Sec. 313. Filing of plan of adjustment.
- Sec. 314. Modification of plan.
- Sec. 315. Confirmation.
- Sec. 316. Applicability.

TITLE IV—MISCELLANEOUS PROVISIONS

- Sec. 401. Legislature approval of certain contracts.
- Sec. 402. Report by Oversight Board.
- Sec. 403. Definitions.
- Sec. 404. Rules of construction.
- Sec. 405. Expedited submission and approval of consensus Fiscal Plan and Budget.
- Sec. 406. Amendment.
- Sec. 407. Severability.
- Sec. 408. Right of Puerto Rico to determine its future political status.
- Sec. 409. First minimum wage in Puerto Rico.
- Sec. 410. Application of regulation to Puerto Rico.
- Sec. 411. Land conveyance authority, Vieques National Wildlife Refuge, Vieques Island.
- Sec. 412. Study and reports regarding Puerto Rico public pension plans.
- Sec. 413. Automatic stay upon enactment.

TITLE V—PUERTO RICO REVITALIZATION ACT

- 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. Supremacy.
- Sec. 508. Severability.
- Sec. 509. Intervention in litigation.

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

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

6 (a) ESTABLISHMENT.—Pursuant to article IV, sec-
7 tion 3 of the Constitution of the United States, which pro-
8 vides Congress the power to dispose of and make all need-

1 ful rules and regulations for territories, which include the
2 Commonwealth of Puerto Rico, there is hereby established
3 the Puerto Rico Financial Oversight and Management
4 Board, consisting of members, appointed by the President
5 in accordance with subsection (b). Subject to the condi-
6 tions described in section 108 and except as otherwise pro-
7 vided in this Act, the Oversight Board is established as
8 an entity within the Government of Puerto Rico, and is
9 not established as a department, agency, establishment,
10 or instrumentality of the United States Government.

11 (b) MEMBERSHIP.—

12 (1) IN GENERAL.—The Oversight Board shall
13 consist of 5 members appointed by the President
14 who meet the qualifications described in subsection
15 (c), except that the Oversight Board may take any
16 action under this Act (or any amendments made by
17 this Act) at any time after the President has ap-
18 pointed 3 of its members, subject to the provision
19 that a majority of members of the Oversight Board's
20 full membership of 5 members voting in the affirma-
21 tive shall be required in order for the Oversight
22 Board to conduct its business pursuant to subsection
23 (e)(2).

24 (2) APPOINTED MEMBERS.—The President
25 shall appoint the individual members of the Over-

1 sight Board, of which two individuals shall be se-
2 lected from among a list of individuals submitted by
3 the Speaker of the House of Representatives; and
4 two shall be selected from among a list submitted by
5 the majority leader of the Senate. Of the two indi-
6 viduals to be selected from among a list of individ-
7 uals submitted by the Speaker of the House of Rep-
8 resentatives, one shall maintain a primary residence
9 in Puerto Rico or have a primary place of business
10 in Puerto Rico.

11 (3) EX OFFICIO MEMBERS.—The Secretary of
12 the Treasury and the Governor of the Common-
13 wealth of Puerto Rico, or their designees, shall be ex
14 officio members of the Oversight Board without vot-
15 ing rights.

16 (4) CHAIR.—The members of the Oversight
17 Board shall designate one of the members of the
18 Oversight Board as the Chair of the Oversight
19 Board (referred to hereafter in this title as the
20 “Chair”).

21 (5) TERM OF SERVICE.—

22 (A) IN GENERAL.—Except as provided in
23 subparagraph (B), each member of the Over-
24 sight Board shall be appointed for a term of 3
25 years.

1 (B) APPOINTMENT FOR TERM FOLLOWING
2 INITIAL TERM.—As designated by the President
3 at the time of appointment for the term imme-
4 diately following the initial term—

5 (i) 1 member shall be appointed for a
6 term of 1 year;

7 (ii) 2 members shall be appointed for
8 a term of 2 years; and

9 (iii) 2 members shall be appointed for
10 a term of 3 years.

11 (C) REMOVAL.—The President may re-
12 move any member of the Oversight Board only
13 for cause.

14 (D) CONTINUATION OF SERVICE UNTIL
15 SUCCESSOR APPOINTED.—Upon the expiration
16 of a term of office, a member of the Oversight
17 Board may continue to serve until a successor
18 has been appointed.

19 (e) QUALIFICATIONS FOR MEMBERSHIP.—An indi-
20 vidual meets the qualifications for membership on the
21 Oversight Board if the individual—

22 (1) has knowledge and expertise in finance,
23 management, law, or the organization or operation
24 of business or government;

1 (2) does not provide goods or services to the
2 Government of Puerto Rico (and is not the spouse,
3 parent, child, or sibling of an individual who pro-
4 vides goods and services to the Government of Puer-
5 to Rico);

6 (3) is not an officer, elected official, except as
7 provided in section 101(b)(2), or employee of the
8 Government of Puerto Rico or a candidate for elect-
9 ed office of the Government of Puerto Rico; and

10 **[(4) does not have any other conflict of inter-**
11 **est, including ownership of any debt securities of**
12 **Puerto Rico.]**

13 (d) **NO COMPENSATION FOR SERVICE.**—Members of
14 the Oversight Board shall serve without pay, but may re-
15 ceive reimbursement for any reasonable and necessary ex-
16 penses incurred by reason of service on the Oversight
17 Board.

18 (e) **ADOPTION OF BYLAWS FOR CONDUCTING BUSI-**
19 **NESS OF OVERSIGHT BOARD.**—

20 (1) **IN GENERAL.**—As soon as practicable after
21 the appointment of its members, the Oversight
22 Board shall adopt bylaws, rules, and procedures gov-
23 erning its activities under this Act, including proce-
24 dures for hiring experts and consultants. Such by-
25 laws, rules, and procedures shall be public docu-

1 ments, and shall be submitted by the Oversight
2 Board upon adoption to the Governor, the Legisla-
3 ture, the President, and Congress. The Oversight
4 Board may hire professionals as it determines to be
5 necessary to carry out this subsection.

6 (2) ACTIVITIES REQUIRING APPROVAL OF MA-
7 JORITY OF MEMBERS.—Under the bylaws adopted
8 pursuant to paragraph (1), the Oversight Board
9 may conduct its operations under such procedures as
10 it considers appropriate, except that an affirmative
11 vote of a majority of the members of the Oversight
12 Board’s full membership of 5 members shall be re-
13 quired in order for the Oversight Board to conduct
14 its business.

15 (3) ADOPTION OF RULES AND REGULATIONS OF
16 PUERTO RICO.—The Oversight Board may incor-
17 porate in its bylaws, rules, and procedures under
18 this subsection such rules and regulations of the
19 Government of Puerto Rico as it considers appro-
20 priate to enable it to carry out its activities under
21 this Act with the greatest degree of independence
22 practicable.

23 **SEC. 102. LOCATION OF THE OVERSIGHT BOARD’S OFFICE.**

24 The Oversight Board shall have offices in San Juan,
25 Puerto Rico, and Washington, DC.

1 **SEC. 103. EXECUTIVE DIRECTOR AND STAFF OF OVERSIGHT**
2 **BOARD.**

3 (a) EXECUTIVE DIRECTOR.—The Oversight Board
4 shall have an Executive Director who shall be appointed
5 by the Chair with the consent of the Oversight Board. The
6 Executive Director shall be paid at a rate determined by
7 the Oversight Board.

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

17 (c) INAPPLICABILITY OF CERTAIN EMPLOYMENT
18 AND PROCUREMENT LAWS.—

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

1 (2) PUERTO RICO EMPLOYMENT AND PROCURE-
2 MENT LAWS.—The Executive Director and staff of
3 the Oversight Board may be appointed and paid
4 without regard to any provision of the laws of Puer-
5 to Rico governing appointments and salaries. Any
6 provision of the laws of Puerto Rico governing pro-
7 curement shall not apply to the Oversight Board.

8 (d) STAFF OF FEDERAL AGENCIES.—Upon request
9 of the Chair, the head of any Federal department or agen-
10 cy may detail, on a reimbursable or nonreimbursable basis,
11 any of the personnel of that department or agency to the
12 Oversight Board to assist it in carrying out its duties
13 under this Act.

14 (e) STAFF OF GOVERNMENT OF PUERTO RICO.—
15 Upon request of the Chair, the head of any department
16 or agency of the Government of Puerto Rico, may detail,
17 on a reimbursable or nonreimbursable basis, any of the
18 personnel of that department or agency to the Oversight
19 Board to assist it in carrying out its duties under this
20 Act.

21 (f) PRESERVATION OF RETIREMENT AND CERTAIN
22 OTHER RIGHTS OF FEDERAL EMPLOYEES WHO BECOME
23 EMPLOYED BY THE OVERSIGHT BOARD.—

24 (1) IN GENERAL.—Any Federal employee who
25 becomes employed by the Oversight Board—

1 (A) may elect, for the purposes set forth in
2 paragraph (2)(A), to be treated, for so long as
3 that individual remains continuously employed
4 by the Oversight Board, as if such individual
5 had not separated from service with the Federal
6 Government, subject to paragraph (3); and

7 (B) shall, if such employee subsequently
8 becomes reemployed by the Federal Govern-
9 ment, be entitled to have such individual's serv-
10 ice with the Oversight Board treated, for pur-
11 poses of determining the appropriate leave ac-
12 crual rate, as if it had been service with the
13 Federal Government.

14 (2) EFFECT OF AN ELECTION.—An election
15 made by an individual under the provisions of para-
16 graph (1)(A)—

17 (A) shall qualify such individual for the
18 treatment described in such provisions for pur-
19 poses of—

20 (i) chapter 83 or 84 of title 5, United
21 States Code, as appropriate (relating to re-
22 tirement), including the Thrift Savings
23 Plan;

24 (ii) chapter 87 of such title (relating
25 to life insurance); and

1 (iii) chapter 89 of such title (relating
2 to health insurance); and

3 (B) shall disqualify such individual, while
4 such election remains in effect, from partici-
5 pating in the programs offered by the Govern-
6 ment of Puerto Rico (if any) corresponding to
7 the respective programs referred to in subpara-
8 graph (A).

9 (3) CONDITIONS FOR AN ELECTION TO BE EF-
10 FECTIVE.—An election made by an individual under
11 paragraph (1)(A) shall be ineffective unless—

12 (A) it is made before such individual sepa-
13 rates from service with the Federal Govern-
14 ment; and

15 (B) such individual's service with the Over-
16 sight Board commences within 3 days after so
17 separating (not counting any holiday observed
18 by the Government of Puerto Rico).

19 (4) CONTRIBUTIONS.—If an individual makes
20 an election under paragraph (1)(A), the Oversight
21 Board shall, in accordance with applicable provisions
22 of law referred to in paragraph (2)(A), be respon-
23 sible for making the same deductions from pay and
24 the same agency contributions as would be required
25 if it were a Federal agency.

1 (5) REGULATIONS.—Any regulations necessary
2 to carry out this subsection shall be prescribed in
3 consultation with the Oversight Board by—

4 (A) the Office of Personnel Management,
5 to the extent that any program administered by
6 the office is involved;

7 (B) the appropriate office or agency of the
8 Government of Puerto Rico, to the extent that
9 any program administered by such office or
10 agency is involved; and

11 (C) the Executive Director referred to in
12 section 8474 of title 5, United States Code, to
13 the extent that the Thrift Savings Plan is in-
14 volved.

15 (g) FEDERAL BENEFITS FOR OTHERS.—

16 **[(1) IN GENERAL.—**The Office of Personnel
17 Management, in conjunction with each cor-
18 responding office or agency of the Government of
19 Puerto Rico and in consultation with the Oversight
20 Board, shall prescribe regulations under which any
21 individual who becomes employed by the Oversight
22 Board (under circumstances other than as described
23 in subsection (f)) may elect either—**]**

1 **[(A) to be deemed a Federal employee for**
2 **purposes of the programs referred to in sub-**
3 **section (f)(2)(A) (i)–(iii); or]**

4 **[(B) to participate in 1 or more of the cor-**
5 **responding programs offered by the Govern-**
6 **ment of Puerto Rico.]**

7 (2) EFFECT OF AN ELECTION.—An individual
8 who elects the option under subparagraph (A) or (B)
9 of paragraph (1) shall be disqualified, while such
10 election remains in effect, from participating in any
11 of the programs referred to in the other such sub-
12 paragraph.

13 (3) DEFINITION OF “CORRESPONDING OFFICE
14 OR AGENCY”.—For purposes of paragraph (1), the
15 term “corresponding office or agency of the Govern-
16 ment of Puerto Rico” means, with respect to any
17 program administered by the Office of Personnel
18 Management, the office or agency responsible for ad-
19 ministering the corresponding program (if any) of-
20 fered by the Government of Puerto Rico.

21 (4) THRIFT SAVINGS PLAN.—To the extent that
22 the Thrift Savings Plan is involved, the preceding
23 provisions of this subsection shall be applied by sub-
24 stituting “the Executive Director referred to in sec-

1 tion 8474 of title 5, United States Code” for “the
2 Office of Personnel Management”.

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

4 (a) HEARINGS AND SESSIONS.—The Oversight Board
5 may, for the purpose of carrying out this Act, hold hear-
6 ings, sit and act at times and places, take testimony, and
7 receive evidence as the Oversight Board considers appro-
8 priate. The Oversight Board may administer oaths or af-
9 firmations to witnesses appearing before it.

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

14 (c) OBTAINING OFFICIAL DATA.—

15 (1) FROM FEDERAL GOVERNMENT.—Notwith-
16 standing sections 552 (commonly known as the
17 Freedom of Information Act), 552a (the Privacy Act
18 of 1974), and 552b (the Government in the Sun-
19 shine Act) of title 5, United States Code, the Over-
20 sight Board may secure directly from any depart-
21 ment or agency of the United States information
22 necessary to enable it to carry out this Act, with the
23 approval of the head of that department or agency.

24 (2) FROM GOVERNMENT OF PUERTO RICO.—
25 Notwithstanding any other provision of law, the

1 Oversight Board shall have the right to secure cop-
2 ies, whether written or electronic, of such records,
3 documents, information, data, or metadata from any
4 entity of the Government of Puerto Rico necessary
5 to enable the Oversight Board to carry out its re-
6 sponsibilities under this Act. At the request of the
7 Oversight Board, the Oversight Board shall be
8 granted direct access to such information systems,
9 records, documents or information or data as will
10 enable the Oversight Board to carry out its respon-
11 sibilities under this Act. The head of the entity of
12 Government of Puerto Rico responsible shall provide
13 the Oversight Board with such information and as-
14 sistance (including granting the Oversight Board di-
15 rect access to automated or other information sys-
16 tems) as the Oversight Board requires under this
17 paragraph.

18 (d) GIFTS, BEQUESTS, AND DEVICES.—The Over-
19 sight Board may accept, use, and dispose of gifts, be-
20 quests, or devises of services or property, both real and
21 personal, for the purpose of aiding or facilitating the work
22 of the Oversight Board. Gifts, bequests, or devises of
23 money and proceeds from sales of other property received
24 as gifts, bequests, or devises shall be deposited in such
25 account as the Oversight Board may establish and shall

1 be available for disbursement upon order of the Chair,
2 consistent with the Oversight Board's by-laws, or rules
3 and procedures.

4 (e) SUBPOENA POWER.—

5 (1) IN GENERAL.—The Oversight Board may
6 issue subpoenas requiring the attendance and testi-
7 mony of witnesses and the production of books,
8 records, correspondence, memoranda, papers, docu-
9 ments, electronic files, metadata, tapes, and mate-
10 rials of any nature relating to any matter under in-
11 vestigation by the Oversight Board. The attendance
12 of witnesses and the production of such materials
13 may be required from any place within the United
14 States at any designated place of hearing within the
15 United States.

16 (2) FAILURE TO OBEY A SUBPOENA.—If a per-
17 son refuses to obey a subpoena issued under para-
18 graph (1), the Oversight Board may apply to the
19 United States District Court for the District of
20 Puerto Rico for an order requiring that person to
21 appear before the Oversight Board to give testi-
22 mony, produce evidence, or both, relating to the
23 matter under investigation. Any failure to obey the
24 order of the court may be punished by the court as
25 civil contempt.

1 (3) SERVICE OF SUBPOENAS.—The subpoena of
2 the Oversight Board shall be served in the manner
3 provided for subpoenas issued by the district courts
4 under the Federal Rules of Civil Procedure.

5 (f) ADMINISTRATIVE SUPPORT SERVICES.—Upon the
6 request of the Oversight Board, the Administrator of the
7 U.S. General Services Administration shall promptly pro-
8 vide to the Oversight Board, on a reimbursable basis, the
9 administrative support services necessary for the Over-
10 sight Board to carry out its responsibilities under this Act.

11 (g) OVERSIGHT BOARD TO ENTER INTO CON-
12 TRACTS.—The Executive Director may enter into such
13 contracts as the Executive Director considers appropriate
14 (subject to the approval of the Chair) consistent with the
15 Oversight Board’s by-laws, rules, and regulations to carry
16 out the Oversight Board’s responsibilities under this Act.

17 (h) OVERSIGHT BOARD TO ENFORCE CERTAIN
18 PUERTO RICO LAWS.—The Oversight Board shall ensure
19 the purposes of this Act are met including by prompt en-
20 forcement of the laws of Puerto Rico prohibiting public
21 sector employees from participating in a strike or lock out
22 (3 L.P.R.A. 1451q and 3 L.P.R.A. 1451r).

23 (i) VOLUNTARY AGREEMENT CERTIFICATION.—If
24 the Oversight Board determines, in its sole discretion, that
25 the government of Puerto Rico has consummated a vol-

1 untary agreement with holders of its debt to restructure
2 such debt for the Government of Puerto Rico and is in
3 conformance with the applicable **【certified/approved】** fis-
4 cal plan—

5 (1) the Oversight Board shall certify to the
6 Government of Puerto Rico that the voluntary
7 agreement provides for a sustainable level of debt
8 and is in conformance with the applicable **【certified/
9 approved】** fiscal plan; and

10 (2) the effectiveness of any such voluntary
11 agreement must be conditioned on the Oversight
12 Board delivering the certification described in para-
13 graph (1).

14 (j) **RESTRUCTURING FILINGS.**—Prior to any action
15 taken on behalf of a debtor or potential debtor in a case
16 under title III, the Oversight Board must certify the filing
17 of a petition and the submission of a plan of adjustment,
18 or any modifications, provided that such plan of adjust-
19 ment, or any modifications, is consistent with the applica-
20 ble fiscal plan.

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

24 (l) **PENALTIES.**—

1 (1) ACTS PROHIBITED.—Any officer or em-
2 ployee of the Government of Puerto Rico who pre-
3 pares, presents, or certifies any information or re-
4 port for the Board or any of its agents that is inten-
5 tionally false or misleading, or, upon learning that
6 any such information is false or misleading, fails to
7 immediately advise the Board or its agents thereof
8 in writing shall be guilty of a misdemeanor, and
9 shall be fined not more than \$1,000.

10 (2) ADMINISTRATIVE DISCIPLINE.—In addition
11 to any other applicable penalty, any officer or em-
12 ployee of the Government of Puerto Rico who know-
13 ingly and willfully violates paragraph (1) or takes
14 any such action in violation of any valid order of the
15 Oversight Board or fails or refuses to take any ac-
16 tion required by any such order, shall be subject to
17 appropriate administrative discipline, including
18 (when appropriate) suspension from duty without
19 pay or removal from office by order of either the
20 Governor or Oversight Board.

21 (3) REPORT BY GOVERNOR ON DISCIPLINARY
22 ACTIONS TAKEN.—In the case of a violation of para-
23 graph (1) by an officer or employee of the Govern-
24 ment of Puerto Rico, the Governor shall immediately

1 report to the Board all pertinent facts together with
2 a statement of the action taken thereon.

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

4 The Oversight Board, its members, and its employees
5 may not be liable for any obligation of or claim against
6 the Oversight Board or its members or employees or the
7 Government of Puerto Rico resulting from actions taken
8 to carry out this Act.

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

10 (a) JURISDICTION ESTABLISHED IN JUDICIAL DIS-
11 TRICT FOR **【DISTRICT OF COLUMBIA】**.—Except as pro-
12 vided in section 104(e)(2) (relating to the issuance of an
13 order enforcing a subpoena), and title III (relating to ad-
14 justments of debts), any action against the Oversight
15 Board or any action otherwise arising out of this Act, in
16 whole or in part, shall be brought in the United States
17 District Court for the **【District of Columbia】**.

18 (b) PROMPT APPEAL.—

19 (1) COURT OF APPEALS.—Notwithstanding any
20 other provision of law, any order of the United
21 States District Court for the **【District of Columbia】**
22 that is issued pursuant to an action brought under
23 subsection (a) shall be reviewable only pursuant to
24 a notice of appeal to the United States Court of Ap-
25 peals for the **【District of Columbia】** Circuit.

1 (2) SUPREME COURT.—Notwithstanding any
2 other provision of law, upon acceptance of a writ of
3 certiorari and review by the Supreme Court of the
4 United States of a decision of the court of appeals
5 that is issued pursuant to paragraph (1) may be had
6 only if the petition for such review is filed within 10
7 days after the entry of such decision.

8 (c) TIMING OF RELIEF.—No order of any court
9 granting declaratory or injunctive relief against the Over-
10 sight Board, including relief permitting or requiring the
11 obligation, borrowing, or expenditure of funds, shall take
12 effect during the pendency of the action before such court,
13 during the time appeal may be taken, or (if appeal is
14 taken) during the period before the court has entered its
15 final order disposing of such action.

16 (d) EXPEDITED CONSIDERATION.—It shall be the
17 duty of the United States District Court for the [District
18 of Columbia], the United States Court of Appeals for the
19 First Circuit, the United States Court of Appeals for the
20 District of Columbia Circuit, and the Supreme Court of
21 the United States to advance on the docket and to expe-
22 dite to the greatest possible extent the disposition of any
23 matter brought under this Act.

1 **SEC. 107. FUNDING FOR OPERATION OF OVERSIGHT**
2 **BOARD.**

3 (a) FUNDING.—The Oversight Board may use its
4 powers with respect to the budget of the Government of
5 Puerto Rico to ensure that sufficient funds are available
6 to cover all expenses of the Oversight Board. If the Over-
7 sight Board elects to do so—

8 (1) The Oversight Board shall submit to the
9 Governor and the Legislature a report describing the
10 use of funds described in subsection (a) as a part of
11 the budget appropriations process of the Govern-
12 ment of Puerto Rico.

13 (2) The Government of Puerto Rico shall des-
14 ignate a dedicated funding source, not subject to
15 subsequent legislative appropriations, sufficient to
16 support the annual expenses of the Oversight Board
17 as determined in the Oversight Board's sole and ex-
18 clusive discretion.

19 (b) ISSUANCE OF BONDS.—To the extent feasible,
20 the Oversight Board shall, in the name of the Common-
21 wealth of Puerto Rico, issue bonds or other loan inden-
22 tures in amounts and maturities sufficient to fund the ac-
23 tivities of the Oversight Board for a period of not less than
24 5 years. The Oversight Board shall prepare a business
25 plan and budget, as well as any other documentation nec-

1 essary to raise funds in the capital markets for the Over-
2 sight Board's purposes.

3 (c) APPROPRIATIONS.—There is appropriated by the
4 Congress the sum of \$_____ for the purposes of hir-
5 ing professionals to assist in the organization of the Over-
6 sight Board and the process of establishing a funding
7 source for the Oversight Board's activities pursuant to
8 subsections (a), (b), or (d), to remain available until ex-
9 pended. Upon establishing a funding source pursuant to
10 subsections (a), (b), or (d), the Oversight Board shall re-
11 imburse the general fund of the United States Treasury
12 the sum of money appropriated pursuant to this sub-
13 section.

14 (d) USE OF INTEREST ON ACCOUNTS FOR PUERTO
15 RICO.—

16 (1) IN GENERAL.—Notwithstanding any other
17 provision of this Act, the Oversight Board may
18 transfer or otherwise expend any amounts derived
19 from interest earned on accounts held by the Over-
20 sight Board on behalf of Puerto Rico for such pur-
21 poses as it considers appropriate.

22 (2) SPENDING NOT SUBJECT TO APPROPRIA-
23 TION BY CONGRESS.—Any amounts transferred or
24 otherwise expended pursuant to paragraph (1) may

1 be obligated or expended without approval by an Act
2 of Congress.

3 (e) BUDGET.—The Oversight Board shall develop an
4 annual budget for each fiscal year starting with fiscal year
5 2018 and submit such budget to the House of Representa-
6 tives Committee on Natural Resources and the Senate
7 Committee on Energy and Natural Resources.

8 **[SEC. 108. REACTIVATION OF ACTIVITIES.**

9 Upon receiving notice from the Chair of the Com-
10 mittee on Natural Resources of the House of Representa-
11 tives and the Chair of the Committee on Energy and Nat-
12 ural Resources of the Senate that an oversight period has
13 been initiated (as described in section 209) at any time
14 after the Oversight Board suspends its activities under
15 subsection (a), the President shall appoint members of the
16 Oversight Board, pursuant to section 101(b), and the
17 Oversight Board shall carry out activities under this Act,
18 in the same manner as the President appointed members
19 and the Oversight Board carried out activities prior to
20 such suspension.】

21 **SEC. 109. APPLICATION OF LAWS OF PUERTO RICO TO**
22 **OVERSIGHT BOARD.**

23 (a) IN GENERAL.—Neither the Governor nor the
24 Legislature may—

1 Board is in existence, the Oversight Board shall deliver
2 a notice to the Governor and the legislature providing a
3 schedule for developing, submitting, approving, and certi-
4 fying Budgets for a period of fiscal years as determined
5 by the Oversight Board, in its sole discretion, but in any
6 case a period of not less than one fiscal year following
7 the fiscal year in which the notice is delivered. The notice
8 may also set forth a schedule for revisions to budgets that
9 have already been certified, which revisions must be sub-
10 ject to subsequent approval and certification by the Over-
11 sight Board. The Oversight Board shall consult with the
12 Governor and the Legislature in establishing a schedule,
13 but the Oversight Board shall retain sole discretion to set
14 or, in the future by delivery of a subsequent notice to the
15 Governor and the Legislature, change the dates of such
16 schedule as it deems appropriate and reasonably feasible.

17 (b) REVENUE FORECAST.—The Governor and Legis-
18 lature shall submit to the Oversight Board a forecast of
19 revenues for the following fiscal year(s) to be used in de-
20 veloping the Budgets by the time specified in the notice
21 delivered under subsection (a).

22 (c) BUDGETS DEVELOPED BY GOVERNOR.—

23 (1) GOVERNOR'S PROPOSED BUDGETS.—Except
24 as provided in paragraph (3) the Governor shall sub-
25 mit to the Oversight Board proposed Budgets by the

1 time specified in the notice delivered under sub-
2 section (a). In consultation with the Governor in ac-
3 cordance with the process specified in the notice de-
4 livered under subsection (a), the Oversight Board
5 shall determine, in its sole discretion, whether each
6 proposed Budget is compliant with the applicable
7 Fiscal Plan and—

8 (A) if a proposed Budget is a compliant
9 budget the Oversight Board shall—

10 (i) approve the Budget; and

11 (ii) submit the Budget to the Legisla-
12 ture; or

13 (B) if the Oversight Board determines that
14 the Budget is not a compliant Budget, the
15 Oversight Board shall provide to the Gov-
16 ernor—

17 (i) a notice of violation that includes
18 a description of any necessary corrective
19 action; and

20 (ii) an opportunity to correct the vio-
21 lation.

22 (2) GOVERNOR'S REVISIONS.—The Governor
23 may correct any violations identified by the Over-
24 sight Board and resubmit a revised Budget to the
25 Oversight Board in accordance with paragraph (1).

1 If the Governor is not able to develop a Budget that
2 the Oversight Board determines is a complaint
3 Budget by the time specified in the notice delivered
4 under subsection (a), the Oversight Board shall de-
5 velop and submit to the Governor and the Legisla-
6 ture a revised compliant budget. The Governor may
7 submit as many revised Budgets to the Oversight
8 Board as the schedule established in the notice deliv-
9 ered under subsection (a) allows.

10 (3) TRANSITION BUDGETS.—

11 (A) Notwithstanding sections 201(b)(2)
12 and 201(c), the revenue and expenditure esti-
13 mates in a Budget developed for the fiscal year
14 immediately after the fiscal year in which the
15 Oversight Board is established is not required
16 to be in conformance with modified accrual ac-
17 counting standards and, as a result, a Budget
18 developed for such fiscal year is not required to
19 be a compliant Budget.

20 (B) During the fiscal year in which the
21 Oversight Board is established the Oversight
22 Board shall have sole discretion in determining
23 whether a Budget is acceptable and, once it de-
24 termines that a Budget developed for the fol-
25 lowing fiscal year(s) in accordance with the

1 process set forth in paragraph (1) and sub-
2 section (a), as modified by this paragraph, is
3 acceptable, the Oversight Board shall approve
4 such Budget and submit such Budget to the
5 Legislature.

6 (d) BUDGET APPROVAL BY LEGISLATURE.—

7 (1) LEGISLATURE ADOPTED BUDGET.—The
8 Legislature shall submit to the Oversight Board the
9 Budget adopted by the Legislature by the time spec-
10 ified in the notice delivered under subsection (a).
11 The Oversight Board shall determine whether the
12 adopted Budget is a compliant Budget and—

13 (A) if the adopted Budget is a compliant
14 budget, the Oversight Board shall issue a com-
15 pliance certification for such compliant Budget
16 pursuant to subsection (e); and

17 (B) if the adopted Budget is not a compli-
18 ant Budget, the Oversight Board shall provide
19 to the Legislature—

20 (i) a notice of violation that includes
21 a description of any necessary corrective
22 action; and

23 (ii) an opportunity to correct the vio-
24 lation.

1 (2) LEGISLATURE'S REVISIONS.—The Legisla-
2 ture may correct any violations identified by the
3 Oversight Board and resubmit a revised adopted
4 Budget to the Oversight Board in accordance with
5 the process established under paragraph (1) and the
6 notice delivered under subsection (a). If the Legisla-
7 ture is not able to adopt a Budget that the Over-
8 sight Board determines is a compliant Budget by
9 the time specified in the notice delivered under sub-
10 section (a), the Oversight Board shall develop a re-
11 vised Budget that is a compliant Budget and submit
12 it to the Governor and the Legislature. The Legisla-
13 ture may submit as many revised adopted Budgets
14 to the Oversight Board as the schedule established
15 in the notice delivered under subsection (a) permits.

16 (3) TRANSITION BUDGETS.—

17 (A) The revenue and expenditure estimates
18 in a Budget developed for the fiscal year(s)
19 after the fiscal year in which the Oversight
20 Board is established is not required to be in
21 conformance with modified accrual accounting
22 standards and, as a result, the Budget devel-
23 oped for such fiscal year(s) is considered to be
24 a compliant budget.

1 (B) During the fiscal year in which the
2 Oversight Board is established the Oversight
3 Board shall have sole discretion in determining
4 whether a Budget is acceptable and, once it de-
5 termines that a Budget developed for such fis-
6 cal year(s) in accordance with the process set
7 forth in paragraph (1) and subsection (a), as
8 modified by this paragraph, is acceptable, the
9 Oversight Board shall approve such Budget.

10 (e) CERTIFICATION OF BUDGETS.—

11 (1) CERTIFICATION OF DEVELOPED AND AP-
12 PROVED BUDGETS.—If the Governor and the Legis-
13 lature develop and approve a Budget that is a com-
14 pliant Budget or, in the case of the fiscal year in
15 which the Oversight Board is established, an accept-
16 able Budget, by the day before the first day of the
17 fiscal year for which the Budget is being developed
18 and in accordance with the process established under
19 subsections (c) and (d), the Oversight Board shall
20 issue a compliance certification to the Governor and
21 the legislature for such Budget.

22 (2) DEEMED CERTIFICATION OF BUDGETS.—If
23 the Governor and the Legislature fail to develop and
24 approve a Budget that is a compliant Budget or, in
25 the case of the fiscal year in which the Oversight

1 Board is established, an acceptable Budget, by the
2 day before the first day of the fiscal year for which
3 the Budget is being developed, the Budget submitted
4 by the Oversight Board to the Governor and the
5 Legislature under subsection (d) (including any revi-
6 sion to the Budget made by the Oversight Board
7 pursuant to that subparagraph) shall be—

8 (A) deemed to be approved by the Gov-
9 ernor and the Legislature;

10 (B) the subject of a compliance certifi-
11 cation issued by the Oversight Board to the
12 Governor and the Legislature; and

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

15 (f) QUARTERLY REPORTS.—

16 (1) DELIVERY.—The Governor shall submit to
17 the Oversight Board reports describing the actual
18 cash revenues, cash expenditures, and cash flows of
19 the Government of Puerto Rico for the preceding
20 quarter, as compared to the actual revenues, expend-
21 itures, and cash flows contained in the certified
22 Budgets for the applicable quarter by a date speci-
23 fied in the notice delivered under subsection (a).

24 (2) CONTENTS.—Each report delivered by the
25 Governor to the Oversight Board hereunder shall in-

1 clude a description of any accrued revenues and ex-
2 penditures during the applicable quarter, as com-
3 pared to the accrued revenues and expenditures con-
4 tained in the certified Budgets for the quarter and
5 any other information required by the Oversight
6 Board, in its sole discretion, which information may
7 include a balance sheet or a requirement that the
8 Governor provide information for each covered terri-
9 torial instrumentality separately.

10 (3) QUARTERLY REPORT REVIEW.—Upon re-
11 ceipt of quarterly reports from the Governor under
12 this paragraph, the Oversight Board shall—

13 (A) conduct a review to determine whether
14 the actual quarterly revenues and expenses for
15 the Government of Puerto Rico are in compli-
16 ance with the applicable certified Budgets; and

17 (B) if the Oversight Board determines that
18 the actual quarterly revenues and expenses for
19 the Government of Puerto Rico are not in com-
20 pliance with the applicable certified Budgets
21 under subparagraph (A), provide the Governor
22 and the Legislature, in the case of the then-ap-
23 plicable certified Budget—

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 by the date that is established in ac-
6 cordance with the notice delivered under
7 subsection (a). The Governor may submit
8 as many revised quarterly reports to the
9 Oversight Board as the schedule estab-
10 lished in the notice delivered under sub-
11 section (a) permits.

12 (4) BUDGET REDUCTIONS BY OVERSIGHT
13 BOARD.—If the Oversight Board determines that the
14 Governor and the Legislature, in the case of the
15 then-applicable certified Budget, have failed to cor-
16 rect a violation identified by the Oversight Board
17 under subsection (f)(3)(B) by a date established in
18 the notice delivered under subsection (a), the Over-
19 sight Board shall with respect to the Government of
20 Puerto Rico, make **[appropriate across-the-board]**
21 reductions in **[nondebt]** expenditures to ensure that
22 the actual quarterly revenues and expenses for the
23 Government of Puerto Rico are in compliance with
24 the applicable certified Budget or, in the case of the
25 fiscal year in which the Oversight Board is estab-

1 lished, the budget adopted by the Governor and the
2 Legislature.

3 (5) TERMINATION OF BUDGET CUTS.—The
4 Oversight Board shall cancel the reductions under
5 paragraph (4) if the Oversight Board determines
6 that the Government of Puerto Rico, as applicable,
7 has initiated appropriate measures to reduce expend-
8 itures or increase revenues to ensure that the Gov-
9 ernment of Puerto Rico is in compliance with the
10 applicable certified Budget or, in the case of the fis-
11 cal year in which the Oversight Board is established,
12 the Budget adopted by the Governor and the Legis-
13 lature.

14 **SEC. 202. OVERSIGHT BOARD RELATED TO DEBT ISSUANCE**
15 **AND RESTRUCTURING.**

16 (a) RESTRUCTURING CERTIFICATION.—The Over-
17 sight Board shall issue a restructuring certification to an
18 entity, if the Oversight Board determines, in its sole dis-
19 cretion, that the Government of Puerto Rico has made
20 reasonable effort to reach a voluntary agreement with
21 holders of its debt that is in conformance with the applica-
22 ble certified fiscal plan, and the entity, in the Oversight
23 Board's sole discretion, has adopted procedures necessary
24 to deliver timely audited financial statements and draft
25 financial statements and other information sufficient for

1 any interested party to perform due diligence on the enti-
2 ty's financial condition, which shall exist in the public do-
3 main, or exigent circumstances such that, in the Oversight
4 Board's sole discretion, a petition should be filed notwith-
5 standing the other requirements set forth above.

6 (b) OVERSIGHT BOARD TO REVIEW DISCRETIONARY
7 TAX WAIVERS.—Within the first six months of the estab-
8 lishment of the Oversight Board, the Governor shall sub-
9 mit an audited report to the Oversight Board documenting
10 all outstanding discretionary tax waiver agreements to
11 which Government of Puerto Rico is a party. No new tax
12 waiver agreements may be executed by the Government
13 of Puerto Rico without the prior approval of the Oversight
14 Board.

15 **SEC. 203. DEVELOPMENT AND APPROVAL OF FISCAL**
16 **PLANS.**

17 (a) IN GENERAL.—As soon as practicable after at
18 least 3 members have been appointed to the Oversight
19 Board in accordance with section 101(b) in the fiscal year
20 in which the Oversight Board is established and in each
21 fiscal year thereafter during which the Oversight Board
22 is in existence, the Oversight Board shall deliver a notice
23 to the Governor providing a schedule for the process of
24 development, submission, approval, and certification of
25 Fiscal Plans, including any subsequent revisions, which re-

1 visions shall be subject to approval and certification by
2 the Oversight Board, for the fiscal years to be addressed
3 by the Fiscal Plans in accordance with subsection (b). The
4 Oversight Board shall consult with the Governor and the
5 Legislature in establishing a schedule, but the Oversight
6 Board shall retain sole discretion to set or, in the future
7 by delivery of a subsequent notice to the Governor and
8 the Legislature, change the dates of such schedule as it
9 deems appropriate and reasonably feasible.

10 (b) REQUIREMENTS.—

11 (1) IN GENERAL.—A Fiscal Plan developed
12 under this section shall, with respect to the Govern-
13 ment of Puerto Rico—

14 (A) provide for estimates of revenues and
15 expenditures in conformance with modified ac-
16 crual accounting standards and 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 budget
2 gaps in financing;

3 (E) for fiscal years covered by a fiscal plan
4 in which a stay under title III is not effective,
5 provide for a debt burden that is sustainable;

6 (F) improve fiscal governance;

7 (G) enable the achievement of fiscal tar-
8 gets; and

9 (H) create independent forecasts of rev-
10 enue for the period covered by the Fiscal Plan.

11 (2) TERM.—A Fiscal Plan developed under this
12 section shall cover a period of fiscal years as deter-
13 mined by the Oversight Board, in its sole discretion,
14 but in any case a period of not less than 5 fiscal
15 years from the fiscal year in which it is certified by
16 the Oversight Board.

17 (c) DEVELOPMENT, REVIEW, APPROVAL, AND CER-
18 TIFICATION OF FISCAL PLANS.—

19 (1) TIMING REQUIREMENT.—The Governor
20 may not submit to the Legislature a Budget under
21 section 202 for a fiscal year unless the Oversight
22 Board has certified the Fiscal Plan for that fiscal
23 year in accordance with this subsection unless the
24 Oversight Board, in its sole discretion, waives this
25 requirement.

1 (2) FISCAL PLANS DEVELOPED BY GOV-
2 ERNOR.—The Governor shall submit to the Over-
3 sight Board all proposed Fiscal Plans required by
4 the Oversight Board by the time specified in the no-
5 tice delivered under subsection (a).

6 (3) REVIEW BY THE OVERSIGHT BOARD.—The
7 Oversight Board shall review the proposed Fiscal
8 Plans to determine whether each satisfies the re-
9 quirements set forth in subsection (b) and, if the
10 Oversight Board determines, in its sole discretion,
11 that each proposed Fiscal Plan—

12 (A) satisfies such requirements, the Over-
13 sight Board shall approve the applicable Fiscal
14 Plan; or

15 (B) does not satisfy such requirements, the
16 Oversight Board shall provide to the Gov-
17 ernor—

18 (i) a notice of violation that includes
19 recommendations for revisions to the appli-
20 cable Fiscal Plan; and

21 (ii) an opportunity to correct the vio-
22 lation.

23 (d) REVISED FISCAL PLANS.—

24 (1) IN GENERAL.—If the Governor receives a
25 notice of violation under subsection (c)(3), the Gov-

1 ernor shall revise and submit to the Oversight Board
2 a revised proposed Fiscal Plan in accordance with
3 subsection (b) and the schedule established in the
4 notice delivered under subsection (a). The Governor
5 may submit as many revised Fiscal Plans to the
6 Oversight Board as the schedule established in the
7 notice delivered under subsection (a) permits.

8 (2) DEVELOPMENT BY OVERSIGHT BOARD.—If
9 the Governor fails to submit to the Oversight Board
10 a Fiscal Plan that the Oversight Board determines,
11 in its sole discretion, satisfies the requirements set
12 forth in subsection (b) by the time specified in the
13 notice delivered under subsection (a), the Oversight
14 Board shall develop, approve, and submit to the
15 Governor and the legislature a Fiscal Plan that sat-
16 isfies the requirements set forth in subsection (b).

17 (e) APPROVAL AND CERTIFICATION.—

18 (1) APPROVAL OF FISCAL PLAN DEVELOPED BY
19 GOVERNOR.—If the Oversight Board approves a Fis-
20 cal Plan under **【**subsection (c)(3)**】**, it shall deliver
21 a compliance certification for such Fiscal Plan to the
22 Governor and the Legislature.

23 (2) DEEMED APPROVAL OF FISCAL PLAN DE-
24 VELOPED BY OVERSIGHT BOARD.—If the Oversight
25 Board approves a Fiscal Plan under **【**subsection

1 (d)(2)】, such Fiscal Plan shall be deemed approved
2 by the Governor and the Oversight Board shall issue
3 compliance certification for such Fiscal Plan to the
4 Governor and the Legislature.

5 **SEC. 204. REVIEW OF ACTIVITIES OF GOVERNMENT OF**
6 **PUERTO RICO TO ENSURE COMPLIANCE**
7 **WITH APPROVED FINANCIAL PLAN AND**
8 **BUDGET.**

9 (a) REVIEW OF LEGISLATURE ACTS.—

10 (1) SUBMISSION OF ACTS TO OVERSIGHT
11 BOARD.—The Legislature shall submit to the Over-
12 sight Board each Act passed by the Legislature and
13 signed by the Governor during an oversight year or
14 vetoed by the Governor and repassed by two-thirds
15 of the Legislature present and voting during an
16 oversight year, and each Act passed by the Legisla-
17 ture and allowed to become effective without the
18 Governor’s signature during an oversight year, to-
19 gether with the estimate of costs accompanying such
20 Act.

21 (2) PROMPT REVIEW BY OVERSIGHT BOARD.—
22 Upon receipt of an Act from the Legislature under
23 paragraph (1), the Oversight Board shall promptly
24 review the Act to determine whether it is consistent
25 with the applicable Fiscal Plan and Budget approved

1 under this subtitle and with the estimate of costs ac-
2 companying the Act (described in paragraph (1)).

3 (3) ACTIONS BY OVERSIGHT BOARD.—

4 (A) APPROVAL.—If the Oversight Board
5 determines that an Act is consistent with the
6 applicable Fiscal Plan and Budget, the Over-
7 sight Board shall notify the Legislature that it
8 approves the Act, and it shall become law.

9 (B) FINDING OF INCONSISTENCY.—If the
10 Oversight Board determines that an Act is sig-
11 nificantly inconsistent with the applicable Fiscal
12 Plan or Budget, the Act shall be null and void,
13 and the Oversight Board shall—

14 (i) notify the Legislature of its find-
15 ing;

16 (ii) provide the Legislature with an
17 explanation of the reasons for its finding;
18 and

19 (iii) to the extent the Oversight Board
20 considers appropriate, provide the Legisla-
21 ture with recommendations for modifica-
22 tions to the Act.

23 (4) DEEMED APPROVAL.—If the Oversight
24 Board does not notify the Legislature that it ap-
25 proves or disapproves an Act submitted under this

1 subsection during the 14-day period (excluding Sat-
2 urdays, Sundays, and legal holidays) that begins on
3 the first day (excluding Saturdays, Sundays, and
4 legal holidays) after the Oversight Board receives
5 the Act from the Legislature, the Oversight Board
6 shall be deemed to have approved the Act in accord-
7 ance with paragraph (3)(A).

8 (5) PRELIMINARY REVIEW OF PROPOSED
9 ACTS.—At the request of the Legislature, the Over-
10 sight Board may conduct a preliminary review of
11 proposed legislation before the Legislature to deter-
12 mine whether the legislation as proposed would be
13 consistent with the applicable Fiscal Plan and Budg-
14 et approved under this subtitle, except that any such
15 preliminary review shall not be binding on the Over-
16 sight Board in reviewing any Act subsequently sub-
17 mitted under this subsection.

18 (b) EFFECT OF APPROVED FISCAL PLAN AND BUDG-
19 ET ON CONTRACTS AND LEASES.—

20 (1) MANDATORY PRIOR APPROVAL FOR CER-
21 TAIN CONTRACTS AND LEASES.—In the case of any
22 contract or lease (other than with vendors) that is
23 proposed to be entered into by the Government of
24 Puerto Rico during an oversight year, the Governor
25 (or the appropriate officer or agent of the Govern-

1 ment of Puerto Rico) shall submit the proposed con-
2 tract or lease to the Oversight Board. The Oversight
3 Board shall review each contract or lease submitted
4 under this paragraph, and the Governor (or the ap-
5 propriate officer or agent of the Government of
6 Puerto Rico) may not enter into the contract or
7 lease unless the Oversight Board determines that the
8 proposed contract or lease is consistent with the Fis-
9 cal Plan and Budget for the fiscal year.

10 (2) SPECIAL RULE FOR CONTRACTS SUBJECT
11 TO LEGISLATURE APPROVAL.—In the case of a con-
12 tract or lease that is required to be submitted to the
13 Oversight Board under this subsection and that is
14 subject to approval by the Legislature under the
15 laws of Puerto Rico, the Governor shall submit such
16 contract or lease to the Oversight Board only after
17 the Legislature has approved the contract or lease,
18 but the contract or lease shall not be effective until
19 approved by the Oversight Board.

20 (3) APPLICATION TO RULES AND REGULA-
21 TIONS.—The provisions of this subsection shall
22 apply with respect to a rule or regulation issued or
23 proposed to be issued by the Governor (or the head
24 of any department or agency of the Government of

1 Puerto Rico) in the same manner as such provisions
2 apply to a contract or lease.

3 (c) RESTRICTIONS ON REPROGRAMMING OF
4 AMOUNTS IN BUDGET DURING OVERSIGHT YEARS.—

5 (1) SUBMISSIONS OF REQUESTS TO AUTHOR-
6 ITY.—If the Governor submits a request to the Leg-
7 islature for the reprogramming of any amounts pro-
8 vided in a Budget for an oversight year after the
9 Budget is adopted by the Legislature, the Governor
10 shall submit such request to the Oversight Board,
11 which shall analyze the effect of the proposed re-
12 programming on the Fiscal Plan and Budget for the
13 fiscal year and submit its analysis to the Legisla-
14 ture, as soon as practicable, after receiving the re-
15 quest.

16 (2) NO ACTION PERMITTED UNTIL ANALYSIS
17 RECEIVED.—The Legislature may not adopt a re-
18 programming during a fiscal year that is an over-
19 sight year, and no officer or employee of the Govern-
20 ment of Puerto Rico may carry out any reprogram-
21 ming during such a year, until the Oversight Board
22 has provided the Legislature with an analysis of a
23 request for the reprogramming in accordance with
24 paragraph (1).

1 **SEC. 205. RESTRICTIONS ON BORROWING BY PUERTO RICO**
2 **DURING OVERSIGHT YEAR.**

3 (a) **PRIOR APPROVAL REQUIRED.**—

4 (1) **IN GENERAL.**—The Government of Puerto
5 Rico may not borrow money during an oversight
6 year unless the Oversight Board provides prior cer-
7 tification that both the receipt of funds through such
8 borrowing and the repayment of obligations incurred
9 through such borrowing are consistent with the Fis-
10 cal Plan and Budget for the year.

11 (2) **REVISIONS TO FINANCIAL PLAN AND BUDG-**
12 **ET PERMITTED.**—If the Oversight Board determines
13 that the borrowing proposed to be undertaken by the
14 Government of Puerto Rico is not consistent with
15 the Fiscal Plan and Budget, the Governor may sub-
16 mit to the Oversight Board a proposed revision to
17 the Fiscal Plan and Budget in accordance with sec-
18 tion 202(c) and 204(c).

19 (3) **BORROWING DESCRIBED.**—This subsection
20 shall apply with respect to any borrowing under-
21 taken by the Government of Puerto Rico.

22 (b) **DEPOSIT OF BORROWED FUNDS WITH OVER-**
23 **SIGHT BOARD.**—If the Government of Puerto Rico bor-
24 rows funds during an oversight year, the funds shall be
25 deposited into an escrow account held by the Oversight
26 Board, to be allocated by the Oversight Board to the Gov-

1 error at such intervals and in accordance with such terms
2 and conditions as it considers appropriate, consistent with
3 the Fiscal Plan and Budget for the year and with any
4 other withholding of funds by the Oversight Board pursu-
5 ant to this Act.

6 **SEC. 206. EFFECT OF FINDING OF NONCOMPLIANCE WITH**
7 **FINANCIAL PLAN AND BUDGET.**

8 (a) SUBMISSION OF REPORTS.—Not later than 30
9 days after the expiration of each quarter of each fiscal
10 year (beginning with fiscal year 2017), the Governor shall
11 submit reports to the Oversight Board describing the ac-
12 tual revenues obtained and expenditures made by the Gov-
13 ernment of Puerto Rico during the quarter with its cash
14 flows during the quarter, and comparing such actual reve-
15 nues, expenditures, and cash flows with the most recent
16 projections for these items.

17 (b) DEMAND FOR ADDITIONAL INFORMATION.—If
18 the Oversight Board determines, based on reports sub-
19 mitted by the Governor under subsection (a), independent
20 audits, or such other information as the Oversight Board
21 may obtain, that the revenues or expenditures of the Gov-
22 ernment of Puerto Rico during an oversight year are not
23 consistent with the Fiscal Plan or Budget for the year,
24 the Oversight Board shall require the Governor to provide

1 such additional information as the Oversight Board deter-
2 mines to be necessary to explain the inconsistency.

3 (c) CERTIFICATION OF VARIANCE.—After requiring
4 the Governor to provide additional information under sub-
5 section (b), the Oversight Board shall certify to the Legis-
6 lature, the President, and Congress that the Government
7 of Puerto Rico is at variance with the Fiscal Plan and
8 Budget unless—

9 (1)(A) the additional information provides an
10 explanation for the inconsistency that the Oversight
11 Board finds reasonable and appropriate; or

12 (B) the Government of Puerto Rico adopts or
13 implements remedial action (including revising the
14 financial plan and budget pursuant to sections
15 202(c) and 204(c)) to correct the inconsistency
16 which the Oversight Board finds reasonable and ap-
17 propriate, taking into account the terms of the Fis-
18 cal Plan and Budget; and

19 (2) the Governor agrees to submit the reports
20 described in subsection (a) on a monthly basis for
21 such period as the Oversight Board may require.

22 **SEC. 207. RECOMMENDATIONS ON FINANCIAL STABILITY**
23 **AND MANAGEMENT RESPONSIBILITY.**

24 (a) IN GENERAL.—The Oversight Board may at any
25 time submit recommendations to the Governor, the Legis-

1 lature, the President, and Congress on actions the Govern-
2 ment of Puerto Rico or the Federal Government may take
3 to ensure compliance by the Government of Puerto Rico
4 with a Fiscal Plan and Budget or to otherwise promote
5 the financial stability, management responsibility, and
6 service delivery efficiency of the Government of Puerto
7 Rico, including recommendations relating to—

8 (1) the management of the Government of
9 Puerto Rico’s financial affairs, including cash fore-
10 casting, information technology, placing controls on
11 expenditures for personnel, reducing benefit costs,
12 reforming procurement practices, and placing other
13 controls on expenditures;

14 (2) the structural relationship of departments,
15 agencies, and independent agencies within the Gov-
16 ernment of Puerto Rico;

17 (3) the modification of existing revenue struc-
18 tures, or the establishment of additional revenue
19 structures;

20 (4) the establishment of alternatives for meet-
21 ing obligations to pay for the pensions of former
22 Government of Puerto Rico employees;

23 (5) modifications or transfers of the types of
24 services that are the responsibility of and are deliv-
25 ered by the Government of Puerto Rico;

1 (6) modifications of the types of services that
2 are delivered by entities other than the Government
3 of Puerto Rico under alternative service delivery
4 mechanisms (including privatization and commer-
5 cialization);

6 (7) the effects of Puerto Rico laws and court
7 orders on the operations of the Government of Puer-
8 to Rico;

9 (8) the establishment of a personnel system for
10 employees of the Government of Puerto Rico that is
11 based upon employee performance standards; and

12 (9) the improvement of personnel training and
13 proficiency, the adjustment of staffing levels, and
14 the improvement of training and performance of
15 management and supervisory personnel.

16 (b) RESPONSE TO RECOMMENDATIONS FOR ACTIONS
17 WITHIN OVERSIGHT BOARD OF THE GOVERNMENT OF
18 PUERTO RICO.—

19 (1) IN GENERAL.—In the case of any rec-
20 ommendations submitted under subsection (a) dur-
21 ing an oversight year that are within the authority
22 of the Government of Puerto Rico to adopt, not later
23 than 90 days after receiving the recommendations,
24 the Governor or the Legislature (whichever has the
25 authority to adopt the recommendation) shall submit

1 a statement to the Oversight Board, the President,
2 and Congress that provides notice as to whether the
3 Government of Puerto Rico will adopt the rec-
4 ommendations.

5 (2) IMPLEMENTATION PLAN REQUIRED FOR
6 ADOPTED RECOMMENDATIONS.—If the Governor or
7 the Legislature (whichever is applicable) notifies the
8 Oversight Board and Congress under paragraph (1)
9 that the Government of Puerto Rico will adopt any
10 of the recommendations submitted under subsection
11 (a), the Governor or the Legislature (whichever is
12 applicable) shall include in the statement a written
13 plan to implement the recommendation that in-
14 cludes—

15 (A) specific performance measures to de-
16 termine the extent to that the Government of
17 Puerto Rico has adopted the recommendation;
18 and

19 (B) a schedule for auditing the Govern-
20 ment of Puerto Rico's compliance with the plan.

21 (3) EXPLANATIONS REQUIRED FOR REC-
22 OMMENDATIONS NOT ADOPTED.—If the Governor or
23 the Legislature (whichever is applicable) notifies the
24 Oversight Board, the President, and Congress under
25 paragraph (1) that the Government of Puerto Rico

1 will not adopt any recommendation submitted under
2 subsection (a) that the Government of Puerto Rico
3 has authority to adopt, the Governor or the Legisla-
4 ture shall include in the statement explanations for
5 the rejection of the recommendations.

6 (c) IMPLEMENTATION OF REJECTED RECOMMENDA-
7 TIONS BY OVERSIGHT BOARD.—

8 (1) IN GENERAL.—If the Governor or the Leg-
9 islature (whichever is applicable) notifies the Over-
10 sight Board, the President, and Congress under sub-
11 section (b)(1) that the Government of Puerto Rico
12 will not adopt any recommendation submitted under
13 subsection (a) that the Government of Puerto Rico
14 has authority to adopt, the Oversight Board may by
15 a majority vote of its members take such action con-
16 cerning the recommendation as it deems appro-
17 priate, after consulting with the Committee on Nat-
18 ural Resources of the House of Representatives and
19 the Committee on Energy and Natural Resources of
20 the Senate.

21 (2) EFFECTIVE DATE.—This subsection shall
22 apply with respect to recommendations of the Over-
23 sight Board made after the expiration of the 6-
24 month period that begins on the date of the enact-
25 ment of this Act.

1 (d) ADDITIONAL POWER TO ISSUE ORDERS, RULES,
2 AND REGULATIONS.—

3 (1) IN GENERAL.—In addition to the authority
4 described in subsection (c), the Oversight Board may
5 at any time issue such orders, rules, or regulations
6 as it considers appropriate to carry out the purposes
7 of this Act and the amendments made by this Act,
8 to the extent that the issuance of such an order,
9 rule, or regulation is within the authority of the
10 Governor or the head of any department or agency
11 of the Government of Puerto Rico, and any such
12 order, rule, or regulation shall be legally binding to
13 the same extent as if issued by the Governor or the
14 head of any such department or agency.

15 (2) NOTIFICATION.—Upon issuing an order,
16 rule, or regulation pursuant to this subsection, the
17 Oversight Board shall notify the Governor, the Leg-
18 islature, the President, and Congress.

19 (3) NO JUDICIAL REVIEW OF DECISION TO
20 ISSUE ORDER.—The decision by the Oversight Board
21 to issue an order, rule, or regulation pursuant to
22 this subsection shall be final and shall not be subject
23 to judicial review.

1 **SEC. 208. OVERSIGHT PERIODS DESCRIBED.**

2 (a) INITIATION.—For purposes of this Act, an “over-
3 sight period” is initiated upon the occurrence of any of
4 the following events (as determined by the Oversight
5 Board based upon information obtained through the Gov-
6 ernor, [the Inspector General of Puerto Rico,] or such
7 other sources as the Oversight Board considers appro-
8 priate):

9 (1) The failure of the Government of Puerto
10 Rico to provide sufficient revenue to a debt service
11 reserve fund of the Oversight Board under subtitle
12 B.

13 (2) The default by the Government of Puerto
14 Rico with respect to any loans, bonds, notes, or
15 other form of borrowing.

16 (3) The failure of the Government of Puerto
17 Rico to meet its payroll for any pay period.

18 (4) The existence of a cash deficit of the Gov-
19 ernment of Puerto Rico at the end of any quarter
20 of the fiscal year in excess of the difference between
21 the estimated revenues of the Government of Puerto
22 Rico and the estimated expenditures of the Govern-
23 ment of Puerto Rico (including repayments of tem-
24 porary borrowings) during the remainder of the fis-
25 cal year or the remainder of the fiscal year together
26 with the first 6 months of the succeeding fiscal year.

1 (5) The failure of the Government of Puerto
2 Rico to make required payments relating to pensions
3 and benefits for current and former employees of the
4 Government of Puerto Rico.

5 (6) The failure of the Government of Puerto
6 Rico to make required payments to any entity estab-
7 lished under an interstate compact to which Puerto
8 Rico is a signatory.

9 (b) TERMINATION.—

10 (1) IN GENERAL.—An oversight period termi-
11 nates upon the certification by the Oversight Board
12 that—

13 (A) the Government of Puerto Rico has
14 adequate access to both short-term and long-
15 term credit markets at reasonable interest rates
16 to meet its borrowing needs; and

17 (B) for 5 consecutive fiscal years (occur-
18 ring after the date of the enactment of this Act)
19 the expenditures made by the Government of
20 Puerto Rico during each of the years did not
21 exceed the revenues of the Government of Puer-
22 to Rico during such years, determined in ac-
23 cordance with generally accepted accounting
24 principles, as contained in the comprehensive
25 annual financial report for Puerto Rico.

1 **[(2) CONSULTATION WITH INSPECTOR GEN-**
2 **ERAL.—**In making the determination under this sub-
3 section, the Oversight Board shall consult with the
4 Inspector General of Puerto Rico.]

5 **(c) OVERSIGHT PERIOD DEEMED TO EXIST UPON**
6 **ENACTMENT.—**For purposes of this subtitle, an oversight
7 period is deemed to exist upon the enactment of this Act.

8 **SEC. 209. ELECTRONIC REPORTING.**

9 The**[Oversight Board] [Chief Financial Officer]**
10 may, in consultation with and through the Department of
11 Treasury of Puerto Rico, ensure the prompt and efficient
12 payment and administration of value added taxes and
13 sales taxes including (without limitation) through the ac-
14 celeration of payments, allowance of credits for appro-
15 priate discounts to accelerate payment, and adoption of
16 electronic reporting, payment and auditing technologies.

17 **[Subtitle B—Issuance of Bonds]**

18 **[SEC. 211. OVERSIGHT BOARD TO ISSUE BONDS.**

19 **[(a) IN GENERAL.—]**

20 **[(1) REQUEST OF GOVERNOR.—**Subject to the
21 requirements of this subtitle, the Oversight Board
22 may at the request of the Governor pursuant to an
23 Act of the Legislature issue bonds, notes, or other
24 obligations to borrow funds in the name of and for
25 the use of the Government of Puerto Rico, in such

1 amounts and in such manner as the Oversight
2 Board considers appropriate.】

3 【(2) SPECIAL RULE FOR INSTRUMENTALITIES
4 WITH INDEPENDENT BORROWING OVERSIGHT
5 BOARD.—In the case of an agency or instrumentality
6 of the Government of Puerto Rico that under law
7 has the authority to issue bonds, notes, or obliga-
8 tions to borrow funds without the enactment of an
9 Act of the Legislature, the Oversight Board may
10 issue bonds, notes, or other obligations to borrow
11 funds in the name of and for the use or functions
12 of such agency or instrumentality at the request of
13 the head of the agency or instrumentality.】

14 【(b) DEPOSIT OF FUNDS OBTAINED THROUGH BOR-
15 ROWING WITH OVERSIGHT BOARD.—Any funds obtained
16 by the Government of Puerto Rico through borrowing by
17 the Oversight Board pursuant to this subtitle shall be de-
18 posited into an escrow account held by the Oversight
19 Board, that shall allocate such funds to the Government
20 of Puerto Rico in such amounts and at such times as the
21 Oversight Board considers appropriate, consistent with
22 the specified purposes of such funds and the applicable
23 financial plan and budget under subtitle A.】

24 【(c) USES OF FUNDS OBTAINED THROUGH
25 BONDS.—Any funds obtained through the issuance of

1 bonds, notes, or other obligations pursuant to this subtitle
2 may be used for any purpose (consistent with the applica-
3 ble financial plan and budget) under subtitle A and for
4 any other purpose that the Oversight Board considers ap-
5 propriate.】

6 **[SEC. 212. PLEDGE OF SECURITY INTEREST IN REVENUES**
7 **OF GOVERNMENT OF PUERTO RICO.**

8 **[(a) IN GENERAL.—**The Oversight Board may
9 pledge or grant a security interest in revenues to individ-
10 uals or entities purchasing bonds, notes, or other obliga-
11 tions issued pursuant to this subtitle.】

12 **[(b) DEDICATION OF REVENUE STREAM FROM GOV-**
13 **ERNMENT OF PUERTO RICO.—**The Oversight Board shall
14 require the Governor—】

15 **[(1) to pledge or direct taxes or other revenues**
16 **otherwise payable to the Government of Puerto Rico**
17 **(that are not otherwise pledged or committed), in-**
18 **cluding payments from the Federal Government, to**
19 **the Oversight Board for purposes of securing repay-**
20 **ment of bonds, notes, or other obligations issued**
21 **pursuant to this subtitle; and】**

22 **[(2) to transfer the proceeds of any tax levied**
23 **for purposes of securing such bonds, notes, or other**
24 **obligations to the Oversight Board immediately upon**
25 **collection.】**

1 **[SEC. 213. ESTABLISHMENT OF DEBT SERVICE RESERVE**
2 **FUND.]**

3 **[(a) IN GENERAL.—**As a condition for the issuance
4 of bonds, notes, or other obligations pursuant to this sub-
5 title, the Oversight Board shall establish a debt service
6 reserve fund in accordance with this section.]

7 **[(b) REQUIREMENTS FOR FUND.—]**

8 **[(1) FUND DESCRIBED.—**A debt service reserve
9 fund established by the Oversight Board pursuant to
10 this subsection shall consist of such funds as the
11 Oversight Board may make available, and shall be a
12 trust fund held for the benefit and security of the
13 obligees of the Oversight Board whose bonds, notes,
14 or other obligations are secured by such fund.]

15 **[(2) USES OF FUNDS.—**Amounts in a debt
16 service reserve fund may be used solely for the pay-
17 ment of the principal of bonds secured in whole or
18 in part by such fund, the purchase or redemption of
19 such bonds, the payment of interest on such bonds,
20 or the payment of any redemption premium required
21 to be paid when such bonds and notes are redeemed
22 prior to maturity.]

23 **[(3) RESTRICTIONS ON WITHDRAWALS.—]**

24 **[(A) IN GENERAL.—**Amounts in a debt
25 service reserve fund may not be withdrawn from
26 the fund at any time in an amount that would

1 reduce the amount of the fund to less than the
2 minimum reserve fund requirement established
3 for such fund in the resolution of the Oversight
4 Board creating such fund, except for with-
5 drawals for the purpose of making payments
6 when due of principal, interest, redemption pre-
7 miums and sinking fund payments, if any, with
8 respect to such bonds for the payment of which
9 other moneys of the Oversight Board are not
10 available, and for the purpose of funding the
11 operations of the Oversight Board for a fiscal
12 year (in such amounts and under such condi-
13 tions as are established under the budget of the
14 Oversight Board for the fiscal year under sec-
15 tion 107).】

16 【(B) USE OF EXCESS FUNDS.—Nothing in
17 subparagraph (A) may be construed to prohibit
18 the Oversight Board from transferring any in-
19 come or interest earned by, or increments to,
20 any debt service reserve fund due to the invest-
21 ment thereof to other funds or accounts of the
22 Oversight Board (to the extent such transfer
23 does not reduce the amount of the debt service
24 reserve fund below the minimum reserve fund
25 requirement established for such fund) for such

1 purposes as the Oversight Board considers ap-
2 propriate consistent with its powers.】

3 **[SEC. 214. OTHER REQUIREMENTS FOR ISSUANCE OF**
4 **BONDS.**

5 The Oversight Board may not at any time issue
6 bonds, notes, or other obligations pursuant to this subtitle
7 that are secured in whole or in part by a debt service re-
8 serve fund under section 213 if issuance of such bonds
9 would cause the amount in the debt service reserve fund
10 to fall below the minimum reserve requirement for such
11 fund, unless the Oversight Board at the time of issuance
12 of such bonds shall deposit in the fund an amount (from
13 the proceeds of the bonds to be issued or from other
14 sources) that when added to the amount already in such
15 fund will cause the total amount on deposit in such fund
16 to equal or exceed the minimum reserve fund requirement
17 established by the Oversight Board at the time of the es-
18 tablishment of the fund.】

19 **SEC. 215. NO FULL FAITH AND CREDIT OF THE UNITED**
20 **STATES.**

21 The full faith and credit of the United States is not
22 pledged for the payment of any principal of or interest
23 on any bond, note, or other obligation issued by the Over-
24 sight Board pursuant to this subtitle. The United States
25 is not responsible or liable for the payment of any prin-

1 cipal of or interest on any bond, note, or other obligation
2 issued by the Oversight Board pursuant to this subtitle.

3 **Subtitle C—Other Duties of**
4 **Oversight Board**

5 **SEC. 221. DUTIES OF OVERSIGHT BOARD DURING YEAR**
6 **OTHER THAN OVERSIGHT YEAR.**

7 (a) IN GENERAL.—During the period beginning upon
8 the termination of an oversight period pursuant to section
9 209(b) and ending with the suspension of its activities
10 pursuant to section 108(a), the Oversight Board shall con-
11 duct the following activities:

12 (1) The Oversight Board shall review the budg-
13 ets of the Government of Puerto Rico adopted by the
14 Legislature for each fiscal year occurring during
15 such period.

16 (2) At such time prior to the enactment of such
17 budget as the Oversight Board considers appro-
18 priate, the Oversight Board shall prepare a report
19 analyzing the budget and submit the report to the
20 Governor, the Legislature, the President, and Con-
21 gress.

22 (3) The Oversight Board shall monitor the fi-
23 nancial status of the Government of Puerto Rico and
24 shall submit reports to the Governor, the Legisla-
25 ture, the President, and Congress if the Oversight

1 Board determines that a risk exists that an over-
2 sight period may be initiated pursuant to section
3 209(a).

4 (4) The Oversight Board shall carry out activi-
5 ties under subtitle B with respect to bonds, notes, or
6 other obligations of the Oversight Board outstanding
7 during such period.

8 (b) **REQUIRING GOVERNOR TO SUBMIT BUDGETS TO**
9 **OVERSIGHT BOARD.**—With respect to the budget for each
10 fiscal year occurring during the period described in sub-
11 section (a), the Governor shall submit the budget of the
12 Government of Puerto Rico adopted by the Legislature to
13 the Oversight Board.

14 **SEC. 222. GENERAL ASSISTANCE IN ACHIEVING FINANCIAL**
15 **STABILITY AND MANAGEMENT EFFICIENCY.**

16 In addition to any other actions described in this title,
17 the Oversight Board may undertake cooperative efforts to
18 assist the Government of Puerto Rico in achieving finan-
19 cial stability and management efficiency, including—

20 (1) assisting the Government of Puerto Rico in
21 avoiding defaults, eliminating and liquidating defi-
22 cits, maintaining sound budgetary practices, and
23 avoiding interruptions in the delivery of services;

24 (2) assisting the Government of Puerto Rico in
25 improving the delivery of municipal services, the

1 training and effectiveness of personnel of the Gov-
2 ernment of Puerto Rico, and the efficiency of man-
3 agement and supervision; and

4 (3) making recommendations to the President
5 for transmission to Congress on changes to this Act
6 or other Federal laws, or other actions of the Fed-
7 eral Government, that would assist the Government
8 of Puerto Rico in complying with an approved Fiscal
9 Plan and Budget.

10 **SEC. 223. OBTAINING REPORTS.**

11 The Oversight Board may require the Governor, the
12 Legislature, and the Inspector General of Puerto Rico, to
13 prepare and submit such reports as the Oversight Board
14 considers appropriate to assist it in carrying out its re-
15 sponsibilities under this Act, including submitting copies
16 of any reports regarding revenues, expenditures, budgets,
17 costs, plans, operations, estimates, and other financial or
18 budgetary matters of the Government of Puerto Rico.

19 **SEC. 224. REPORTS AND COMMENTS.**

20 (a) ANNUAL REPORTS TO CONGRESS.—Not later
21 than 30 days after the last day of each fiscal year that
22 is an oversight year, the Oversight Board shall submit a
23 report to Congress describing—

1 (1) the progress made by the Government of
2 Puerto Rico in meeting the objectives of this Act
3 during the fiscal year;

4 (2) the assistance provided by the Oversight
5 Board to the Government of Puerto Rico in meeting
6 the purposes of this Act for the fiscal year; and

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

9 (b) REVIEW AND ANALYSIS OF PERFORMANCE AND
10 FINANCIAL ACCOUNTABILITY REPORTS.—In the case of
11 any report submitted by the Governor for a fiscal year
12 (or any quarter of a fiscal year) that is an oversight year,
13 the Governor shall submit the report to the Oversight
14 Board. The Oversight Board shall review each report pre-
15 pared and submitted by the Governor and shall submit
16 a report to Congress analyzing the completeness and accu-
17 racy of such reports.

18 (c) COMMENTS REGARDING ACTIVITIES OF GOVERN-
19 MENT OF PUERTO RICO.—At any time during an over-
20 sight year, the Oversight Board may submit a report to
21 Congress describing any action taken by the Government
22 of Puerto Rico (or any failure to act by the Government
23 of Puerto Rico) that the Oversight Board determines will
24 adversely affect the Government of Puerto Rico's ability
25 to comply with an approved financial plan and budget

1 under title I or will otherwise have a significant adverse
2 impact on the best interests of Puerto Rico.

3 (d) MAKING REPORTS PUBLICLY AVAILABLE.—The
4 Oversight Board shall make any report submitted under
5 this section available to the public, except to the extent
6 that the Oversight Board determines that the report con-
7 tains confidential material.

8 **TITLE III—ADJUSTMENTS OF** 9 **DEBTS**

10 **SEC. 301. APPLICABILITY OF OTHER LAWS; DEFINITIONS.**

11 (a) SECTIONS APPLICABLE TO PROCEEDINGS UNDER
12 THIS TITLE.—Sections 101 (except as otherwise provided
13 in this section), 102, 104, 105, 106, 107, 108, 112, 327,
14 328, 329, 330, 331, 333, 344, 347(b), 349, 350(b), 351,
15 361, 362, 364(c), 364(d), 364(e), 364(f), 365, 366, 501,
16 502, 503, 504, 506, 507(a)(2), 509, 510, 524(a)(1),
17 524(a)(2), 544, 545, 546, 547, 548, 549(a), 549(c),
18 549(d), 550, 551, 552, 553, 555, 556, 557, 559, 560, 561,
19 562, 902 (except as otherwise provided in this section),
20 922, 923, 925, 926, 927, 928, 944, 945, 946, 1102, 1103,
21 1109, 1111(b), 1122, 1123(a)(1), 1123(a)(2), 1123(a)(3),
22 1123(a)(4), 1123(a)(5), 1123(b), 1123(d), 1124, 1125,
23 1126(a), 1126(b), 1126(c), 1126(e), 1126(f), 1126(g),
24 1127(d), 1128, 1129(a)(2), 1129(a)(3), 1129(a)(6),
25 1129(a)(8), 1129(a)(10), 1129(b)(1), 1129(b)(2)(A),

1 1129(b)(2)(B), 1142(b), 1143, 1144, 1145, and 1146(a)
2 of title 11, United States Code, apply in a case under this
3 title.

4 (b) MEANINGS OF TERMS.—A term used in a section
5 of title 11, United States Code, made applicable in a case
6 under this title by subsection (a), has the meaning given
7 to the term for the purpose of the applicable section, un-
8 less the term is otherwise defined in this Act.

9 (c) AFFILIATE.—The term “affiliate” means, in addi-
10 tion to the definition made applicable in a case under this
11 title by subsection (a)—

12 (1) for a territory, any territorial instrumen-
13 tality; and

14 (2) for a territorial instrumentality, the gov-
15 erning territory and any of the other territorial in-
16 strumentalities of the territory.

17 (d) PROPERTY OF THE ESTATE.—The term “prop-
18 erty of the estate,” when used in a section of title 11 or
19 28, United States Code, made applicable in a case under
20 this title by subsection (a), means property of the debtor.

21 (e) TERRITORY.—The term “territory” means—

22 (1) American Samoa;

23 (2) Guam;

24 (3) the Commonwealth of the Northern Mar-
25 iana Islands;

1 (4) the Commonwealth of Puerto Rico; and

2 (5) the United States Virgin Islands.

3 (f) TERRITORIAL INSTRUMENTALITY.—The term
4 “territorial instrumentality”—

5 (1) means any political subdivision, public agen-
6 cy, instrumentality, or public corporation of a terri-
7 tory; and

8 (2) does not include an Oversight Board.

9 (g) TRUSTEE.—The term “trustee”, when used in a
10 section of title 11, United States Code, made applicable
11 in a case under this title by subsection (a), means the
12 Oversight Board.

13 (h) REFERENCE TO TITLE.—Solely for purposes of
14 this title, a reference to a case under “title 11” or words
15 of similar import in a section of titles 11 and 28, United
16 States Code, or in the Federal Rules of Bankruptcy Proce-
17 dure, made applicable in a case under this title shall be
18 deemed to be a reference to this title.

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

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

21 (1) the entity is—

22 (A) a territory that is subject to an Over-
23 sight Board pursuant to an Act of the U.S.
24 Congress; or

- 1 (B) a territorial instrumentality of a terri-
2 tory as described in subparagraph (1)(A);
3 (2) the Oversight Board has issued a certifi-
4 cation under section 203(a); and
5 [(3) it desires to effect a plan to adjust its
6 debts.]

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

10 Except as otherwise provided in this Act, this title
11 does not limit or impair the power of a territory to control,
12 by legislation or otherwise, the territory or any territorial
13 instrumentality thereof in the exercise of the political or
14 governmental powers of the territory or territorial instru-
15 mentality, including expenditures for such exercise, but—

16 (1) a territory law prescribing a method of com-
17 position of indebtedness of the territory or any terri-
18 torial instrumentality thereof may not bind any cred-
19 itor that does not consent to the composition; and

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

23 **SEC. 304. PETITION AND PROCEEDINGS RELATING TO PETI-**
24 **TION.**

25 (a) COMMENCEMENT OF CASE.—

1 (1) PETITION.—A case under this title may be
2 commenced by the Oversight Board by filing a peti-
3 tion in the district court in which venue is proper
4 under section 307. If the Oversight Board is filing
5 petitions for more than 1 debtor, the Oversight
6 Board shall file a separate petition for each debtor.

7 (2) DETERMINATION REQUIRED.—The Over-
8 sight Board, on behalf of, and acting as agent for,
9 the debtor, may file a petition under paragraph (1)
10 for a debtor if the Oversight Board has made a de-
11 termination that the debtor satisfies the require-
12 ments under section 302.

13 (b) OBJECTION TO PETITION.—After any objection
14 to the petition, the court, after notice and a hearing, may
15 dismiss the petition if the debtor does not satisfy the re-
16 quirements under section 302.

17 (c) ORDER OF RELIEF.—The commencement of a
18 case under this title constitutes an order for relief.

19 (d) APPEAL.—The court may not—

20 (1) on account of an appeal from an order for
21 relief, delay any proceeding under this title in the
22 case in which the appeal is being taken; or

23 (2) nor shall any court order a stay of such
24 proceeding pending the appeal.

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

5 [(f) PETITIONS AND PLANS.—The Oversight Board,
6 on behalf of debtors, may file petitions or submit or modify
7 plans of adjustments jointly if the debtors are affiliates.]

8 [(g) JOINT ADMINISTRATION OF CASES.—If the
9 Oversight Board, on behalf of a debtor and one or more
10 affiliates have filed separate cases and the Oversight
11 Board files a motion to administer the cases jointly, the
12 courts shall order a joint administration of the cases.]

13 **SEC. 305. JURISDICTION; REMOVAL; APPEALS.**

14 (a) FEDERAL SUBJECT MATTER JURISDICTION.—
15 Except as provided in section 306 the district courts shall
16 have—

17 (1) except as provided in paragraph (2), the
18 district court shall have original and exclusive juris-
19 diction of all cases under this title;

20 (2) except as provided in paragraph (3), and
21 notwithstanding any Act of Congress that confers
22 exclusive jurisdiction on a court or courts other than
23 the district courts, the district courts shall have
24 original but not exclusive jurisdiction of all civil pro-

1 proceedings arising under this title, or arising in or re-
2 lated to cases under this title; and

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

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

11 (c) **REMOVAL AND REMAND.**—

12 (1) **REMOVAL.**—A party may remove any claim
13 or cause of action in a civil action other than a pro-
14 ceeding before the United States Tax Court or a
15 civil action by a governmental unit to enforce the po-
16 lice or regulatory power of the governmental unit, to
17 the district court for the district in which the civil
18 action is pending, if the district court has jurisdic-
19 tion of the claim or cause of action under this sec-
20 tion.

21 (2) **REMAND.**—The district court to which the
22 claim or cause of action is removed under paragraph
23 (1) may remand the claim or cause of action on any
24 equitable ground. An order entered under this sub-
25 section remanding a claim or cause of action, or a

1 decision to not remand, is not reviewable by appeal
2 or otherwise by the court of appeals under section
3 158(d), 1291, or 1292 of title 28, United States
4 Code, or by the Supreme Court of the United States
5 under section 1254 of title 28, United States Code.

6 **SEC. 306. LIMITATION ON JURISDICTION AND POWERS OF**
7 **COURT.**

8 (a) IN GENERAL.—Except as otherwise provided in
9 this Act, notwithstanding any power of the court, unless
10 the Oversight Board on behalf of the debtor agrees or the
11 plan of adjustment so provides, the court may not, by any
12 stay, order, or decree, in the case or otherwise, interfere
13 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 (b) PERMISSIVE ABSTENTION.—Nothing in this title
21 prevents a district court in the interests of justice from
22 abstaining from hearing a particular proceeding arising in
23 or related to a case under this title.

24 **[(c) MANDATORY ABSTENTION AND CERTIFICATION**
25 **TO TERRITORIAL HIGH COURT.—]**

1 【(1) MANDATORY ABSTENTION.—Unless the
2 territorial high court for the relevant territory has
3 previously rendered a controlling decision on the
4 issue, the court shall abstain from hearing and de-
5 termining an issue requiring resolution of—】

6 【(A) interests in property under the laws
7 of the territory; or】

8 【(B) interpretation or application of the
9 constitution of the territory.】

10 【(2) CERTIFICATION.—The court shall certify
11 an issue described in paragraph (1) to the territorial
12 high court.】

13 【(3) ACCEPTANCE OF CERTIFICATION.—A ter-
14 ritorial high court shall accept a certification under
15 paragraph (2) not later than 10 days after the cer-
16 tification is made.】

17 【(4) BINDING DECISION.—A decision by the
18 territorial high court regarding an issue certified
19 under paragraph (2) shall be binding on a court,
20 other than the Supreme Court of the United States,
21 in a proceeding arising under this title or arising in
22 or relating to a case under this title.】

23 **SEC. 307. VENUE.**

24 Venue for a case under this title shall be proper—

1 (1) with respect to a territory, in the district
2 court for the territory, or, for a territory that does
3 not have a district court, in the United States Dis-
4 trict Court for the District of Hawaii; and

5 (2) with respect to a territorial instrumentality,
6 in the district court for the affiliate territory or, for
7 a territory that does not have a district court, in the
8 United States District Court for the District of Ha-
9 waii.

10 (3) **■**If the Oversight Board determines that the
11 venue under paragraphs (1) and (2) will not ade-
12 quately provide for proper case management, then
13 venue shall be proper in the district court for the ju-
14 risdiction in which the Oversight Board maintains
15 an office that is located outside the territory. **■**

16 **SEC. 308. APPLICABLE RULES OF PROCEDURE.**

17 (a) **APPLICABLE RULES.**—Subject to subsection (b),
18 the Federal Rules of Bankruptcy Procedure shall be appli-
19 cable in a case under this title. To the extent just and
20 consistent with the provisions of this title, the court shall
21 apply the rules of the Federal Rules of Bankruptcy Proce-
22 dure as if the case were a case under chapter 9 of title
23 11, United States Code.

24 (b) **RULEMAKING.**—The Supreme Court of the
25 United States shall have the power to prescribe by general

1 rules, the forms of process, writs, pleadings, and motions,
2 and the practice and procedure in cases under this title,
3 which may include amendments to the Federal Rules of
4 Bankruptcy Procedure. Any such rule shall not abridge,
5 enlarge, or modify any substantive right. The Supreme
6 Court of the United States shall transmit to Congress a
7 copy of the proposed rule not later than May 1 of the year
8 in which a rule prescribed under this section is to become
9 effective. The rule shall take effect no earlier than Decem-
10 ber 1 of the year in which it is transmitted to Congress
11 unless otherwise provided by law.

12 **SEC. 309. ROLE AND CAPACITY OF OVERSIGHT BOARD.**

13 (a) ACTIONS OF OVERSIGHT BOARD.—Subject to sec-
14 tions 303 and 307, for the purposes of this title, the Over-
15 sight Board, as agent for the debtor, may take any action
16 necessary on behalf of the debtor to prosecute the case
17 of the debtor, including—

- 18 (1) filing a petition under section 304(a);
19 (2) submitting or modifying a plan of adjust-
20 ment under sections 315 and 316; or
21 (3) otherwise generally submitting filings in re-
22 lation to the case with the court.

23 (b) REPRESENTATIVE OF DEBTOR.—The Oversight
24 Board in a case under this title is the representative of
25 the debtor.

1 (c) CAPACITY.—The Oversight Board in a case under
2 this title has the capacity to sue and be sued, but only
3 in its representative capacity on behalf of and as agent
4 for a debtor.

5 **SEC. 310. LIST OF CREDITORS.**

6 The Oversight Board shall file a list of creditors.

7 **SEC. 311. DISMISSAL.**

8 After notice and a hearing, the court may dismiss a
9 case under this title for cause, including—

10 (1) want of prosecution;

11 (2) unreasonable delay by the Oversight Board
12 that is prejudicial to creditors;

13 (3) failure to propose a plan within the time
14 fixed under section 313(b);

15 (4) if a plan is not accepted within any fixed
16 time by the court;

17 (5) denial of confirmation of a plan under sec-
18 tion 315 and denial of additional time for filing an-
19 other plan or a modification of the plan; or

20 (6) if the court has retained jurisdiction after
21 confirmation of a plan—

22 (A) material default by the debtor or the
23 Oversight Board with respect to a term of the
24 plan; or

1 (B) termination of the plan by reason of
2 the occurrence of a condition specified in the
3 plan.

4 **SEC. 312. LEASES.**

5 A lease to a territory or territorial instrumentality
6 shall not be treated as an executory contract or unexpired
7 lease for the purposes of section 365 or 502(b)(6) of title
8 11, United States Code, solely by reason of the lease being
9 subject to termination in the event the debtor fails to ap-
10 propriate rent.

11 **SEC. 313. FILING OF PLAN OF ADJUSTMENT.**

12 (a) EXCLUSIVITY.—Only the Oversight Board may
13 file a plan of adjustment of the debts of the debtor.

14 (b) DEADLINE FOR FILING PLAN.—If the Oversight
15 Board does not file a plan of adjustment with the petition,
16 the Oversight Board shall file a plan of adjustment at the
17 time set by the court.

18 (c) PLAN FOR AFFILIATES.—The Oversight Board
19 may submit a joint plan of adjustment for multiple debtors
20 if they are affiliates, provided that the requirements of
21 section 315 shall apply to each debtor to which the plan
22 applies. Nothing in this subsection shall be construed as
23 authorizing substantive consolidation of cases or the af-
24 fecting through consolidation of secured creditors' inter-
25 ests in their collateral.

1 **SEC. 314. MODIFICATION OF PLAN.**

2 The Oversight Board may modify the plan at any
3 time before confirmation, but may not modify the plan so
4 that the plan as modified fails to meet the requirements
5 of this title. After the Oversight Board files a modifica-
6 tion, the plan as modified becomes the plan.

7 **SEC. 315. CONFIRMATION.**

8 (a) OBJECTION.—A special tax payer may object to
9 confirmation of a plan.

10 (b) CONFIRMATION.—The court shall confirm the
11 plan if—

12 (1) the plan complies with the provisions of title
13 11 of the United States Code, made applicable to a
14 case under this title by [section 401];

15 (2) the plan complies with the provisions of this
16 title;

17 (3) all amounts paid or to be paid by the debtor
18 or by any person for services or expenses in the case
19 or incident to the plan have been fully disclosed and
20 are reasonable;

21 (4) the debtor is not prohibited by law from
22 taking any action necessary to carry out the plan;

23 (5) except to the extent that the holder of a
24 particular claim has agreed to a different treatment
25 of such claim, the plan provides that on the effective
26 date of the plan each holder of a claim of a kind

1 specified in 507(a)(2) of title 11, United States
2 Code, will receive on account of such claim cash
3 equal to the allowed amount of such claim;

4 (6) any regulatory or electoral approval nec-
5 essary under applicable law in order to carry out any
6 provision of the plan has been obtained, or such pro-
7 vision is expressly conditioned on such approval; and

8 (7) the plan is in the best interests of creditors
9 and is feasible.

10 (8) the plan is consistent with the applicable
11 fiscal plan certified by the Oversight Board under
12 Title I.

13 **SEC. 316. APPLICABILITY.**

14 (a) CASES, DEBTS, CLAIMS, AND LIENS.—This title
15 shall apply with respect to—

16 (1) cases commenced under this title on or after
17 the date of enactment of this Act; and

18 (2) debts, claims, and liens created before, on,
19 or after the date of enactment of this Act.

20 (b) NOT A LIMITATION.—Nothing in this title shall
21 be construed to limit the powers of an Oversight Board
22 enumerated unto such Oversight Board by the U.S. Con-
23 gress in any manner whatsoever.

1 **TITLE IV—MISCELLANEOUS**
2 **PROVISIONS**

3 **SEC. 401. LEGISLATURE APPROVAL OF CERTAIN CON-**
4 **TRACTS.**

5 (a) **CONTRACTS EXCEEDING CERTAIN AMOUNT.—**

6 (1) **IN GENERAL.—**No contract involving ex-
7 penditures in excess of \$1,000,000 during a 12-
8 month period may be made unless the Governor sub-
9 mits the contract to the Legislature for its approval
10 and the Legislature approves the contract (in ac-
11 cordance with criteria established by Act of the Leg-
12 islature).

13 (2) **DEEMED APPROVAL.—**For purposes of
14 paragraph (1), the Legislature shall be deemed to
15 approve a contract if—

16 (A) during the 10-day period beginning on
17 the date the Governor submits the contract to
18 the Legislature, no member of the Legislature
19 introduces a resolution approving or dis-
20 approving the contract; or

21 (B) during the 45-calendar day period be-
22 ginning on the date the Governor submits the
23 contract to the Legislature, the Legislature
24 does not disapprove the contract.

1 (b) EFFECTIVE DATE.—This section shall apply to
2 contracts made on or after the date of the enactment of
3 this Act.

4 **[SEC. 402. REPORT BY OVERSIGHT BOARD.]**

5 **[Mechanism to ensure the Oversight Board is car-**
6 **rying out its duties under this Act.]**

7 **SEC. 403. DEFINITIONS.**

8 In this Act, the following definitions apply:

9 (1) OVERSIGHT BOARD.—The term “Oversight
10 Board” means the Puerto Rico Financial Oversight
11 and Management Board established under section
12 101(a).

13 (2) OVERSIGHT PERIOD.—The term “oversight
14 period” has the meaning given such term in section
15 209.

16 (3) OVERSIGHT YEAR.—The term “oversight
17 year” means any fiscal year for that a Fiscal Plan
18 and Budget approved by the Oversight Board under
19 section 202 and section 204 is in effect, and includes
20 fiscal year 2017.

21 (4) FISCAL PLAN AND BUDGET.—The term
22 “Fiscal Plan and Budget” means a Fiscal Plan de-
23 veloped under section 204 and Budget developed in
24 section 202.

1 (5) GOVERNOR.—The term “Governor” means
2 the Governor of Puerto Rico.

3 (6) LEGISLATURE.—The term “Legislature”
4 means the Legislative Assembly of Puerto Rico.

5 (7) GOVERNMENT OF PUERTO RICO.—The term
6 “Government of Puerto Rico” means the Govern-
7 ment of Puerto Rico, including any department,
8 agency, or instrumentality of the Government of
9 Puerto Rico; any independent agency of Puerto Rico
10 or any other agency, board, or commission estab-
11 lished by the Governor or the Legislature; the Legis-
12 lature of Puerto Rico; and any other agency, public
13 authority, or public benefit corporation that has the
14 authority to receive money directly or indirectly from
15 Puerto Rico (other than monies received from the
16 sale of goods, the provision of services, or the loan-
17 ing of funds to Puerto Rico), except that such term
18 does not include the Oversight Board.

19 **SEC. 404. RULES OF CONSTRUCTION.**

20 Nothing in this Act may be construed—

21 (1) to relieve any obligations existing as of the
22 date of the enactment of this Act of the Government
23 of Puerto Rico to repay any individual or entity
24 from whom Puerto Rico has borrowed funds, wheth-
25 er through the issuance of bonds or otherwise;

1 (2) to limit the authority of Congress to exer-
2 cise ultimate legislative authority over Puerto Rico;
3 and

4 (3) to authorize the application of section
5 103(e) of this Act (relating to issuance of sub-
6 poenas) to judicial officers or employees of Puerto
7 Rico courts.

8 **SEC. 405. EXPEDITED SUBMISSION AND APPROVAL OF CON-**
9 **SENSUS FISCAL PLAN AND BUDGET.**

10 Notwithstanding any other provision of this section,
11 if the Governor, the Legislature, and the Oversight Board
12 jointly develop a Fiscal Plan and Budget for the fiscal
13 year that meets the requirements applicable under section
14 201, 202, and 204 and that the Governor, Legislature,
15 and Oversight Board certify reflects a consensus among
16 them—

17 (1) such Fiscal Plan and Budget shall serve as
18 the Fiscal Plan and Budget of the Government of
19 Puerto Rico for the fiscal year adopted by the Legis-
20 lature under sections 202 and 204; and

21 (2) the Oversight Board shall transmit the Fis-
22 cal Plan and Budget to the President and Congress.

23 **SEC. 406. AMENDMENT.**

24 Section 362(a) of title 11, United States Code, is
25 amended by—

1 (1) striking “, or an application” and inserting
2 “, an application”; and

3 (2) adding “or a petition filed under section
4 304(a) of the Territory Economic Stabilization and
5 Investor Protection Act of 2016,” after “1970,”.

6 **SEC. 407. SEVERABILITY.**

7 If any provision of this Act, or the application of any
8 provision of this Act, to any person or circumstance, is
9 found to be unconstitutional, the remainder of this Act,
10 or the application of the provision to other persons or cir-
11 cumstances, shall not be affected.

12 **SEC. 408. RIGHT OF PUERTO RICO TO DETERMINE ITS FU-**
13 **TURE POLITICAL STATUS.**

14 Nothing in this Act shall be interpreted to restrict
15 Puerto Rico’s rights to determine its future political sta-
16 tus, including by conducting the plebiscite as authorized
17 by Public Law 113–76.

18 **SECTION 409. FIRST MINIMUM WAGE IN PUERTO RICO.**

19 Section 6(g)(4) of the Fair Labor Standards Act of
20 1938 (29 U.S.C. 206(g)(4) is amended by striking “years”
21 and inserting “years, except in the case of the wage appli-
22 cable in Puerto Rico, 25 years”.

1 **SECTION 410. APPLICATION OF REGULATION TO PUERTO**
2 **RICO.**

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

9 **SEC. 411. LAND CONVEYANCE AUTHORITY, VIEQUES NA-**
10 **TIONAL WILDLIFE REFUGE, VIEQUES ISLAND.**

11 Section 1508(c) of the Floyd D. Spence National De-
12 fense Authorization Act for Fiscal Year 2001 (as enacted
13 into law by Public Law 106–398; 114 Stat. 1654A–356)
14 is amended—

15 (1) by striking “The Secretary” and inserting
16 the following:

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

19 (2) by adding at the end the following new
20 paragraphs:

21 “(2) CONVEYANCE AUTHORITY.—

22 “(A) CONVEYANCE AUTHORIZED, PUR-
23 POSE.—Except as provided in subparagraph
24 (B), the Secretary of the Interior is authorized
25 to convey, without consideration, all or any por-
26 tion of the Conservation Zones transferred to

1 the Secretary under subsection (a) to the Com-
2 monwealth of Puerto Rico for the purpose of
3 permitting the Commonwealth of Puerto Rico
4 to use or further convey the property for the
5 benefit of the Municipality of Vieques and its
6 residents.

7 “(B) CERTAIN LANDS EXCLUDED.—The
8 conveyance authority provided by this para-
9 graph does not include the land encompassing
10 Solid Waste Management Unit 4, as depicted
11 on the map of former Naval Ammunition Sup-
12 port Detachment, Vieques, maintained by the
13 Naval Facilities Engineering Command.

14 “(C) INDEMNIFICATION.—The indem-
15 nification requirements and conditions specified
16 in section 1502(e) of this Act shall apply with
17 respect to the release or threatened release
18 (after the conveyance is made under this para-
19 graph) of any hazardous substance or pollutant
20 or contaminant as a result of Department of
21 Defense activities on the conveyed property.

22 “(D) RELATION TO COOPERATIVE AGREE-
23 MENT.—The cooperative agreement entered into
24 under subsection (d)(1) shall no longer apply to
25 any portion of the Conservation Zones conveyed

1 by the Secretary of the Interior under this
2 paragraph.

3 “(E) RELATION TO OTHER LAWS.—Noth-
4 ing in this paragraph shall be construed to af-
5 fect the continued applicability of section
6 120(h) of the Comprehensive Environmental
7 Response, Compensation, and Liability Act of
8 1980 (42 U.S.C. 9620(h)) and the Endangered
9 Species Act of 1973 (16 U.S.C. 1531 et seq.)
10 to any portion of the Conservation Zones con-
11 veyed by the Secretary of the Interior under
12 this paragraph.”.

13 **SECTION 412. STUDY AND REPORTS REGARDING PUERTO**
14 **RICO PUBLIC PENSION PLANS.**

15 (a) STUDY OF PUERTO RICO PUBLIC PENSION
16 DEBT.—Not later than 6 months after the establishment
17 of the Puerto Rico Financial Responsibility and Manage-
18 ment Assistance Authority, if any such Authority is estab-
19 lished, the Joint Board for the Enrollment of Actuaries
20 established under section 3041 of the Employee Retire-
21 ment Income Security Act of 1974 (29 U.S.C. 1241) shall
22 report to such Authority and the Office of Domestic Fi-
23 nance of the Department of the Treasury on the following
24 with respect to the Puerto Rico public pension plans:

1 (1) Recommendations on actions that would be
2 necessary to ensure that such plans can be
3 sustainably maintained and funded by the govern-
4 ment of Puerto Rico for the next 20 years.

5 (2) Whether a freeze of future benefit accruals
6 under such plans is necessary or advisable.

7 (3) The extent to which benefit reductions to
8 core or ancillary benefits, such as have been made
9 in previous municipal bankruptcy proceedings, would
10 be necessary or advisable to attain sustainability for
11 such plans or create parity with payment reductions
12 applicable to retired individuals who are, directly or
13 indirectly, Puerto Rico bondholders.

14 The Joint Board may, in its discretion, seek assistance
15 from the Advisory Committee on Actuarial Examinations
16 of the Joint Board, and may expand the size of such com-
17 mittee as appropriate to accomplish the requirements of
18 this subsection in a timely manner.

19 (b) REPORTING REQUIREMENTS FOR PUERTO RICO
20 PUBLIC PENSION PLANS.—

21 (1) IN GENERAL.—The plan sponsor of a Puer-
22 to Rico public pension plan shall file with the Sec-
23 retary of the Treasury, or the Secretary's delegate
24 (referred to in this subsection as the "Secretary"),
25 in such form and manner as shall be prescribed by

1 the Secretary, an actuarial statement for each plan
2 year ending on or after the date of the enactment
3 of this Act.

4 (2) REQUIREMENTS.—

5 (A) TIMING OF REPORT.—The plan spon-
6 sor of a Puerto Rico public pension plan shall
7 make the filing required under paragraph (1)
8 for each plan year not later than 90 days after
9 the end of such plan year.

10 (B) INDEPENDENT ACTUARY.—The actu-
11 arial statement required under paragraph (1)
12 for each plan year shall be prepared by an inde-
13 pendent actuary.

14 (C) FAIR MARKET VALUE.—The actuarial
15 statement required under paragraph (1) shall
16 contain information regarding the fair market
17 value of the plan's assets and liabilities, as de-
18 termined using a discount rate equal to—

19 (i) the high yield of the 10-year
20 Treasury note auctioned at the final auc-
21 tion held prior to the last day of the plan
22 year,

23 (ii) the high yield of the 30-year
24 Treasury bond auctioned at the final auc-

1 tion held prior to the last day of the plan
2 year, and

3 (iii) any other interest rate or rates
4 used by the plan to determine the value of
5 plan assets or liabilities.

6 (D) AVAILABILITY OF REPORTS.—Upon
7 receipt of each actuarial statement described in
8 paragraph (1), the Secretary shall immediately
9 post such report on the Internet website of the
10 Department of the Treasury and transmit such
11 report to the Chair of the Securities and Ex-
12 change Commission and the Board of Directors
13 of the Municipal Securities Rulemaking Board.

14 (c) PUERTO RICO PUBLIC PENSION PLAN.—For pur-
15 poses of this section, the term “Puerto Rico public pension
16 plan” means any of the following maintained by the gov-
17 ernment of Puerto Rico:

18 (1) The Employees Retirement System (ERS).

19 (2) The Teachers Retirement System (TRS).

20 (3) The Judiciary Retirement System (JRS).

21 (4) Any other pension plan sponsored by the
22 government of Puerto Rico, or any of its political
23 subdivision or public corporations.

1 **SEC. 413. AUTOMATIC STAY UPON ENACTMENT.**

2 (a) IN GENERAL.—Except as provided in subsection
3 (b) of this section, the establishment of a Oversight Board
4 for Puerto Rico in accordance with section 101 operates
5 with respect to a Bond as a stay, applicable to all entities
6 (as such term is defined in section 101 of title 11, United
7 States Code), of—

8 (1) the commencement or continuation, includ-
9 ing the issuance or employment of process, of a judi-
10 cial, administrative, or other action or proceeding
11 against the Government of Puerto Rico that was or
12 could have been commenced before the enactment of
13 this Act, or to recover a Bond Claim against the
14 Government of Puerto Rico that arose before the en-
15 actment of this Act;

16 (2) the enforcement, against the Government of
17 Puerto Rico or against property of the Government
18 of Puerto Rico, of a judgment obtained before the
19 enactment of this Act;

20 (3) any act to obtain possession of property of
21 the Government of Puerto Rico or of property from
22 the Government of Puerto Rico or to exercise control
23 over property of the Government of Puerto Rico;

24 (4) any act to create, perfect, or enforce any
25 lien against property of the Government of Puerto
26 Rico;

1 (5) any act to create, perfect, or enforce against
2 property of the Government of Puerto Rico any lien
3 to the extent that such lien secures a Bond Claim
4 that arose before the enactment of this Act;

5 (6) any act to collect, assess, or recover a Bond
6 Claim against the Government of Puerto Rico that
7 arose before the enactment of this Act; and

8 (7) the setoff of any debt owing to the Govern-
9 ment of Puerto Rico that arose before the enactment
10 of this Act against any Bond Claim against the Govern-
11 ment of Puerto Rico.

12 (b) **STAY NOT OPERABLE.**—The establishment of a
13 Oversight Board for Puerto Rico in accordance with sec-
14 tion 101 does not operate as a stay solely under subsection
15 (a)(1) of this section, of the continuation of, including the
16 issuance or employment of process, of a judicial, adminis-
17 trative, or other action or proceeding against the Govern-
18 ment of Puerto Rico that was commenced on or before
19 December 18, 2015.

20 (c) **CONTINUATION OF STAY.**—Except as provided in
21 subsections (d), (e), and (f) the stay under subsection (a)
22 continues until the earlier of—

23 (1) the date that is 18 months after the date
24 of enactment of this Act; or

1 (2) with respect to the Government of Puerto
2 Rico, the date on which a case is filed by or on be-
3 half of the Government of Puerto Rico, as applica-
4 ble, under this title.

5 **[(d) JURISDICTION.—]**

6 **[(1) The United States District Court for the**
7 **District of Puerto Rico shall have original and exclu-**
8 **sive jurisdiction of any civil actions arising under**
9 **this chapter.]**

10 **[(2) On motion of a party in interest and after**
11 **notice and a hearing, the United States District**
12 **Court for the District of Puerto Rico shall grant re-**
13 **lief from the stay provided under subsection (a) of**
14 **this section, such as by terminating, annulling,**
15 **modifying, or conditioning such stay for cause.]**

16 **(e) TERMINATION OF STAY; HEARING.—**Thirty days
17 after a request under subsection (d) for relief from the
18 stay of any act against property of the Government of
19 Puerto Rico under subsection (a), such stay is terminated
20 with respect to the party in interest making such request,
21 unless the court, after notice and a hearing, orders such
22 stay continued in effect pending the conclusion of, or as
23 a result of, a final hearing and determination under sub-
24 section (d). A hearing under this subsection may be a pre-
25 liminary hearing, or may be consolidated with the final

1 hearing under subsection (d). The court shall order such
2 stay continued in effect pending the conclusion of the final
3 hearing under subsection (d) if there is a reasonable likeli-
4 hood that the party opposing relief from such stay will
5 prevail at the conclusion of such final hearing. If the hear-
6 ing under this subsection is a preliminary hearing, then
7 such final hearing shall be concluded not later than thirty
8 days after the conclusion of such preliminary hearing, un-
9 less the 30-day period is extended with the consent of the
10 parties in interest or for a specific time which the court
11 finds is required by compelling circumstances.

12 (f) RELIEF TO PREVENT IRREPARABLE DAMAGE.—
13 Upon request of a party in interest, the court, with or
14 without a hearing, shall grant such relief from the stay
15 provided under subsection (a) as is necessary to prevent
16 irreparable damage to the interest of an entity in property,
17 if such interest will suffer such damage before there is
18 an opportunity for notice and a hearing under subsection
19 (d) or (e).

20 (g) NO FORCE OR EFFECT OF STAY IN VIOLA-
21 TION.—No order, judgment, or decree entered in violation
22 of this section shall have any force or effect.

23 (h) GOVERNMENT OF PUERTO RICO.—For purposes
24 of this [chapter], the term “Government of Puerto Rico”
25 shall be understood to include the directors and officers

1 of and employees acting in their official capacity on behalf
2 of the Government of Puerto Rico, as well as the Oversight
3 Board.

4 (i) NO DEFAULT UNDER EXISTING CONTRACTS.—

5 (1) Notwithstanding any contractual provision
6 or applicable law to the contrary and so long as a
7 stay under this section is in effect, the holder of a
8 Bond Claim or any other claim (as such term is de-
9 fined in section 101 of title 11, United States Code)
10 may not exercise or continue to exercise any remedy
11 under a contract or applicable law—

12 (A) that is conditioned upon the financial
13 condition of, or the commencement of a restruc-
14 turing, insolvency, bankruptcy, or other pro-
15 ceeding (or a similar or analogous process) by,
16 the Government of Puerto Rico, including a de-
17 fault or an event of default thereunder; or

18 (B) solely with respect to Bond Claims—

19 (i) for the non-payment of principal or
20 interest; or

21 (ii) for the breach of any condition or
22 covenant.

23 (2) The term “remedy” as used in paragraph

24 (1) shall be interpreted broadly, and shall include

1 any right existing in law or contract, and any right
2 to—

3 (A) setoff;

4 (B) apply or appropriate funds;

5 (C) seek the appointment of a custodian;

6 (D) seek to raise rates; or

7 (E) exercise control over property of the
8 Government of Puerto Rico.

9 (3) Notwithstanding any contractual provision
10 or applicable law to the contrary and so long as a
11 stay under this section is in effect, a contract to
12 which the Government of Puerto Rico is a party may
13 not be terminated or modified, and any right or obli-
14 gation under such contract may not be terminated
15 or modified, solely because of a provision in such
16 contract conditioned on—

17 (A) the insolvency or financial condition of
18 the Government of Puerto Rico at any time
19 prior to the effectiveness of the stay under this
20 section;

21 (B) the adoption of a resolution or estab-
22 lishment of a Oversight Board pursuant to sec-
23 tion 101 of this Act; or

24 (C) a default under a separate contract
25 that is due to, triggered by, or a result of the

1 occurrence of the events or matters in subpara-
2 graph (i)(1)(B).

3 (4) Notwithstanding any contractual provision
4 to the contrary and so long as a stay under this sec-
5 tion is in effect, a counterparty to a contract with
6 the Government of Puerto Rico for the provision of
7 goods and services shall, unless the Government of
8 Puerto Rico advises to the contrary in writing, con-
9 tinue to perform all obligations under, and comply
10 with the terms of, such contract so long as a stay
11 under this section is in effect, provided that the Gov-
12 ernment of Puerto Rico is not in default under such
13 contract other than as a result of a condition speci-
14 fied in paragraph (3).

15 **TITLE V—PUERTO RICO**

16 **REVITALIZATION ACT**

17 **SEC. 501. DEFINITIONS.**

18 In this title:

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

22 (2) OVERSIGHT BOARD.—The term “Oversight
23 Board” means the Puerto Rico Financial Oversight
24 and Management Assistance Board as defined by
25 section **[101]** of this Act.

1 (3) CRITICAL PROJECT.—The term “Critical
2 Project” means a project identified under the provi-
3 sions of this title and intimately related to address-
4 ing an emergency, as defined by section 1 of Act 76
5 (3 L.P.R.A. 1931), whose approval, consideration,
6 permitting, and implementation shall be expedited
7 and streamlined according to the statutory process
8 provided by Act 76, or otherwise adopted pursuant
9 to this title.

10 (4) ENERGY PROJECTS.—The term “Energy
11 Projects” means those projects addressing the gen-
12 eration, distribution, or transmission of energy, nat-
13 ural gas, and similar fuels.

14 (5) EMERGENCY.—The term “emergency”
15 means any event or grave problem of deterioration
16 in the physical infrastructure for the rendering of
17 essential services to the people, or that endangers
18 the life, public health, or safety of the population or
19 of a sensitive ecosystem. This shall include problems
20 in the physical infrastructure for energy, water,
21 sewer, solid waste, highways or roads, ports, tele-
22 communications and other similar infrastructure.

23 (6) ENVIRONMENTAL QUALITY BOARD.—The
24 term “Environmental Quality Board” means the
25 Puerto Rico Environmental Quality Board, a board

1 within the executive branch of the Government of
2 Puerto Rico as established by section 7 of the Puer-
3 to Rico Act 416–2004 (12 L.P.R.A. 8002a).

4 (7) EXPEDITED PERMITTING PROCESS.—The
5 term “Expedited Permitting Process” means a Puer-
6 to Rican Agency’s alternate procedures and terms
7 mirroring those established under section 2 of Act
8 76 (3 L.P.R.A. 1932).

9 (8) FISCAL PLAN.—The term “Fiscal Plan”
10 means the Fiscal Plan as defined by section **[204]**
11 of this Act.

12 (9) GOVERNOR.—The term “Governor” means
13 the Governor of Puerto Rico.

14 (10) INTERAGENCY ENVIRONMENTAL SUB-
15 COMMITTEE.—The Term “Interagency Environ-
16 mental Subcommittee” means the Interagency Sub-
17 committee on Expedited Environmental Regulations
18 as defined by section 4 of Act 76 (3 L.P.R.A. 1934),
19 and adopted pursuant to this title.

20 (11) LEGISLATURE.—The term “Legislature”
21 means the Legislature of Puerto Rico.

22 (12) PLANNING BOARD.—The term “Planning
23 Board” means the Puerto Rico Planning Board, a
24 board within the executive branch of the Govern-

1 ment of Puerto Rico established by Act 75-1975 (23
2 L.P.R.A. 62 et seq).

3 (13) PUERTO RICAN AGENCY OR AGENCIES.—

4 The terms “Puerto Rican Agency” or “Puerto Rican
5 Agencies” means any board, body, Board of exam-
6 iners, public corporation, commission, independent
7 office, division, administration, bureau, department,
8 Oversight Board, official, person, entity, munic-
9 ipality, or any instrumentality of the Commonwealth
10 of Puerto Rico, or an administrative body authorized
11 by law to perform duties of regulating, investigating,
12 or that may issue a decision, or with the power to
13 issue licenses, certificates, permits, concessions, ac-
14 creditations, privileges, franchises, except the Senate
15 and the House of Representatives of the Legislature
16 and the Judicial Branch..

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

18 (a) ESTABLISHMENT.—There is established, under
19 the Oversight Board, the position of the Revitalization Co-
20 ordinator.

21 (b) APPOINTMENT.—

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

24 (A) Prior to the appointment of the Revi-
25 talization Coordinator, the Oversight Board

1 shall submit to the Governor no less than three
2 nominees for appointment.

3 (B) In consultation with the Oversight
4 Board, not later than **[10 days]** after receiving
5 the nominations under subparagraph (A), the
6 Governor shall select one of the nominees as the
7 Revitalization Coordinator. Such nomination
8 shall be effective immediately.

9 (C) If the Governor fails to select a Revi-
10 talization Coordinator, the Oversight Board
11 shall, by majority vote, select a Revitalization
12 Coordinator from the list of nominees provided
13 under paragraph (A).

14 (2) QUALIFICATIONS.—In selecting nominees
15 under paragraph (1)(A), the Oversight Board shall
16 only nominate persons who—

17 (A) have substantial knowledge and exper-
18 tise in the planning, pre-development, financing
19 and development of infrastructure projects, pro-
20 vided that stronger consideration shall be given
21 to candidates who have experience with energy
22 infrastructure projects;

23 (B) does not currently provide, or in the
24 preceding 3 calendar years provided, goods or
25 services to the government of Puerto Rico (and

1 is not the spouse, parent, child, or sibling of an
2 individual who provides or has provided goods
3 and services to the government of Puerto Rico
4 in the preceding 3 calendar years); and

5 (C) not be an officer, employee of, or
6 former officer or employee of the government of
7 Puerto Rico in the preceding 3 calendar years.

8 (3) COMPENSATION.—The Revitalization Coor-
9 dinator shall be compensated at an annual rate de-
10 termined by the Oversight Board sufficient in the
11 judgment of the Oversight Board to obtain the serv-
12 ices of an individual with the skills and experience
13 required to discharge the duties of the position.

14 (c) ASSIGNMENT OF PERSONNEL.—The Executive
15 Director of the Oversight Board may assign Oversight
16 Board personnel to assist the Revitalization Coordinator.

17 (d) REMOVAL.—

18 (1) IN GENERAL.—The Revitalization Coordi-
19 nator may be removed for cause by the Oversight
20 Board.

21 (2) TERMINATION OF POSITION.—Upon the
22 **【termination of the Oversight Board】**, the position
23 of the Revitalization Coordinator shall be termi-
24 nated.

1 **SEC. 503. CRITICAL PROJECTS.**

2 (a) IDENTIFICATION OF PROJECTS.—

3 (1) PROJECT SUBMISSION.—Any project spon-
4 sor may submit any existing, ongoing, or proposed
5 project to the Revitalization Coordinator, and the
6 relevant Puerto Rican Agencies for consideration as
7 a Critical Project. Such submission shall include:

8 (A) The impact the project will have on an
9 emergency.

10 (B) The availability of immediate private
11 capital or other funds, including, loan guaran-
12 tees, loans, or grants, to implement the project.

13 (C) Economic benefits provided by the
14 project, including the number of jobs to be cre-
15 ated.

16 (D) The status of the project if it is exist-
17 ing or ongoing.

18 (E) Additional criteria the Revitalization
19 Coordinator, in consultation with the Governor,
20 deems appropriate.

21 (F) In addition to the requirements found
22 in paragraphs (A) through (E), the following
23 criteria apply to Energy Projects and how the
24 project will—

25 (i) reduce reliance on oil for electric
26 generation in Puerto Rico;

1 (ii) improve performance of energy in-
2 frastructure and overall energy efficiency;

3 (iii) expedite the diversification and
4 conversion of fuel sources for electric gen-
5 eration from oil to natural gas, and renew-
6 ables in Puerto Rico;

7 (iv) promote the development and uti-
8 lization of energy sources found on Puerto
9 Rico;

10 (v) contribute to transitioning to
11 privatized generation capacities for the
12 Puerto Rico Electric Power Authority; and

13 (vi) additional criteria the Revitaliza-
14 tion Coordinator, in consultation with the
15 Governor, deems appropriate.

16 (2) CERTIFICATION OF EXPEDITED PERMIT-
17 TING PROCESS.—

18 (A) Not later than **[20 days]** after receiv-
19 ing a project submission, each Puerto Rican
20 Agency identified in paragraph (1) shall submit
21 to the Revitalization Coordinator the Agency's
22 Expedited Permitting Process.

23 (B) Failure to Provide Expedited Permit-
24 ting Process - If a Puerto Rican Agency fails
25 to provide an Expedited Permitting Process

1 within **[10 days]** of receiving a project submis-
2 sion, the Revitalization Coordinator shall—

3 (i) consult with the Governor of Puer-
4 to Rico to develop within **[10 days]** an
5 Expedited Permitting Process for the
6 Agency; and

7 (ii) require such Puerto Rican Agency
8 to implement the developed Expedited Per-
9 mitting Process pursuant to the Oversight
10 Board's ability to establish and impose
11 regulations under section **[208(d)]** of this
12 Act.

13 (b) CRITICAL PROJECT REPORT.—

14 (1) IN GENERAL.—For each submitted project,
15 the Revitalization Coordinator in consultation with
16 the relevant Puerto Rican Agencies identified in sub-
17 section (a)(1) shall develop a Critical Project Report
18 within **[60 days from the submission of the**
19 **project]**, which shall include:

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

22 (B) A recommendation by the Governor on
23 whether the project should be considered a Crit-
24 ical Project. If the Governor fails to provide a
25 recommendation, the failure shall constitute a

1 concurrence with the Revitalization Coordina-
2 tor's recommendation in paragraph (C).

3 (C) A recommendation by the Revitaliza-
4 tion Coordinator on whether the project should
5 be considered a Critical Project.

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

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

15 (1) approves the project, the project shall be
16 deemed a Critical Project;

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

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

1 **SEC. 504. MISCELLANEOUS PROVISIONS.**

2 (a) CREATION OF INTERAGENCY ENVIRONMENTAL
3 SUBCOMMITTEE.—

4 (1) ESTABLISHMENT.—Not later than 60 days
5 after the date on which the Revitalization Coordi-
6 nator is appointed, the Interagency Environmental
7 Subcommittee shall be established in accordance
8 with the provisions of section 4 of Act 76 (3
9 L.P.R.A. 1934), and shall evaluate environmental
10 documents required under Puerto Rican law for any
11 Critical Project within the Expedited Permitting
12 Process.

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

23 (b) REGULATIONS, ORDERS, AND CONTRACTS.—The
24 Revitalization Coordinator shall approve or disapprove of
25 any action taken by the Governor pursuant to or mirroring
26 section 11 of Act 76 (3 L.P.R.A. 1941). If the Revitaliza-

1 tion Coordinator disapproves such action, the Oversight
2 Board shall review such action within **[30 days]** and shall
3 ratify the Revitalization Coordinator's disapproval by ma-
4 jority vote. In such case, the Governor's action shall be
5 null and void. If the Oversight Board fails to act within
6 30 days or fails to ratify the Revitalization Coordinator's
7 decision, the Governor's action shall be ratified.

8 (c) SPECIFIC COMPLIANCE OF BOARDS.—The Envi-
9 ronmental Quality Board and the Planning Board must
10 adopt and follow the specific provisions of Act 76 directed
11 towards each board, and take whatever actions may be
12 necessary to comply with the intent of this title.

13 (d) LENGTH OF EXPEDITED PERMITTING PROC-
14 ESS.—For each Critical Project, Puerto Rican Agencies
15 shall operate as if the Governor has declared an emergency
16 pursuant to section 2 of Act 76 (3 L.P.R.A. 1932). Sec-
17 tion 12 of Act 76 (3 L.P.R.A. 1942) shall not be applica-
18 ble to Critical Projects.

19 (e) EXPEDITED PERMITTING PROCESS COMPLI-
20 ANCE.—

21 (1) WRITTEN NOTICE.—A Critical Project
22 sponsor may in writing notify the Revitalization Co-
23 ordinator or the Oversight Board of a Puerto Rican
24 Agency's, or the Revitalization Coordinator's failure
25 to adhere to the Expedited Permitting Process.

1 (2) FINDING OF FAILURE.—If the Revitaliza-
2 tion Coordinator or the Oversight Board finds the
3 Critical Sponsor’s notification to have merit, the Re-
4 vitalization Coordinator or the Oversight Board shall
5 direct the offending party to comply with the Expe-
6 dited Permitting Process. The Oversight Board may
7 take such enforcement action as necessary as pro-
8 vided by section 104(j).

9 (e) REVIEW OF LEGISLATURE ACTS.—

10 (1) SUBMISSION OF ACTS TO OVERSIGHT
11 BOARD.—The Legislature shall notify the Revitaliza-
12 tion Coordinator and Oversight Board of any pro-
13 posed act of the Legislature that may affect the Ex-
14 pedited Permitting Process.

15 (2) FINDING OF OVERSIGHT BOARD.—Upon re-
16 ceipt of an act from the Legislature under para-
17 graph (1), the Oversight Board shall promptly re-
18 view whether the proposed act would hinder the Ex-
19 pedited Permitting Process, and upon such a find-
20 ing, the act shall be deemed contrary to the Fiscal
21 Plan and shall undergo the review process as identi-
22 fied by section **[205(a)]**.

23 (f) PROHIBITION OF CERTAIN TERMS AND CONDI-
24 TIONS.—No Puerto Rican Agency may include in any cer-
25 tificate, right-of-way, permit, lease, or other authorization

1 issued for a Critical Project any term or condition that
2 may be permitted, but is not required, by any applicable
3 law, if the Revitalization Coordinator determines the term
4 or condition would prevent or impair the expeditious con-
5 struction, operation, or expansion of the Critical Project.

6 **SEC. 505. FEDERAL AGENCY REQUIREMENTS.**

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

14 (b) FEDERAL GRANTS AND LOANS.—For each Crit-
15 ical Project with a pending or potential Federal grant,
16 loan, or loan guarantee application, the Revitalization Co-
17 ordinator shall cooperate with the relevant Point of Con-
18 tact, and vice-versa, to ensure expeditious review of such
19 application.

20 (c) EXPEDITED REVIEWS AND ACTIONS OF FEDERAL
21 AGENCIES.—All reviews conducted and actions taken by
22 any Federal agency relating to a Critical Project, shall be
23 expedited in a manner consistent with completion of the
24 necessary reviews and approvals by the deadlines under
25 the Expedited Permitting Process, but in no way shall the

1 deadlines established through the Expedited Permitting
2 Process be binding on any Federal agency.

3 (d) NEPA.—No action undertaken by a Federal enti-
4 ty regarding a Critical Project shall be considered a major
5 Federal action for purposes of the National Environ-
6 mental Policy Act of 1969 (42 U.S.C. 4332).

7 **SEC. 506. JUDICIAL REVIEW.**

8 (a) EXCLUSIVE JURISDICTION.—Except for review by
9 the U.S. Supreme Court on writ of certiorari, the United
10 States District Court for the District of Puerto Rico shall
11 have original and exclusive jurisdiction to determine—

12 (1) the validity of any final order or action (in-
13 cluding a failure to act) of any Federal or Puerto
14 Rican agency or officer under this title;

15 (2) the constitutionality of any provision, or any
16 decision made or action taken under this title; or

17 (3) the adequacy of any environmental review
18 with respect to any action under this title.

19 (b) DEADLINE FOR FILING OF A CLAIM.—A claim
20 arising under this title must be brought no later than 30
21 days after the date of the decision or action giving rise
22 to the claim.

23 (c) EXPEDITED CONSIDERATION.—The District
24 Court for the District of Puerto Rico shall set any action
25 brought under subsection (a) for expedited consideration,

1 taking into account the national interest of enhancing
2 Puerto Rico's infrastructure for electricity, water and
3 sewer services, roads and bridges, ports, and solid waste
4 management to achieve compliance with local and federal
5 environmental laws, regulations and policies while ensur-
6 ing the continuity of adequate services to the people of
7 Puerto Rico and the Commonwealth's sustainable eco-
8 nomic development.

9 **SEC. 507. SUPREMACY.**

10 The provisions of this title shall prevail over any gen-
11 eral or special provision of Puerto Rican law or regulation
12 that is inconsistent therewith.

13 **SEC. 508. SEVERABILITY.**

14 If any provision of this title, or the application of
15 such a provision to any person or circumstance, is held
16 to be unconstitutional, the remainder of this title and the
17 application of the remaining provisions of this title to any
18 person or circumstance shall not be affected thereby.

19 **SEC. 509. INTERVENTION IN LITIGATION.**

20 (a) INTERVENTION.—The Oversight Board may in-
21 tervene in any litigation filed against the government of
22 Puerto Rico.

23 (b) INJUNCTIVE RELIEF.—

24 (1) IN GENERAL.—If the Oversight Board in-
25 tervenes in a litigation under subsection (a), the

1 Oversight Board may seek injunctive relief, including
2 a stay of litigation.

3 (2) NO INDEPENDENT BASIS FOR RELIEF.—

4 This Act does not create an independent basis on
5 which injunctive relief, including a stay of litigation,
6 may be granted.