

Union Calendar No. 29

113TH CONGRESS
1ST SESSION

H. R. 807

[Report No. 113-48]

To require that the Government prioritize all obligations on the debt held by the public in the event that the debt limit is reached.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 2013

Mr. McCLINTOCK (for himself, Mr. SCALISE, Mr. JORDAN, Mr. PRICE of Georgia, Mr. HENSARLING, Mr. GARRETT, Mr. COLE, Mr. YOUNG of Indiana, Mr. FRANKS of Arizona, Ms. FOXX, Mr. COLLINS of Georgia, Mr. MULVANEY, Mr. ROHRBACHER, Mr. LAMALFA, Mr. DUNCAN of South Carolina, Mr. BUCSHON, Mrs. BLACKBURN, Mr. CHAFFETZ, Mr. HUIZENGA of Michigan, Mr. LABRADOR, Mrs. LUMMIS, Mr. MILLER of Florida, Mr. BENTIVOLIO, and Mr. SCHWEIKERT) introduced the following bill; which was referred to the Committee on Ways and Means

APRIL 30, 2013

Additional sponsors: Mr. HALL, Mr. RIBBLE, Mr. CHABOT, Mr. CONAWAY, Mr. FLORES, Mrs. WAGNER, Mr. WILSON of South Carolina, Mr. POMPEO, Mr. WALBERG, Mr. BROOKS of Alabama, Mr. FLEISCHMANN, Mr. PITTS, Mr. POSEY, Mr. BARR, Mr. OLSON, Mrs. BLACK, Mr. GRIFFIN of Arkansas, Mr. BROUN of Georgia, Mr. YODER, Mr. STUTZMAN, Mr. LONG, Mr. PITTENGER, Mr. WESTMORELAND, Mr. LUETKEMEYER, Mr. DUFFY, Mr. HULTGREN, Mr. CRAMER, Mr. MULLIN, Mr. BRIDENSTINE, Mr. ROKITA, Mr. GOWDY, Mr. YOHO, Mr. SALMON, Mrs. BACHMANN, Mr. DESANTIS, Mr. GIBBS, Mr. MEADOWS, Mr. AMASH, Mrs. BROOKS of Indiana, Mr. FORBES, Mr. CALVERT, Mr. DESJARLAIS, Mr. MESSER, Mr. KING of Iowa, Mr. BENISHEK, Mr. HUDSON, Mr. HOLDING, Mr. ROE of Tennessee, Mr. RADEL, Mr. KLINE, Mr. WENSTRUP, Mr. CRAWFORD, Mrs. ELLMERS, Mr. COBLE, Mr. CAMPBELL, Mr. GOSAR, Mr. FLEMING, Mr. REED, Mr. BISHOP of Utah, Mr. WOODALL, Mr. GRAVES of Missouri, Mr. LANKFORD, Mrs. WALORSKI, Mr. NUNNELEE, Mr. LATTA, Mr. PERRY, Mr. ROYCE, Mr. THORNBERRY, Mr. ROTHFUS, Mr. GINGREY of Georgia, Mr. ROSKAM, Mr. BARTON, Mr. SESSIONS, Mr. LUCAS, Mr. JOHNSON of Ohio, Mr. COLLINS of New

York, Mr. NUGENT, Mr. MCKINLEY, Mr. HARRIS, Mr. COTTON, Mr. STEWART, Mr. NEUGEBAUER, and Mr. BURGESS

APRIL 30, 2013

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To require that the Government prioritize all obligations on the debt held by the public in the event that the debt limit is reached.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Full Faith and Credit
5 Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that:

8 (1) The Act of Congress establishing the Treas-
9 ury Department of 1789 states that the Secretary of
10 the Treasury shall prepare plans for improving and
11 managing the revenue of the United States Govern-
12 ment and for the support of the public credit.

13 (2) Section 321 of title 31, United States Code,
14 codifies the duty “to prepare plans for improving
15 and managing receipts of the United States Govern-
16 ment and managing the public debt”.

17 (3) In carrying out the statutory responsibilities
18 to “support of the public credit” and “managing the
19 public debt” the Secretary shall take all necessary
20 actions to ensure all obligations of the United States
21 Government with regard to debt held by the public
22 are fully discharged when due.

23 (4) Such actions may include the forgoing of
24 obligations not related to debt held by the public for
25 a period of time deemed necessary by the Secretary

1 as authorized under section 324 of title 31, United
2 States Code, which states that—

3 “(a) The Secretary of the Treasury may—

4 “(1) dispose of obligations—

5 “(A) acquired by the Secretary for the
6 United States Government; or

7 “(B) delivered by an executive agency; and

8 “(2) make arrangements to extend the maturity
9 of those obligations.

10 “(b) The Secretary may dispose or extend the matu-
11 rity of obligations under subsection (a) of this section in
12 the way, in amounts, at prices (for cash, obligations, prop-
13 erty, or a combination of cash, obligations, or property),
14 and on conditions the Secretary considers advisable and
15 in the public interest.”.

16 **SEC. 3. DUTY TO PROTECT THE FULL FAITH AND CREDIT**
17 **OF THE UNITED STATES GOVERNMENT.**

18 (a) **IN GENERAL.**—In the event that the debt of the
19 United States Government, as defined in section 3101 of
20 title 31, United States Code, reaches the statutory limit,
21 the authority of the Department of the Treasury provided
22 in section 3123 of title 31, United States Code, to pay
23 with legal tender the principal and interest on debt held
24 by the public shall take priority over all other obligations
25 incurred by the Government of the United States.

1 (b) SPECIAL RULE FOR INSUFFICIENCY OF
2 FUNDS.—Section 324 of title 31, United States Code, is
3 amended by redesignating subsection (c) as subsection (e),
4 and by inserting after subsection (b) the following:

5 “(e) If the Secretary expects that there will be insuffi-
6 cient funds available to dispose of all obligations consisting
7 of interest and principal of the debt held by the public
8 on the next calendar day on which such obligations are
9 due, then the Secretary shall extend the maturities of any
10 other obligations under section (a) and refuse to issue
11 warrants under section 321(a)(3) to the extent necessary
12 to provide such funds as the Secretary deems prudent to
13 dispose of obligations consisting of interest and principal
14 of the debt held by the public for no less than the next
15 30 calendar days.

16 “(d) To the extent receipts exceed those required to
17 meet the Secretary’s obligation under subsection (e), the
18 Secretary shall prioritize the disposal of obligations under
19 subsection (a) and issuance of warrants under section
20 321(a)(3) in that order the Secretary considers advisable
21 and in the public interest.”.

22 **SECTION 1. SHORT TITLE.**

23 *This Act may be cited as the “Full Faith and Credit*
24 *Act”.*

1 **SEC. 2. PAYMENT OF PRINCIPAL AND INTEREST ON PUBLIC**
2 **DEBT AND SOCIAL SECURITY TRUST FUNDS.**

3 (a) *IN GENERAL.*—*In the event that the debt of the*
4 *United States Government, as defined in section 3101 of*
5 *title 31, United States Code, reaches the statutory limit,*
6 *the Secretary of the Treasury shall, in addition to any other*
7 *authority provided by law, issue obligations under chapter*
8 *31 of title 31, United States Code, to pay with legal tender,*
9 *and solely for the purpose of paying, the principal and in-*
10 *terest on obligations of the United States described in sub-*
11 *section (b) after the date of the enactment of this Act.*

12 (b) *OBLIGATIONS DESCRIBED.*—*For purposes of this*
13 *subsection, obligations described in this subsection are obli-*
14 *gations which are—*

15 (1) *held by the public, or*

16 (2) *held by the Old-Age and Survivors Insurance*
17 *Trust Fund and Disability Insurance Trust Fund.*

18 (c) *OBLIGATIONS EXEMPT FROM PUBLIC DEBT*
19 *LIMIT.*—*Obligations issued under subsection (a) shall not*
20 *be taken into account in applying the limitation in section*
21 *3101(b) of title 31, United States Code, to the extent that*
22 *such obligation would otherwise cause the limitation in sec-*
23 *tion 3101(b) of title 31, United States Code, to be exceeded.*

24 (d) *REPORT ON CERTAIN ACTIONS.*—

25 (1) *IN GENERAL.*—*If, after the date of the enact-*
26 *ment of this Act, the Secretary of the Treasury exer-*

1 *cises his authority under subsection (a), the Secretary*
2 *shall thereafter submit a report each week providing*
3 *an accounting relating to—*

4 *(A) the principal on mature obligations and*
5 *interest that is due or accrued of the United*
6 *States, and*

7 *(B) any obligations issued pursuant to sub-*
8 *section (a).*

9 *(2) SUBMISSION.—The report required by para-*
10 *graph (1) shall be submitted to the Committee on*
11 *Ways and Means of the House of Representatives and*
12 *the Committee on Finance of the Senate.*

13 *(3) TERMINATION.—The report requirement*
14 *under paragraph (1) shall cease to apply after the*
15 *date of the enactment of the first increase in the limi-*
16 *tation in section 3101(b), United States Code, after*
17 *the date of the enactment of this Act.*

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