

116TH CONGRESS
1ST SESSION

S. RES. 268

Expressing the sense of the Senate that the Federal Government should not bail out any State.

IN THE SENATE OF THE UNITED STATES

JUNE 27, 2019

Mr. COTTON submitted the following resolution; which was referred to the Committee on Finance

RESOLUTION

Expressing the sense of the Senate that the Federal Government should not bail out any State.

Whereas every State in the United States is a sovereign entity with a constitution and the authority to issue sovereign debt;

Whereas the legislature of every State in the United States has the authority to reduce spending or raise taxes to pay the obligations owed by the State;

Whereas officials in every State in the United States have the legal obligation to fully disclose the financial condition of the State to investors who purchase the debt of the State;

Whereas Congress has rejected prior requests from creditors of a State for payment of the defaulted debt of a State; and

Whereas, during the financial crisis in 1842, the Senate requested that the Secretary of the Treasury report to the Senate with respect to any negotiations with any creditor of a State relating to assuming or guaranteeing any debt of the State, to ensure that promises of support by the Federal Government were not proffered: Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate that—

2 (1) the Federal Government should take no ac-
3 tion to redeem, assume, or guarantee any debt, in-
4 cluding pension obligations, of a State; and

5 (2) the Secretary of the Treasury should report
6 to Congress any negotiations to engage in actions
7 that would result in an outlay of Federal funds on
8 behalf of creditors of a State.

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