

Balanced Budget Act of 1997-(Select provisions)

[Titles III and XI of the Act to provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998 (105–33; 111 Stat. 251)]

[Public Law 105–33]

[As Amended Through P.L. 116–260, Enacted December 27, 2020]

[Currency: This publication is a compilation of the text of Public Law 105–33. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>]

[Note: While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).]

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TITLE III—COMMUNICATIONS AND SPECTRUM ALLOCATION PROVISIONS

SEC. 3001. [47 U.S.C. 153 nt] DEFINITIONS.

(a) [47 U.S.C. 153 nt] **COMMON TERMINOLOGY.**—Except as otherwise provided in this title, the terms used in this title have the meanings provided in section 3 of the Communications Act of 1934 (47 U.S.C. 153), as amended by this section.

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SEC. 3002. SPECTRUM AUCTIONS.

(a)

(b) [47 U.S.C. 925 nt] **ACCELERATED AVAILABILITY FOR AUCTION OF 1,710–1,755 MEGAHERTZ FROM INITIAL REALLOCATION REPORT.**—The band of frequencies located at 1,710–1,755 megahertz identified in the initial reallocation report under section 113(a) of the National Telecommunications and Information Administration Act (47 U.S.C. 923(a)) shall, notwithstanding the timetable recommended under section 113(e) of such Act and section 115(b)(1) of such Act, be available in accordance with this subsection for assignment for commercial use. The Commission shall assign licenses for such use by competitive bidding commenced after January 1, 2001, pursuant to section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)).

(c) [47 U.S.C. 925 nt] **COMMISSION OBLIGATION TO MAKE ADDITIONAL SPECTRUM AVAILABLE BY AUCTION.**—

(1) IN GENERAL.—The Commission shall complete all actions necessary to permit the assignment by September 30, 2002, by competitive bidding pursuant to section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)), of licenses for the use of bands of frequencies that—

(A) in the aggregate span not less than 55 megahertz;

(B) are located below 3 gigahertz;

(C) have not, as of the date of enactment of this Act—
 (i) been designated by Commission regulation for assignment pursuant to such section;

(ii) been identified by the Secretary of Commerce pursuant to section 113 of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923);

(iii) been allocated for Federal Government use pursuant to section 305 of the Communications Act of 1934 (47 U.S.C. 305);

(iv) been designated for reallocation under section 337 of the Communications Act of 1934 (as added by this Act); or

(v) been allocated or authorized for unlicensed use pursuant to part 15 of the Commission's regulations (47 C.F.R. Part 15), if the operation of services licensed pursuant to competitive bidding would interfere with operation of end-user products permitted under such regulations;

(D) include frequencies at 2,110–2,150 megahertz; and

(E) include 15 megahertz from within the bands of frequencies at 1,990–2,110 megahertz.

(2) CRITERIA FOR REASSIGNMENT.—In making available bands of frequencies for competitive bidding pursuant to paragraph (1), the Commission shall—

(A) seek to promote the most efficient use of the electromagnetic spectrum;

(B) consider the cost of relocating existing uses to other bands of frequencies or other means of communication;

(C) consider the needs of existing public safety radio services (as such services are described in section 309(j)(2)(A) of the Communications Act of 1934, as amended by this Act);

(D) comply with the requirements of international agreements concerning spectrum allocations; and

(E) coordinate with the Secretary of Commerce when there is any impact on Federal Government spectrum use.

(3) USE OF BANDS AT 2,110-2,150 MEGAHERTZ.—The Commission shall reallocate spectrum located at 2,110-2,150 megahertz for assignment by competitive bidding unless the Commission determines that auction of other spectrum (A) better serves the public interest, convenience, and necessity, and (B) can reasonably be expected to produce greater receipts. If the Commission makes such a determination, then the Commission shall, within 2 years after the date of enactment of this Act, identify an alternative 40 megahertz, and report to the Congress an identi-

fication of such alternative 40 megahertz for assignment by competitive bidding.

(4) USE OF 15 MEGAHERTZ FROM BANDS AT 1,990-2,110 MEGAHERTZ.—The Commission shall reallocate 15 megahertz from spectrum located at 1,990-2,110 megahertz for assignment by competitive bidding unless the President determines such spectrum cannot be reallocated due to the need to protect incumbent Federal systems from interference, and that allocation of other spectrum (A) better serves the public interest, convenience, and necessity, and (B) can reasonably be expected to produce comparable receipts. If the President makes such a determination, then the President shall, within 2 years after the date of enactment of this Act, identify alternative bands of frequencies totalling 15 megahertz, and report to the Congress an identification of such alternative bands for assignment by competitive bidding.

(5) NOTIFICATION TO THE SECRETARY OF COMMERCE.—The Commission shall attempt to accommodate incumbent licensees displaced under this section by relocating them to other frequencies available for allocation by the Commission. The Commission shall notify the Secretary of Commerce whenever the Commission is not able to provide for the effective relocation of an incumbent licensee to a band of frequencies available to the Commission for assignment. The notification shall include—

- (A) specific information on the incumbent licensee;
- (B) the bands the Commission considered for relocation of the licensee;
- (C) the reasons the licensee cannot be accommodated in such bands; and
- (D) the bands of frequencies identified by the Commission that are—
 - (i) suitable for the relocation of such licensee; and
 - (ii) allocated for Federal Government use, but that could be reallocated pursuant to part B of the National Telecommunications and Information Administration Organization Act (as amended by this Act).

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SEC. 3006. [47 U.S.C. 254 nt] UNIVERSAL SERVICE FUND PAYMENT SCHEDULE.

(a) APPROPRIATIONS TO THE UNIVERSAL SERVICE FUND.—

(1) APPROPRIATION.—There is hereby appropriated to the Commission \$3,000,000,000 in fiscal year 2001, which shall be disbursed on October 1, 2000, to the Administrator of the Federal universal service support programs established pursuant to section 254 of the Communications Act of 1934 (47 U.S.C. 254), and which may be expended by the Administrator in support of such programs as provided pursuant to the rules implementing that section.

(2) RETURN TO TREASURY.—The Administrator shall transfer \$3,000,000,000 from the funds collected for such support programs to the General Fund of the Treasury on October 1, 2001.

(b) **FEE ADJUSTMENTS.**—The Commission shall direct the Administrator to adjust payments by telecommunications carriers and other providers of interstate telecommunications so that the \$3,000,000,000 of the total payments by such carriers or providers to the Administrator for fiscal year 2001 shall be deferred until October 1, 2001.

(c) **PRESERVATION OF AUTHORITY.**—Nothing in this section shall affect the Administrator’s authority to determine the amounts that should be expended for universal service support programs pursuant to section 254 of the Communications Act of 1934 and the rules implementing that section.

(d) **DEFINITION.**—For purposes of this section, the term “Administrator” means the Administrator designated by the Federal Communications Commission to administer Federal universal service support programs pursuant to section 254 of the Communications Act of 1934.

【Section 3007 repealed by section 3(b)(2) of the Auction Reform Act of 2002 (Public Law 107–195; 116 Stat. 717).】

SEC. 3008. [47 U.S.C. 309 nt] ADMINISTRATIVE PROCEDURES FOR SPECTRUM AUCTIONS.

Notwithstanding section 309(b) of the Communications Act of 1934 (47 U.S.C. 309(b)), no application for an instrument of authorization for frequencies assigned under this title (or amendments made by this title) shall be granted by the Commission earlier than 7 days following issuance of public notice by the Commission of the acceptance for filing of such application or of any substantial amendment thereto. Notwithstanding section 309(d)(1) of such Act (47 U.S.C. 309(d)(1)), the Commission may specify a period (no less than 5 days following issuance of such public notice) for the filing of petitions to deny any application for an instrument of authorization for such frequencies.

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**TITLE IV—MEDICARE, MEDICAID, AND
CHILDREN’S HEALTH PROVISIONS**

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**Subtitle F—Provisions Relating to Part B
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CHAPTER 5—OTHER PAYMENT PROVISIONS

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SEC. 4552. OXYGEN AND OXYGEN EQUIPMENT

(a) **IN GENERAL.**—Section 1834(a)(9)(B) (42 U.S.C. 1395m(a)(9)(B)) is amended—

- (1) in clause (iii), by striking “and” at the end;
- (2) in clause (iv)—

- (A) by striking “each subsequent year” and inserting “1995, 1996, and 1997”, and
- (B) by striking the period at the end and inserting a semicolon; and
- (3) by adding at the end the following new clauses:
- “(v) for 1998, 75 percent of the amount determined under this subparagraph for 1997; and
- “(vi) for 1999 and each subsequent year, 70 percent of the amount determined under this subparagraph for 1997.”.
- (b) **ESTABLISHMENT OF CLASSES FOR PAYMENT.**—Section 1834(a)(9) (42 U.S.C. 1395m(a)(9)) is amended by adding at the end the following new subparagraph:
- “(D) **AUTHORITY TO CREATE CLASSES.**—
- “(i) **IN GENERAL.**—Subject to clause (ii), the Secretary may establish separate classes for any item of oxygen and oxygen equipment and separate national limited monthly payment rates for each of such classes.
- “(ii) **BUDGET NEUTRALITY.**—The Secretary may take actions under clause (i) only to the extent such actions do not result in expenditures for any year to be more or less than the expenditures which would have been made if such actions had not been taken.”.
- (c) **[42 U.S.C. 1395m note] STANDARDS.**— The Secretary shall as soon as practicable establish service standards for persons seeking payment under part B of title XVIII of the Social Security Act for the providing of oxygen and oxygen equipment to beneficiaries within their homes.
- (d) **[42 U.S.C. 1395m note] ACCESS TO HOME OXYGEN EQUIPMENT.**—
- (1) **STUDY.**—The Comptroller General of the United States shall study issues relating to access to home oxygen equipment and shall, within 18 months after the date of the enactment of this Act, report to the Committees on Commerce and Ways and Means of the House of Representatives and the Committee on Finance of the Senate the results of the study, including recommendations (if any) for legislation.
- (2) **PEER REVIEW EVALUATION.**—The Secretary of Health and Human Services shall arrange for peer review organizations established under section 1154 of the Social Security Act to evaluate access to, and quality of, home oxygen equipment.
- (e) **[42 U.S.C. 1395m note] EFFECTIVE DATE.**—
- (1) **OXYGEN.**— The amendments made by subsection (a) shall apply to items furnished on and after January 1, 1998.
- (2) **OTHER PROVISIONS.**—The amendments made by this section other than subsection (a) shall take effect on the date of the enactment of this Act.

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TITLE XI—DISTRICT OF COLUMBIA REVITALIZATION

SECTION 11000. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This title may be cited as the “National Capital Revitalization and Self-Government Improvement Act of 1997”.

(b) **TABLE OF CONTENTS.**—The table of contents of this title is as follows:

Sec. 11000. Short title; table of contents.

Subtitle A—District of Columbia Retirement Funds

CHAPTER 1—SHORT TITLE; FINDINGS; DEFINITIONS

Sec. 11001. Short title.

Sec. 11002. Findings and declaration of policy.

Sec. 11003. Definitions.

CHAPTER 2—FEDERAL BENEFIT PAYMENTS UNDER DISTRICT RETIREMENT PROGRAMS

Sec. 11011. Obligation of Federal government to make benefit payments.

Sec. 11012. Federal benefit payments described.

Sec. 11013. Establishment of single annual cost-of-living adjustment under District Retirement Program.

CHAPTER 3—DETERMINATIONS AND REVIEW OF ELIGIBILITY AND PAYMENTS; INFORMATION SHARING

Sec. 11021. Determination of eligibility for and amount of Federal benefit payments made by Trustee.

Sec. 11022. Procedures for resolving claims arising from denied benefit payments.

Sec. 11023. Transfer of and access to records of District Government.

Sec. 11024. Federal information sharing for verification of benefit determinations.

CHAPTER 4—DISTRICT OF COLUMBIA FEDERAL PENSION LIABILITY TRUST FUND

Sec. 11031. Creation of Trust Fund.

Sec. 11032. Uses of amounts in Trust Fund.

Sec. 11033. Transfer of assets and obligations of District Retirement Funds.

Sec. 11034. Treatment of Trust Fund under certain laws.

Sec. 11035. Administration through Trustee.

Sec. 11036. Termination of Trust Fund.

CHAPTER 5—RESPONSIBILITIES OF DISTRICT GOVERNMENT

Sec. 11041. Interim administration.

Sec. 11042. Replacement plan.

CHAPTER 6—FINANCING OF BENEFIT PAYMENTS AFTER DEPLETION OF TRUST FUND

Sec. 11051. Creation of Federal Supplemental Fund.

Sec. 11052. Uses of amounts in Fund.

Sec. 11053. Determination of annual payment into Federal Supplemental Fund.

Sec. 11054. Determination of methodology for making payments.

Sec. 11055. Special requirements upon discontinuation of Trust Fund.

Sec. 11056. Termination of Federal Supplemental Fund.

CHAPTER 7—REPORTS

Sec. 11061. Annual valuations and reports by enrolled actuary.

Sec. 11062. Reports by Comptroller General.

CHAPTER 8—JUDICIAL ENFORCEMENT

Sec. 11071. Judicial review.

Sec. 11072. Jurisdiction and venue.

Sec. 11073. Statute of limitations.

Sec. 11074. Treatment of misappropriation of fund amounts as Federal crime.

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CHAPTER 9—DISTRICT OF COLUMBIA FEDERAL PENSION FUND

- Sec. 11081. Creation of Fund.
- Sec. 11082. Uses of Amounts in Fund.
- Sec. 11083. Transfer of Assets and Obligations of Trust Fund and Federal Supplemental Fund.
- Sec. 11084. Determination of Annual Federal Payment Into D.C. Federal Pension Fund.
- Sec. 11085. Administration Through Pension Fund Trustee.
- Sec. 11086. Applicability of Other Provisions to D.C. Federal Pension Fund.

CHAPTER 10—MISCELLANEOUS

- Sec. 11091. Coordination between Secretary, Trustee, and District Government.
- Sec. 11092. Study of alternatives for financing Federal obligations.
- Sec. 11093. Issuance of regulations by Secretary.
- Sec. 11094. Effect on Reform Act and other laws.
- Sec. 11095. Reference to new Federal program for retirement of judges of District of Columbia courts.
- Sec. 11096. Full faith and credit.
- Sec. 11097. Severability of provisions.

Subtitle B—Management Reform Plans ¹

- Sec. 11101. Short title.
- Sec. 11102. Management reform plans for District Government.
- Sec. 11103. Procedures for development of plans.
- Sec. 11104. Implementation of plans.
- Sec. 11105. Reform of powers and duties of department heads.
- Sec. 11106. No effect on powers of Financial Responsibility and Management Assistance Authority.

Subtitle C—Criminal Justice

CHAPTER 1—CORRECTIONS

- Sec. 11201. Bureau of Prisons.
- Sec. 11202. Corrections Trustee.
- Sec. 11203. Priority consideration for employees of the District of Columbia.
- Sec. 11204. Amendments related to persons with a mental disease or defect.
- Sec. 11205. Liability for and litigation authority of Corrections Trustee.
- Sec. 11206. Permitting expenditure of funds to carry out certain sewer agreement.

CHAPTER 2—SENTENCING

- Sec. 11211. Truth-in-Sentencing Commission.
- Sec. 11212. General duties, powers, and goals of Commission.
- Sec. 11213. Data collection.
- Sec. 11214. Enactment of amendments to District of Columbia Code.

CHAPTER 3—OFFENDER SUPERVISION AND PAROLE

- Sec. 11231. Parole.
- Sec. 11232. Pretrial Services, Parole, Adult Probation and Offender Supervision Trustee.
- Sec. 11233. Court Services and Offender Supervision Agency.
- Sec. 11234. Authorization of appropriations.

CHAPTER 4—DISTRICT OF COLUMBIA COURTS

SUBCHAPTER A—TRANSFER OF ADMINISTRATION AND FINANCING OF COURTS TO FEDERAL GOVERNMENT

- Sec. 11241. Authorization of appropriations.
- Sec. 11242. Administration of courts under District of Columbia Code.
- Sec. 11243. Budgeting and financing requirements for courts under Home Rule Act.
- Sec. 11244. Auditing of accounts of court system.
- Sec. 11245. Miscellaneous budgeting and financing requirements for courts under District law.

¹Public Law 106-1 (113 Stat. 3) repealed subtitle B without making a conforming amendment to the table of contents.

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Sec. 11246. Other provisions relating to administration of District of Columbia courts.

SUBCHAPTER B—JUDICIAL RETIREMENT PROGRAM

Sec. 11251. Judicial Retirement and Survivors Annuity Fund.

Sec. 11252. Termination of current fund and program.

Sec. 11253. Conforming amendments.

SUBCHAPTER C—MISCELLANEOUS CONFORMING AND ADMINISTRATIVE PROVISIONS

Sec. 11261. Treatment of courts under miscellaneous District laws.

Sec. 11262. Representation of indigents in criminal cases.

CHAPTER 5—PRETRIAL SERVICES AGENCY AND PUBLIC DEFENDER SERVICE

Sec. 11271. Amendments affecting Pretrial Services Agency.

Sec. 11272. Amendments affecting Public Defender Service.²

CHAPTER 6—MISCELLANEOUS PROVISIONS

Sec. 11281. Technical assistance and research.

Sec. 11282. Exemption from personnel and budget ceilings for Trustees and related agencies.

Subtitle D—Privatization of Tax Collection and Administration

Sec. 11301. Findings.

Sec. 11302. Authorizing Chief Financial Officer to privatize tax administration and collection.

Subtitle E—Financing of District of Columbia Accumulated Deficit

Sec. 11401. Findings.

Sec. 11402. Authorization for intermediate-term advances of funds by the Secretary of the Treasury to liquidate the accumulated general fund deficit of the District of Columbia.

Sec. 11403. Conforming amendments.

Sec. 11404. Technical corrections.

Sec. 11405. Authorization for issuance of general obligation bonds by the District of Columbia to finance or refund its accumulated general fund deficit.

Subtitle F—District of Columbia Bond Financing Improvements

Sec. 11501. Short title.

Sec. 11502. Findings.

Sec. 11503. Amendment to Section 462 (relating to contents of borrowing legislation and elections on issuing general obligation bonds).

Sec. 11504. Amendment to Section 466 (relating to public or negotiated sale of general obligation bonds).

Sec. 11505. Amendment to Section 467 (relating to authority to create security interests in District revenues).

Sec. 11506. Amendment to Section 472 (relating to borrowing in anticipation of revenues).

Sec. 11507. Addition of new Section 475 (relating to general obligation bond anticipation notes).

Sec. 11508. Amendment to Section 490 (relating to revenue bonds and other obligations).

Sec. 11509. Conforming amendment.

Subtitle G—District of Columbia Government Budget

Sec. 11601. Elimination of the annual Federal payment to the District of Columbia.

Sec. 11602. Requirement that the District of Columbia balance its budget in FY 1998.

Sec. 11603. Permitting expedited submission and approval of consensus budget and financial plan.

Sec. 11604. Increase in maximum amount of permitted District borrowing.

²Section 11272 was repealed by section 7(d) of the District of Columbia Courts and Justice Technical Corrections Act of 1998 (Public Law 105-274, 112 Stat. 2427, Oct. 21, 1998) without making a conforming amendment to the table of sections.

Subtitle H—Miscellaneous Provisions

CHAPTER 1—REGULATORY REFORM IN THE DISTRICT OF COLUMBIA

- Sec. 11701. Review and revision of regulations and permit and application processes.
- Sec. 11702. Repeal of Clean Air Compliance Fee Act of 1994.
- Sec. 11703. Repeal requirement for Congressional authorization of certain mergers involving District of Columbia public utility corporations.
- Sec. 11704. Exemption of certain contracts from Council review.

CHAPTER 2—OTHER MISCELLANEOUS PROVISIONS

- Sec. 11711. Revisions to Financial Responsibility and Management Assistance Act.
- Sec. 11712. Cooperative agreements between Federal agencies and Metropolitan Police Department.
- Sec. 11713. Permitting garnishment of wages of officers and employees of District of Columbia government.
- Sec. 11714. Permitting excess appropriations by Water and Sewer Authority for capital projects.
- Sec. 11715. Requiring certain Federal officials to provide notice before carrying out activities affecting real property located in District of Columbia.³
- Sec. 11716. Repeal term of deed of conveyance to certain hospital.
- Sec. 11717. Short title of Home Rule Act.

CHAPTER 3—EFFECTIVE DATE; GENERAL PROVISIONS

- Sec. 11721. Effective date.
- Sec. 11722. Technical assistance.
- Sec. 11723. Liability.

Subtitle A—District of Columbia Retirement Funds

CHAPTER 1—SHORT TITLE; FINDINGS; DEFINITIONS

SEC. 11001. SHORT TITLE.

This subtitle may be cited as the “District of Columbia Retirement Protection Act of 1997”.

SEC. 11002. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—The Congress finds that—

(1) State and municipal retirement programs should be funded on an actuarially sound basis;

(2) the retirement programs for the police officers and firefighters, teachers and judges of the District of Columbia had significant unfunded liabilities totaling approximately \$1,900,000,000 when the Federal government transferred those programs to the District of Columbia, and those liabilities have since increased to nearly \$4,800,000,000, an increase which is almost entirely attributable to the accumulation of interest on the value which existed at the time of transfer;

(3) the District of Columbia has fully met its financial obligations under the District of Columbia Retirement Reform Act of 1979 (Public Law 96–122);

(4) the growth of the unfunded liabilities of the three pension funds listed above did not occur because of any action taken or any failure to act that lay within the power of the

³Section 11715 was repealed by §157(f) of the District of Columbia Appropriations Act, 1998 (Public Law 105–100, 111 Stat. 2187, Nov. 19, 1997) without making a conforming amendment to the table of contents.

District of Columbia government or the District of Columbia Retirement Board;

(5) the presence of the unfunded pension liability is having and will continue to have a negative impact on the District of Columbia's credit rating as it is a legal obligation and the total unfunded liability exceeds the total General Obligation debt of the District, and the costs associated with this liability are a contributing cause of the District's ongoing financial crisis;

(6) the obligations of the District associated with these pension programs in fiscal year 1997 represents nearly 10 percent of the District's revenue;

(7) the annual Federal contribution toward these costs under the District of Columbia Retirement Reform Act has remained \$52,000,000;

(8) if the unfunded pension liability situation is not resolved, in 2004 the District of Columbia would be responsible for annual costs exceeding \$800,000,000, a figure which would be impossible to meet without catastrophic impact on the District government's resources and programs;

(9) the financial resources of the District of Columbia are not adequate to discharge the unfunded liabilities of the retirement programs; and

(10) the level of benefits and funding of the current retirement programs were authorized by various Acts of Congress.

(b) **POLICY.**—It is the policy of this subtitle—

(1) to relieve the District of Columbia government of the responsibility for the unfunded pension liabilities transferred to it by the Federal government;

(2) for the Federal government to assume the legal responsibility for paying certain pension benefits (including certain unfunded pension liabilities which existed as of the day prior to introduction of this legislation) for the retirement plans of teachers, police, and firefighters;

(3) to provide for a responsible Federal system for payment of benefits accrued prior to the date of introduction of this legislation; and

(4) to require the establishment of replacement plans by the District of Columbia government for the current retirement plans for teachers, and police and firefighters.

SEC. 11003. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) The term “contract” means the contract under section 11035 between the Secretary and the Trustee, and includes any agreement with a department, agency, or instrumentality of the United States entered into under that section.

(2) The term “covered District employee” means a teacher of the District of Columbia public schools, or a member of the Metropolitan Police Force or the Fire Department of the District of Columbia, as defined under the District Retirement Program.

(3) The term “D.C. Federal Pension Fund” means the District of Columbia Teachers, Police Officers, and Firefighters Federal Pension Fund established under section 11081.

(4) The term “District Government” means any entity treated as part of the District government under section 305(5) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, including the District of Columbia Retirement Board (as defined in section 102(5) of the Reform Act).

(5) The term “District Retirement Fund” means the District of Columbia Police Officers and Fire Fighters Retirement Fund and the District of Columbia Teachers Retirement Fund, as defined in the Reform Act.

(6) The term “District Retirement Program” means any of the retirement programs for teachers and members of the Metropolitan Police Force and Fire Department, as described in section 102(7) of the Reform Act as in effect on the day before the freeze date (except as provided under section 11012(e) and (f) and as amended by section 11013).

(7) The term “enrolled actuary” means the enrolled actuary engaged by the Trustee under section 11061(a).

(8) The term “Federal benefit payment” means a payment described in section 11012.

(9) The term “Federal Supplemental Fund” means the Federal Supplemental District of Columbia Pension Fund created under section 11051.

(10) The term “freeze date” means June 30, 1997.

(11) The term “person” means an individual; partnership; joint venture; corporation; mutual company; joint-stock company; trust; estate; unincorporated organization; association; employee organization; or department, agency, or instrumentality of the United States.

(12) The term “Reform Act” means the District of Columbia Retirement Reform Act (Public Law 96–122).

(13) The term “replacement plan” means the plan described in section 11042.

(14) The term “replacement plan adoption date” means the date upon which the legislation establishing the replacement plan becomes effective, or the first day after the expiration of the 1-year period which begins on the date of the enactment of this Act, whichever occurs first.

(15) The term “Trust Fund” means the District of Columbia Federal Pension Liability Trust Fund established under section 11031.

(16) The term “Secretary” means the Secretary of the Treasury or the Secretary’s designee.

(17) The term “Trustee” means the person or persons selected by the Secretary under section 11035, or, beginning October 1, 2004, the Pension Fund Trustee selected by the Secretary under section 11085.

CHAPTER 2—FEDERAL BENEFIT PAYMENTS UNDER DISTRICT RETIREMENT PROGRAMS

SEC. 11011. OBLIGATION OF FEDERAL GOVERNMENT TO MAKE BENEFIT PAYMENTS.

(a) IN GENERAL.—In accordance with the provisions of this subtitle, the Federal Government shall make Federal benefit payments associated with the pension plans for police officers, firefighters, and teachers of the District of Columbia.

(b) NO REVERSION OF FEDERAL RESPONSIBILITY TO DISTRICT.—At no point after the effective date of this subtitle may the responsibility or any part thereof assigned to the Federal Government under subsection (a) for making Federal benefit payments revert to the District of Columbia.

SEC. 11012. FEDERAL BENEFIT PAYMENTS DESCRIBED.

(a) IN GENERAL.—Subject to the succeeding provisions of this subtitle, a “Federal benefit payment” is any benefit payment to which an individual is entitled under a District Retirement Program, in such amount and under such terms and conditions as may apply under such Program.

(b) TREATMENT OF SERVICE OCCURRING AFTER FREEZE DATE.—Service after the freeze date shall not be credited for purposes of determining the amount of any Federal benefit payment. Nothing in this subsection shall be construed to affect the crediting of such service for any other purpose under the District Retirement Program.

(c) SPECIAL RULE REGARDING DISABILITY BENEFITS.—To the extent that any portion of a benefit payment to which an individual is entitled under a District Retirement Program is based on a determination of disability made by the District Government or the Trustee after the freeze date, the Federal benefit payment determined with respect to the individual shall be an amount equal to the deferred retirement benefit or normal retirement benefit the individual would receive if the individual left service on the day before the commencement of disability retirement benefits.

(d) SPECIAL RULE REGARDING CERTAIN DEATH BENEFITS.—

(1) IN GENERAL.—In the case of a benefit payment to which an individual is entitled under a District Retirement Program which is payable on the death of a covered District employee or former covered District employee and which is not determined by the length of service of the employee or former employee, the Federal benefit payment determined with respect to the individual shall be equal to the pre-freeze date percentage of the amount otherwise payable.

(2) PRE-FREEZE DATE PERCENTAGE DEFINED.—In paragraph (1), the “pre-freeze date percentage” with respect to a covered District employee or former covered District employee is the amount (expressed as a percentage) equal to the quotient of—

(A) the number of months of the covered District employee’s or former covered District employee’s service prior to the freeze date; divided by

(B) the total number of months of the covered District employee’s or former covered District employee’s service.

(e) TREATMENT OF INCREASES IN CERTAIN POLICE SERVICE LONGEVITY PAYMENTS.—For purposes of subsection (a), in determining the amount of a Federal benefit payment made to an officer or member of the Metropolitan Police Department, the benefit payment to which the officer or member is entitled under the District Retirement Program shall include any amounts which would have been included in the benefit payment under such Program if the amendments made by the Police Recruiting and Retention Enhancement Amendment Act of 1999 had taken effect prior to the freeze date. The Secretary of the Treasury is authorized to estimate the additional compensation for service longevity for purposes of determining the amount of a Federal benefit payment for annuitants who retire on or after August 29, 1972, and on or before December 31, 2001, and to make Federal benefit payments based upon such estimates.

(f) TREATMENT OF MILITARY SERVICE CREDIT PURCHASED BY CERTAIN POLICE AND FIRE RETIREES.—For purposes of subsection (a), in determining the amount of a Federal benefit payment made to an officer or member, the benefit payment to which the officer or member is entitled under the District Retirement Program shall include any amounts which would have been included in the benefit payment under such Program if the amendments made by the District of Columbia Military Retirement Equity Act of 2003 had taken effect prior to the freeze date.

SEC. 11013. ESTABLISHMENT OF SINGLE ANNUAL COST-OF-LIVING ADJUSTMENT UNDER DISTRICT RETIREMENT PROGRAM.

(a) PROGRAM FOR POLICE AND FIRE FIGHTERS.—Subsection (m) of the Policemen and Firemen's Retirement and Disability Act (DC Code, sec. 4-624) is amended—

(1) in paragraph (2), by striking “the Mayor shall” and all that follows and inserting the following: “on January 1 of each year (or within a reasonable time thereafter), the Mayor shall determine the per centum change in the price index for the preceding year by determining the difference between the index published for December of the preceding year and the index published for December of the second preceding year.”; and

(2) by amending paragraph (3) to read as follows:

“(3)(A) If (in accordance with paragraph (2)) the Mayor determines in a year (beginning with 1999) that the per centum change in the price index for the preceding year indicates a rise in the price index, each annuity having a commencing date on or before March 1 of the year shall, effective March 1 of the year, be increased by an amount equal to—

“(i) in the case of an annuity having a commencing date on or before March 1 of such preceding year, the per centum change computed under paragraph (2), adjusted to the nearest $\frac{1}{10}$ of 1 per centum; or

“(ii) in the case of an annuity having a commencing date after March 1 of such preceding year, a pro rata increase equal to the product of—

“(I) $\frac{1}{12}$ of the per centum change computed under paragraph (2), multiplied by

“(II) the number of months (not to exceed 12 months, counting any portion of a month as an entire month) for which the annuity was payable before the effective date of the increase,

adjusted to the nearest $\frac{1}{10}$ of 1 per centum.

“(B) On January 1, 1998 (or within a reasonable time thereafter), the Mayor shall determine the per centum change in the price index published for December 1997 over the price index published for June 1997. If such per centum change indicates a rise in the price index, effective March 1, 1998—

“(i) each annuity having a commencing date on or before September 1, 1997, shall be increased by an amount equal to such per centum change, adjusted to the nearest $\frac{1}{10}$ of 1 per centum; and

“(ii) each annuity having a commencing date after September 1, 1997, and on or before March 1, 1998, shall be increased by a pro rata increase equal to the product of—

“(I) $\frac{1}{6}$ of such per centum change, multiplied by

“(II) the number of months (not to exceed 6 months, counting any portion of a month as an entire month) for which the annuity was payable before the effective date of the increase,

adjusted to the nearest $\frac{1}{10}$ of 1 per centum.”.

(b) PROGRAM FOR TEACHERS.—Section 21(b) of the Act entitled “An Act for the retirement of public-school teachers in the District of Columbia”, approved August 7, 1946 (DC Code, sec. 31–1241(b)) is amended—

(1) in paragraph (1), by striking “The Mayor shall—” and all that follows and inserting the following: “On January 1 of each year (or within a reasonable time thereafter), the Mayor shall determine the per centum change in the price index for the preceding year by determining the difference between the index published for December of the preceding year and the index published for December of the second preceding year.”; and

(2) by amending paragraph (2) to read as follows:

“(2)(A) If (in accordance with paragraph (1)) the Mayor determines in a year (beginning with 1999) that the per centum change in the price index for the preceding year indicates a rise in the price index, each annuity having a commencing date on or before March 1 of the year shall, effective March 1 of the year, be increased by an amount equal to—

“(i) in the case of an annuity having a commencing date on or before March 1 of such preceding year, the per centum change computed under paragraph (1), adjusted to the nearest $\frac{1}{10}$ of 1 per centum; or

“(ii) in the case of an annuity having a commencing date after March 1 of such preceding year, a pro rata increase equal to the product of—

“(I) $\frac{1}{12}$ of the per centum change computed under paragraph (1), multiplied by

“(II) the number of months (not to exceed 12 months, counting any portion of a month as an entire month) for

which the annuity was payable before the effective date of the increase,
 adjusted to the nearest $\frac{1}{10}$ of 1 per centum.
 “(B) On January 1, 1998 (or within a reasonable time thereafter), the Mayor shall determine the per centum change in the price index published for December 1997 over the price index published for June 1997. If such per centum change indicates a rise in the price index, effective March 1, 1998—
 “(i) each annuity having a commencing date on or before September 1, 1997, shall be increased by an amount equal to such per centum change, adjusted to the nearest $\frac{1}{10}$ of 1 per centum; and
 “(ii) each annuity having a commencing date after September 1, 1997, and on or before March 1, 1998, shall be increased by a pro rata increase equal to the product of—
 “(I) $\frac{1}{6}$ of such per centum change, multiplied by
 “(II) the number of months (not to exceed 6 months, counting any portion of a month as an entire month) for which the annuity was payable before the effective date of the increase,
 adjusted to the nearest $\frac{1}{10}$ of 1 per centum.”.

CHAPTER 3—DETERMINATIONS AND REVIEW OF ELIGIBILITY AND PAYMENTS; INFORMATION SHARING

SEC. 11021. DETERMINATION OF ELIGIBILITY FOR AND AMOUNT OF FEDERAL BENEFIT PAYMENTS MADE BY TRUSTEE.

Notwithstanding any provision of a District Retirement Program or any other law, rule, or regulation, the Trustee—

- (1) shall determine whether an individual is eligible to receive a Federal benefit payment under this subtitle;
- (2) shall determine the amount and form of an individual's Federal benefit payment under this subtitle; and
- (3) may recoup or recover, or waive recoupment or recovery of, any amounts paid under this subtitle as a result of errors or omissions by the Trustee, the District Government, or any other person.

SEC. 11022. PROCEDURES FOR RESOLVING CLAIMS ARISING FROM DENIED BENEFIT PAYMENTS.

(a) **REQUIRING NOTICE AND OPPORTUNITY FOR REVIEW.**—In accordance with procedures approved by the Secretary, the Trustee shall provide to any individual whose claim for a Federal benefit payment under this subtitle has been denied in whole or in part—

- (1) adequate written notice of such denial, setting forth the specific reasons for the denial in a manner calculated to be understood by the average participant in the District Retirement Program; and
- (2) a reasonable opportunity for a full and fair review of the decision denying such claim.

(b) **STANDARD FOR REVIEW.**—Any factual determination made by the Trustee shall be presumed correct unless rebutted by clear and convincing evidence. The Trustee's interpretation and construction of the benefit provisions of the District Retirement Program and this subtitle shall be entitled to great deference.

SEC. 11023. TRANSFER OF AND ACCESS TO RECORDS OF DISTRICT GOVERNMENT.

(a) **IN GENERAL.**—Within 30 days after the Secretary or the Trustee requests, the District Government shall furnish copies of all records, documents, information, or data the Secretary or the Trustee deems necessary to carry out responsibilities under this subtitle and the contract. Upon request, the District Government shall grant the Secretary or the Trustee direct access to such information systems, records, documents, information or data as the Secretary or Trustee requires to carry out responsibilities under this subtitle or the contract.

(b) **REPAYMENT BY DISTRICT GOVERNMENT.**—The District Government shall reimburse the Trust Fund for all costs, including benefit costs, that are attributable to errors or omissions in the transferred records that are identified within 3 years after such records are transferred.

SEC. 11024. FEDERAL INFORMATION SHARING FOR VERIFICATION OF BENEFIT DETERMINATIONS.

(a) **IN GENERAL.**—Except with respect to taxpayer returns and return information subject to section 6103 of the Internal Revenue Code of 1986, the Secretary may—

(1) secure directly from any department or agency of the United States information necessary to enable the Secretary to verify or confirm benefit determinations under this subtitle; and

(2) by regulation authorize the Trustee to review such information for purposes of administering this subtitle and the contract.

(b) **AMENDMENTS TO INTERNAL REVENUE CODE.**—The Internal Revenue Code of 1986 is amended as follows:

(1) In section 6103(l), as amended by section 1206(a) of the Taxpayer Bill of Rights 2, by adding at the end the following new paragraph:

“(16) **DISCLOSURE OF RETURN INFORMATION FOR PURPOSES OF ADMINISTERING THE DISTRICT OF COLUMBIA RETIREMENT PROTECTION ACT OF 1997.**—

“(A) **IN GENERAL.**—Upon written request available return information (including such information disclosed to the Social Security Administration under paragraph (1) or (5) of this subsection), relating to the amount of wage income (as defined in section 3121(a) or 3401(a)), the name, address, and identifying number assigned under section 6109, of payors of wage income, taxpayer identity (as defined in subsection 6103(b)(6)), and the occupational status reflected on any return filed by, or with respect to, any individual with respect to whom eligibility for, or the correct amount of, benefits under the District of Columbia Retirement Protection Act of 1997, is sought to be determined, shall be disclosed by the Commissioner of Social Security, or to the extent not available from the Social Security Administration, by the Secretary, to any duly authorized officer or employee of the Department of the Treasury, or a Trustee or any designated officer or employee of a Trustee (as defined in the District of Columbia Retirement Protec-

tion Act of 1997), or any actuary engaged by a Trustee under the terms of the District of Columbia Retirement Protection Act of 1997, whose official duties require such disclosure, solely for the purpose of, and to the extent necessary in, determining an individual's eligibility for, or the correct amount of, benefits under the District of Columbia Retirement Protection Act of 1997.

“(B) DISCLOSURE FOR USE IN JUDICIAL OR ADMINISTRATIVE PROCEEDINGS.—Return information disclosed to any person under this paragraph may be disclosed in a judicial or administrative proceeding relating to the determination of an individual's eligibility for, or the correct amount of, benefits under the District of Columbia Retirement Protection Act of 1997.”.

(2) In section 6103(a)(3), by striking “(6) or (12)” and inserting “(6), (12), or (16)”;

(3) In section 6103(i)(7)(B)(i), by inserting after “(other than an agency referred to in subparagraph (A))” and before the word “for” the words “or by a Trustee as defined in the District of Columbia Retirement Protection Act of 1997,”.

(4) In section 6103(p)(3)(A), by striking “or (15)” and inserting “(15), or (16)”.

(5) In section 6103(p)(4) in the matter preceding subparagraph (A), by striking “or (12)” and inserting “(12), or (16), or any other person described in subsection (l)(16)”.

(6) In section 6103(p)(4)(F)(i), by striking “or (9),” and inserting “(9), or (16), or any other person described in subsection (l)(16)”.

(7) In section 6103(p)(4)(F) in the matter following clause (iii)—

(A) by inserting after “any such agency, body or commission” and before the words “for the General Accounting Office” the words “, including an agency or any other person described in subsection (l)(16),”;

(B) by striking “to such agency, body, or commission” and inserting “to such agency, body, or commission, including an agency or any other person described in subsection (l)(16),”;

(C) by striking “or (12)(B)” and inserting “, (12)(B), or (16)”;

(D) by inserting after the words “any agent,” and before the words “this paragraph shall” the words “or any person including an agent described in subsection (l)(16),”;

(E) by inserting after the words “such agent” and before “(except that)” the words “or other person”; and

(F) by inserting after the words “an agent,” and before the words “any report” the words “or any person including an agent described in subsection (l)(16),”.

(8) In section 7213(a)(2), by striking “or (15),” and inserting “(15), or (16)”.

(c) CONFIDENTIALITY.—The Secretary may issue regulations governing the confidentiality of the information obtained pursuant to subsection (a) and the provisions of law amended by subsection (b).

**CHAPTER 4—DISTRICT OF COLUMBIA FEDERAL
PENSION LIABILITY TRUST FUND****SEC. 11031. CREATION OF TRUST FUND.**

(a) **ESTABLISHMENT.**—There is established on the books of the Treasury the District of Columbia Federal Pension Liability Trust Fund, consisting of the assets transferred pursuant to section 11033 and any income earned on the investment of such assets pursuant to subsection (b).

(b) **INVESTMENT OF ASSETS.**—The Trustee may invest the assets of the Trust Fund in private securities and any other form of investment deemed appropriate by the Secretary.

SEC. 11032. USES OF AMOUNTS IN TRUST FUND.

(a) **IN GENERAL.**—Amounts in the Trust Fund shall be used—

(1) to make Federal benefit payments under this subtitle;
(2) subject to subsection (b)(1), to cover the reasonable and necessary expenses of administering the Trust Fund under the contract entered into pursuant to section 11035(b);

(3) to cover the reasonable and necessary administrative expenses incurred by the Secretary in carrying out the Secretary's responsibilities under this subtitle; and

(4) for such other purposes as are specified in this subtitle.

(b) **SPECIAL RULES REGARDING ADMINISTRATIVE EXPENSES.**—

(1) **BUDGETING; CERTIFICATION AND APPROVAL.**—The administrative expenses of the Trust Fund shall be paid in accordance with an annual budget set forth by the Trustee which shall be subject to certification and approval by the Secretary.

(2) **USE OF DISTRICT RETIREMENT FUND FOR INTERIM ADMINISTRATION.**—The Secretary is authorized to requisition from the District Retirement Fund such sums as are necessary to administer the Trust Fund (including expenses described in section 11041(b)) until assets are transferred to the Trust Fund pursuant to section 11033.

SEC. 11033. TRANSFER OF ASSETS AND OBLIGATIONS OF DISTRICT RETIREMENT FUNDS.

(a) **IN GENERAL.**—As of the replacement plan adoption date, all obligations to make Federal benefit payments and all assets of the District Retirement Fund as of the replacement plan adoption date (except as provided in subsections (b) and (c)) shall be transferred to the Trust Fund.

(b) **DESIGNATION OF ASSETS TO BE RETAINED BY DISTRICT RETIREMENT FUND.**—The Secretary shall designate assets with a value of \$1.275 billion that shall not be transferred from the District Retirement Fund under subsection (a). The Secretary's designation and valuation of the assets shall be final and binding.

(c) **EXCEPTION FOR CERTAIN EMPLOYEE CONTRIBUTIONS.**—

(1) **IN GENERAL.**—Subsection (a) shall not apply to assets of the District Retirement Fund consisting of any employee contributions deducted and withheld after the freeze date or any interest thereon (computed at a rate and in a manner determined by the Secretary).

(2) **EMPLOYEE CONTRIBUTIONS DEFINED.**—In paragraph (1), the term "employee contributions" means amounts deducted and withheld from the salaries of covered District employees

and paid to the District Retirement Fund (and, in the case of teachers, amounts of additional deposits paid to the District Retirement Fund), pursuant to the District Retirement Program.

(d) RESPONSIBILITIES OF DISTRICT GOVERNMENT.—

(1) IN GENERAL.—The transfer of assets from the District Retirement Fund under this section shall be made in accordance with the direction of the Secretary. The District Government shall promptly take all steps, and execute all documents, that the Secretary deems necessary to effect the transfer.

(2) FINAL RECONCILIATION OF ACCOUNTS.—As soon as practicable after the replacement plan adoption date, the District Government shall furnish the Trustee a final reconciliation of accounts in connection with the transfer of assets and obligations to the Trust Fund. The allocation of assets under this section shall be adjusted in accordance with this reconciliation.

(e) METHODOLOGY FOR DESIGNATING ASSETS.—

(1) IN GENERAL.—In carrying out subsection (b), the Secretary may develop and implement a methodology for designating assets after the replacement plan adoption date that takes into account the value of the District Retirement Fund as of the replacement plan adoption date and the proportion of such value represented by \$1.275 billion, together with the income (including returns on investments) earned on the assets of and withdrawals from and deposits to the Fund during the period between such date and the date on which the Secretary designates assets under subsection (b). In implementing a methodology under the previous sentence, the Secretary shall not be required to determine the value of designated assets as of the replacement plan adoption date. Nothing in this paragraph may be deemed to effect the entitlement of the District Retirement Fund to income (including returns on investments) earned after the replacement plan adoption date on assets designated for retention by the Fund.

(2) EMPLOYEE CONTRIBUTIONS; JUDICIAL RETIREMENT AND SURVIVORS ANNUITY FUND.—The Secretary may develop and implement a methodology comparable to the methodology described in paragraph (1) in carrying out the requirements of subsection (c) and in designating assets to be transferred to the District of Columbia Judicial Retirement and Survivors Annuity Fund pursuant to section 124(c)(1) of the District of Columbia Retirement Reform Act (as amended by section 11252).

(3) DISCRETION OF THE SECRETARY.—The Secretary's development and implementation of methodologies for designating assets under this subsection shall be final and binding.

SEC. 11034. TREATMENT OF TRUST FUND UNDER CERTAIN LAWS.

(a) INTERNAL REVENUE CODE.—For purposes of the Internal Revenue Code of 1986—

(1) the Trust Fund shall be treated as a trust described in section 401(a) of the Code which is exempt from taxation under section 501(a) of the Code;

(2) any transfer to or distribution from the Trust Fund shall be treated in the same manner as a transfer to or dis-

tribution from a trust described in section 401(a) of the Code; and

(3) the benefits provided by the Trust Fund shall be treated as benefits provided under a governmental plan maintained by the District of Columbia.

(b) ERISA.—For purposes of the Employee Retirement Income Security Act of 1974, the benefits provided by the Trust Fund shall be treated as benefits provided under a governmental plan maintained by the District of Columbia.

(c) APPLICATION OF CERTAIN FUTURE AMENDMENTS TO INTERNAL REVENUE CODE.—To the extent that any provision of subpart A of part I of subchapter D of chapter 1 of the Internal Revenue Code of 1986 (26 U.S.C. 401 et seq.) is amended after the date of the enactment of this Act, such provision as amended shall apply to the Trust Fund only to the extent the Secretary determines that application of the provision as amended is consistent with the administration of this subtitle.

SEC. 11035. ADMINISTRATION THROUGH TRUSTEE.

(a) IN GENERAL.—As soon as practicable after the enactment of this subtitle, the Secretary shall select a Trustee to administer the Trust Fund and otherwise carry out the responsibilities and duties specified in this subtitle in accordance with the contract described in subsection (b).

(b) CONTRACT.—The Secretary shall enter into a contract with the Trustee to provide for the management, investment, control and auditing of Trust Fund assets, the making of Federal benefit payments under this subtitle from the Trust Fund, and such other matters as the Secretary deems appropriate. The Secretary shall enforce the provisions of the contract and otherwise monitor the administration of the Trust Fund.

(c) SUBCONTRACTS.—Notwithstanding any provision of a District Retirement Program or any other law, rule, or regulation, the Trustee may, with the approval of the Secretary, enter into one or more subcontracts with the District Government or any person to provide services to the Trustee in connection with its performance of the contract. The Trustee shall monitor the performance of any such subcontract and enforce its provisions.

(d) DETERMINATION BY THE SECRETARY.—Notwithstanding subsection (b) or any other provision of this subtitle, the Secretary may determine, with respect to any function otherwise to be performed by the Trustee, that in the interest of economy and efficiency such function shall be performed by the Secretary rather than the Trustee.

(e) REPORTS.—The Trustee shall report to the Secretary, in a form and manner and at such intervals as the Secretary may prescribe, on any matters or transactions relating to the Trust Fund, including financial matters, as the Secretary may require.

SEC. 11036. TERMINATION OF TRUST FUND.

Effective upon the transfer of the obligations and assets of the Trust Fund to the D.C. Federal Pension Fund under section 11083—

(1) the Trust Fund shall terminate; and

(2) the obligation to make Federal benefit payments from the Trust Fund, and any duty imposed on any person with respect to the Trust Fund, shall terminate.

CHAPTER 5—RESPONSIBILITIES OF DISTRICT GOVERNMENT

SEC. 11041. INTERIM ADMINISTRATION.

(a) **ADMINISTRATION OF BENEFITS UNTIL APPOINTMENT OF TRUSTEE.**—Notwithstanding chapter 2, after the enactment of this subtitle the District Government shall continue to discharge its duties and responsibilities under the District Retirement Program and the District Retirement Fund (as such duties and responsibilities are modified by this subtitle), including the responsibility for Federal benefit payments, until such time as the Secretary notifies the District Government that the Secretary has directed the Trustee to carry out the duties and responsibilities required under the contract.

(b) **REIMBURSEMENT.**—The Secretary or the Trustee shall, at such times during or after the period of interim administration described in subsection (a) as are deemed appropriate by the Secretary or the Trustee reimburse the District Government for any administrative expenses incurred by the District Government in carrying out subsection (a)—

(1) if the Secretary or the Trustee finds such expenses to be reasonable and necessary; and

(2) to the extent that the District Government is not reimbursed for such expenses from other sources.

(c) **MAKING DISTRICT RETIREMENT FUND WHOLE.**—The District Government shall reimburse the District Retirement Fund for any benefits paid inconsistent with this subtitle from the District Retirement Fund between the freeze date and such time as the Secretary notifies the District Government that the Secretary has directed the Trustee to carry out the duties and responsibilities required under the contract.

SEC. 11042. REPLACEMENT PLAN.

(a) **ADOPTION BY DISTRICT GOVERNMENT.**—Not later than one year after the date of the enactment of this subtitle, the District Government shall adopt a replacement plan for pension benefits for covered District employees, effective as of the freeze date.

(b) **REPLACEMENT PLAN IMPOSED IF DISTRICT GOVERNMENT FAILS TO ADOPT PLAN.**—If the District Government fails to adopt a replacement plan within the period prescribed in subsection (a), the retirement program applicable to police, firefighters, and teachers under the laws of the District of Columbia in effect as of June 1, 1997 (except as otherwise amended by this Act), including all requirements of the program regarding benefits, contributions, and cost-of-living adjustments, shall be treated as the replacement plan for purposes of this subtitle.

(c) **NO PAYMENT OF AMOUNTS PAID AS FEDERAL BENEFIT PAYMENT.**—Notwithstanding any provision of the Reform Act or any other law, rule, or regulation, the District Government is not required to pay any amount under any replacement plan under this

subtitle if the amount is paid as a Federal benefit payment under this subtitle.

CHAPTER 6—FINANCING OF BENEFIT PAYMENTS AFTER DEPLETION OF TRUST FUND

SEC. 11051. CREATION OF FEDERAL SUPPLEMENTAL FUND.

(a) **ESTABLISHMENT.**—There is established on the books of the Treasury the Federal Supplemental District of Columbia Pension Fund, which shall be administered by the Secretary and shall consist of the following assets:

(1) Amounts deposited into such Fund under the provisions of this subtitle.

(2) Any amount otherwise appropriated to such Fund.

(3) Any income earned on the investment of the assets of such Fund pursuant to subsection (b).

(b) **INVESTMENT OF ASSETS.**—The Secretary shall invest such portion of the Federal Supplemental Fund as is not in the judgment of the Secretary required to meet current withdrawals. Such investments shall be in public debt securities with maturities suitable to the needs of the Federal Supplemental Fund, as determined by the Secretary, and bearing interest at rates determined by the Secretary, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities.

(c) **RECORDKEEPING FOR ACTUARIAL STATUS.**—The Secretary shall provide for the keeping of such records as are necessary for determining the actuarial status of the Federal Supplemental Fund.

SEC. 11052. USES OF AMOUNTS IN FUND.

Amounts in the Federal Supplemental Fund shall be used for the accumulation of funds in order to finance obligations of the Federal Government for benefits and necessary administrative expenses under the provisions of this subtitle, in accordance with the methodology selected by the Secretary under section 11054(b), except that payments from the Fund for administrative expenses may be made only to the extent and in such amounts as are provided in advance in appropriations acts.

SEC. 11053. DETERMINATION OF ANNUAL PAYMENT INTO FEDERAL SUPPLEMENTAL FUND.

(a) **ANNUAL AMORTIZATION AMOUNT.**—At the end of each applicable fiscal year the Secretary shall promptly pay into the Federal Supplemental Fund from the General Fund of the Treasury an amount equal to the annual amortization amount for the year (which may not be less than zero).

(b) **ADMINISTRATIVE EXPENSES.**—During each applicable fiscal year, the Secretary shall pay into the Federal Supplemental Fund from the General Fund of the Treasury amounts not to exceed the covered administrative expenses for the year.

(c) **DETERMINATION OF AMOUNTS.**—For purposes of this section:

(1) The “original unfunded liability” is the amount that is the present value as of the effective date of this Act of future benefits payable from the Federal Supplemental Fund.

(2) The “annual amortization amount” is the amount determined by the enrolled actuary to be necessary to amortize in equal annual installments (until fully amortized)—

(A) the original unfunded liability over a 30-year period;

(B) a net experience gain or loss over a 10-year period; and

(C) any other changes in actuarial liability over a 20-year period.

(3) The “covered administrative expenses” are the expenses determined by the Secretary (on an annual basis) to be necessary to administer the Federal Supplemental Fund.

(d) **TIMING.**—The first applicable fiscal year under subsection (a) is the first fiscal year that ends more than six months after the replacement plan adoption date.

SEC. 11054. DETERMINATION OF METHODOLOGY FOR MAKING PAYMENTS.

(a) **NOTICE TO PRESIDENT AND CONGRESS.**—Not later than 18 months before the time that assets remaining in the Trust Fund are projected to be insufficient for making Federal benefit payments and covering necessary administrative expenses when due, the Secretary shall so advise the President and the Congress.

(b) **SELECTION OF METHODOLOGY.**—Before all available assets of the Trust Fund have been depleted, the Secretary shall determine whether Federal benefit payments and necessary administrative expenses under this subtitle shall be made by one of the following methods:

(1) Continuation of the Trust Fund using payments from the Federal Supplemental Fund.

(2) Discontinuation of the Trust Fund, with payments made—

(A) by direct payment by the Secretary from the Federal Supplemental Fund; or

(B) from the Federal Supplemental Fund through another department or agency of the United States.

(c) **ARRANGEMENTS BY SECRETARY.**—The Secretary shall make appropriate arrangements to implement the determinations made in this subsection.

SEC. 11055. SPECIAL REQUIREMENTS UPON DISCONTINUATION OF TRUST FUND.

(a) **SUCCESSOR TO TRUSTEE.**—If the Secretary determines that the Trust Fund shall be discontinued after it has been depleted of assets, the Secretary shall appoint a successor to the Trustee to administer the requirements of this subtitle, with the same powers and subject to the same conditions as were applicable to the Trustee.

(b) **CONTINUING APPLICATION OF TERMS AND CONDITIONS.**—The methodology selected by the Secretary under section 11054(b), and the payment of benefits pursuant to such methodology, shall be subject to the same arrangements, terms, and conditions as were applicable under this subtitle to the Trust Fund and the benefits paid under the Trust Fund (including provisions relating to the treatment of the Trust Fund under certain laws).

SEC. 11056. TERMINATION OF FEDERAL SUPPLEMENTAL FUND.

Effective upon the transfer of the assets of the Federal Supplemental Fund to the D.C. Federal Pension Fund under section 11083—

- (1) the Federal Supplemental Fund shall terminate; and
- (2) any duty imposed on any person with respect to the Federal Supplemental fund shall terminate.

CHAPTER 7—REPORTS**SEC. 11061. ANNUAL VALUATIONS AND REPORTS BY ENROLLED ACTUARY.**

(a) **DETERMINATION OF ACTUARIAL VALUATIONS.**—The Trustee shall engage an enrolled actuary (as defined in section 7701(a)(35) of the Internal Revenue Code of 1986) who is a member of the American Academy of Actuaries to shall perform an annual actuarial valuation (in a manner and form determined by the Secretary) of the Trust Fund and the Federal Supplemental Fund for obligations assumed by the Federal Government under this subtitle.

(b) **ANNUAL REPORT ON STATUS OF FUNDS.**—The enrolled actuary shall prepare and submit to the Secretary and the Trustee an annual report on the actuarial status of the Trust Fund and the Federal Supplemental Fund, and shall include in the report—

- (1) a projection of when assets in the Trust Fund will be insufficient to pay benefits and necessary administrative expenses when due; and
- (2) a determination of the annual payment to the Federal Supplemental Fund under section 11053.

SEC. 11062. REPORTS BY COMPTROLLER GENERAL.

(a) **IN GENERAL.**—The Comptroller General is authorized to conduct evaluations of the administration of this subtitle to ensure that the Trust Fund and Federal Supplemental Fund are being properly administered and shall report the findings of such evaluations to the Secretary and the Congress.

(b) **ACCESS TO INFORMATION.**—For the purpose of evaluations under subsection (a) the Comptroller General, subject to section 6103 of the Internal Revenue Code of 1986, shall have access to and the right to copy any books, accounts, records, correspondence or other pertinent documents that are in the possession of the Secretary or the Trustee, or any contractor or subcontractor of the Secretary or the Trustee.

CHAPTER 8—JUDICIAL ENFORCEMENT**SEC. 11071. JUDICIAL REVIEW.**

(a) **IN GENERAL.**—A civil action may be brought—

- (1) by a participant or beneficiary to enforce or clarify rights to benefits from the Trust Fund or Federal Supplemental Fund under this subtitle;
- (2) by the Trustee—
 - (A) to enforce any claim arising (in whole or in part) under this subtitle or the contract; or
 - (B) to recover benefits improperly paid from the Trust Fund or Federal Supplemental Fund or to clarify a partici-

pant's or beneficiary's rights to benefits from the Trust Fund or Federal Supplemental Fund; and

(3) by the Secretary to enforce any provision of this subtitle or the contract.

(b) TREATMENT OF TRUST FUND.—The Trust Fund may sue and be sued as an entity.

(c) EXCLUSIVE REMEDY.—This chapter shall be the exclusive means for bringing actions against the Trust Fund, the Trustee or the Secretary under this subtitle.

SEC. 11072. JURISDICTION AND VENUE.

(a) IN GENERAL.—The United States District Court for the District of Columbia shall have exclusive jurisdiction and venue, regardless of the amount in controversy, of—

(1) civil actions brought by participants or beneficiaries pursuant to this subtitle, and

(2) any other action otherwise arising (in whole or part) under this subtitle or the contract.

(b) REVIEW BY COURT OF APPEALS.—Notwithstanding any other provision of law, any order of the United States District Court for the District of Columbia issued pursuant to an action described in subsection (a) that concerns the validity or enforceability of any provision of this subtitle or seeks injunctive relief against the Secretary or Trustee under this subtitle shall be reviewable only pursuant to a notice of appeal to the United States Court of Appeals for the District of Columbia Circuit.

(c) REVIEW BY SUPREME COURT.—Notwithstanding any other provision of law, review by the Supreme Court of the United States of a decision of the Court of Appeals that is issued pursuant to subsection (b) may be had only if the petition for relief is filed within 20 calendar days after the entry of such decision.

(d) RESTRICTIONS ON DECLARATORY OR INJUNCTIVE RELIEF.—No order of any court granting declaratory or injunctive relief against the Secretary or the Trustee shall take effect during the pendency of the action before such court, during the time an appeal may be taken, or (if an appeal is taken or petition for certiorari filed) during the period before the court has entered its final order disposing of the action.

SEC. 11073. STATUTE OF LIMITATIONS.

(a) ACTION FOR BENEFITS.—Any civil action by an individual with respect to a Federal benefit payment under this subtitle shall be commenced within 180 days of a final benefit determination.

(b) ACTION FOR BREACH OF CONTRACT OR OTHER VIOLATIONS.—Except as provided in subsection (c), any civil action for breach of the contract or any other violation of this subtitle shall be commenced within the later of—

(1) six years after the last act that constituted the alleged breach or violation or, in the case of an omission, six years after the last date on which the alleged breach or violation could have been cured; or

(2) three years after the earliest date on which the plaintiff knew or could have reasonably been expected to have known of the act or omission on which the action is based.

(c) SPECIAL RULE FOR ACTIONS AGAINST SECRETARY.—Notwithstanding subsection (b), any action against the Secretary arising (in whole or part) under this subtitle or the contract shall be commenced within one year of the events giving rise to the cause of action.

SEC. 11074. TREATMENT OF MISAPPROPRIATION OF FUND AMOUNTS AS FEDERAL CRIME.

The provisions of section 664 of title 18, United States Code (relating to theft or embezzlement from employee benefit plans), shall apply to the Trust Fund and the Federal Supplemental Fund.

CHAPTER 9—DISTRICT OF COLUMBIA FEDERAL PENSION FUND

SEC. 11081. CREATION OF FUND.

(a) ESTABLISHMENT.—There is established on the books of the Treasury the District of Columbia Teachers, Police Officers, and Firefighters Federal Pension Fund (hereafter referred to as the “D.C. Federal Pension Fund”), consisting of the following:

- (1) The assets transferred pursuant to section 11083.
- (2) The annual Federal payments deposited pursuant to section 11084.
- (3) Any amounts otherwise appropriated to such Fund.
- (4) Any income earned on the investment of the assets of such Fund pursuant to subsection (b).

(b) INVESTMENT OF ASSETS.—The Secretary shall invest such portion of the assets of the D.C. Federal Pension Fund as is not in the judgment of the Secretary required to meet current withdrawals. Such investments shall be in public debt securities with maturities suitable to the needs of the D.C. Federal Pension Fund, as determined by the Secretary, and bearing interest at rates determined by the Secretary, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities.

(c) RECORDKEEPING FOR ACTUARIAL STATUS.—The Secretary shall provide for the keeping of such records as are necessary for determining the actuarial status of the D.C. Federal Pension Fund.

SEC. 11082. USES OF AMOUNTS IN FUND.

(a) IN GENERAL.—Amounts in the D.C. Federal Pension Fund shall be used—

- (1) to make Federal benefit payments under this subtitle;
- (2) subject to subsection (b), to cover the reasonable and necessary administrative expenses incurred by any person in administering the D.C. Federal Pension Fund and carrying out this chapter;
- (3) for the accumulation of funds in order to finance obligations of the Federal Government for future benefits; and
- (4) for such other purposes as are specified in this subtitle.

(b) BUDGETING, CERTIFICATION, AND APPROVAL OF ADMINISTRATIVE EXPENSES.—The administrative expenses of the D.C. Federal Pension Fund shall be paid in accordance with an annual budget set forth by the Pension Fund Trustee which shall be subject to certification and approval by the Secretary.

SEC. 11083. TRANSFER OF ASSETS AND OBLIGATIONS OF TRUST FUND AND FEDERAL SUPPLEMENTAL FUND.

(a) **TRANSFER OF OBLIGATIONS.**—Effective October 1, 2004, all obligations to make Federal benefit payments shall be transferred from the Trust Fund to the D.C. Federal Pension Fund.

(b) **TRANSFER OF ASSETS.**—Effective October 1, 2004, all assets of the Trust Fund and all assets of the Federal Supplemental Fund as of such date shall be transferred to the D.C. Federal Pension Fund.

SEC. 11084. DETERMINATION OF ANNUAL FEDERAL PAYMENTS INTO D.C. FEDERAL PENSION FUND.

(a) **ANNUAL AMORTIZATION AMOUNT.**—

(1) **IN GENERAL.**—At the end of each fiscal year (beginning with fiscal year 2005), the Secretary shall promptly pay into the D.C. Federal Pension Fund from the general fund of the Treasury an amount equal to the annual amortization amount for the year (which may not be less than zero).

(2) **DETERMINATION OF AMOUNT.**—For purposes of paragraph (1)—

(A) the “original unfunded liability” is the present value as of the effective date of this Act of expected future benefits payable from the Federal Supplemental Fund; and

(B) the “annual amortization amount” means the amount determined by the enrolled actuary to be necessary to amortize in equal annual installments (until fully amortized)—

(i) the original unfunded liability over a 30-year period,

(ii) a net experience gain or loss over a 10-year period, and

(iii) any other changes in actuarial liability over a 20-year period.

(3) **SCHEDULE FOR AMORTIZATION.**—In determining the annual amortization amount under paragraph (2)(B), the enrolled actuary shall include amounts necessary to complete the amortization schedules used for determining the annual amortization amount for payments into the Federal Supplemental Fund under section 11053 (as in effect prior to the enactment of this chapter).

(b) **ADMINISTRATIVE EXPENSES.**—During each fiscal year (beginning with fiscal year 2009), the Secretary shall pay into the D.C. Federal Pension Fund from the general fund of the Treasury the amounts necessary to pay the reasonable and necessary administrative expenses described in section 11082(a)(2) for the year.

SEC. 11085. ADMINISTRATION THROUGH PENSION FUND TRUSTEE.

(a) **IN GENERAL.**—The Secretary shall select a Pension Fund Trustee to carry out the responsibilities and duties specified in this subtitle in accordance with the contract described in subsection (b).

(b) **CONTRACT.**—The Secretary shall enter into a contract with the Pension Fund Trustee to provide for the auditing of D.C. Federal Pension Fund assets, the making of Federal benefit payments under this subtitle from the D.C. Federal Pension Fund, and such other matters as the Secretary deems appropriate. The Secretary

shall enforce the provisions of the contract and otherwise monitor the administration of the D.C. Federal Pension Fund.

(c) SUBCONTRACTS.—Notwithstanding any provision of a District Retirement Program or any other law, rule, or regulation, the Pension Fund Trustee may, with the approval of the Secretary, enter into one or more subcontracts with the District Government or any person to provide services to the Pension Fund Trustee in connection with its performance of the contract. The Pension Fund Trustee shall monitor the performance of any such subcontract and enforce its provisions.

(d) DETERMINATION BY THE SECRETARY.—Notwithstanding subsection (b) or any other provision of this subtitle, the Secretary may determine, with respect to any function otherwise to be performed by the Pension Fund Trustee, that in the interest of economy and efficiency such function shall be performed by the Secretary rather than the Pension Fund Trustee.

(e) REPORTS.—The Pension Fund Trustee shall report to the Secretary, in a form and manner and at such intervals as the Secretary may prescribe, on any matters under the responsibility of the Pension Fund Trustee as the Secretary may prescribe.

SEC. 11086. APPLICABILITY OF OTHER PROVISIONS TO D.C. FEDERAL PENSION FUND.

The following provisions of this subtitle shall apply with respect to the D.C. Federal Pension Fund in the same manner as such provisions applied with respect to the Trust Fund prior to October 1, 2004:

(1) Section 11023(b) (relating to the repayment by the District Government of costs attributable to errors or omissions in transferred records).

(2) Section 11034 (relating to the treatment of the Trust Fund under certain laws).

(3) Section 11061 (relating to annual valuations and reports by the enrolled actuary), except that in applying section 11061(b) to the D.C. Federal Pension Fund, the annual report required under such section shall include a determination of the annual payment to the D.C. Federal Pension Fund under section 11084.

(4) Section 11062 (relating to reports by the Comptroller General).

(5) Section 11071 (relating to judicial review).

(6) Section 11074 (relating to the treatment of misappropriation of Trust Fund amounts as a Federal crime).

CHAPTER 10—MISCELLANEOUS

SEC. 11091. COORDINATION BETWEEN SECRETARY, TRUSTEE, AND DISTRICT GOVERNMENT.

The Secretary, Trustee, and District Government shall carry out responsibilities under this subtitle and under the contract in a manner which promotes the cost-effective and efficient administration of benefit payments under the District Retirement Programs, and in a manner which avoids unnecessary interruptions and delays in paying individuals the full benefits to which they are entitled under such Programs.

SEC. 11092. STUDY OF ALTERNATIVES FOR FINANCING FEDERAL OBLIGATIONS.

(a) **IN GENERAL.**—As soon as practicable after the date of the enactment of this subtitle, the Secretary shall enter into a contract with an independent consultant to conduct a study of actuarial alternatives for financing the federal obligations assumed under this subtitle, together with an analysis of the impact of each alternative on the federal budget. The Secretary and the District Government shall cooperate with the consultant and shall provide direct access to such information systems, records, documents, information, or data as will enable the consultant to conduct the study.

(b) **DEADLINE.**—The contract entered into under subsection (a) shall require the consultant to report the results of the study not later than 12 months after the date of enactment of this Act.

(c) **NO EFFECT ON FEDERAL OBLIGATIONS.**—Nothing in this section may be construed to affect any obligation of the Federal Government to make payments under this subtitle.

SEC. 11093. ISSUANCE OF REGULATIONS BY SECRETARY.

The Secretary is authorized to issue regulations to implement, interpret, administer and carry out the purposes of this subtitle, and, in the Secretary's discretion, those regulations may have retroactive effect.

SEC. 11094. EFFECT ON REFORM ACT AND OTHER LAWS.

(a) **REFORM ACT.**—

(1) **IN GENERAL.**—This subtitle supersedes any provision of the Reform Act inconsistent with this subtitle and the regulations thereunder.

(2) **TERMINATION OF PAYMENTS TO DISTRICT RETIREMENT FUNDS.**—Section 144 of the Reform Act (DC Code, sec. 1-724) is amended by adding at the end the following new subsection: “(f) Notwithstanding any other provision of this Act, no Federal payments may be made to any Fund established by this title for any fiscal year after fiscal year 1997.”

(b) **NO EFFECT ON TAX TREATMENT OF BENEFITS.**—Except as otherwise specifically provided, nothing in this subtitle may be construed to affect the application of any provision of the Internal Revenue Code of 1986 to any annuity or other benefit provided to or on behalf of any individual, including any disability benefit or any portion of a retirement benefit attributable to an individual's disability status.

(c) **NO EFFECT ON BENEFITS FOR PARK POLICE AND SECRET SERVICE.**—Nothing in this subtitle shall be deemed to alter or amend in any way the provisions of existing law (including the Reform Act) relating to the program of annuities, other retirement benefits, or medical benefits for members and officers, retired members and officers, and survivors thereof, of the United States Park Police force, the United States Secret Service, or the United States Secret Service Uniformed Division.

SEC. 11095. REFERENCE TO NEW FEDERAL PROGRAM FOR RETIREMENT OF JUDGES OF DISTRICT OF COLUMBIA COURTS.

For provisions describing the retirement program for judges and judicial personnel of the District of Columbia, see subchapter B of chapter 4 of subtitle C.

SEC. 11096. FULL FAITH AND CREDIT.

Federal obligations for benefits under this subtitle are backed by the full faith and credit of the United States.

SEC. 11097. SEVERABILITY OF PROVISIONS.

If any provision of this subtitle, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of this subtitle, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

[Subtitle B—Repealed ⁴]

Subtitle C—Criminal Justice

CHAPTER 1—CORRECTIONS

SEC. 11201. BUREAU OF PRISONS.

(a) **FELONS SENTENCED PURSUANT TO THE TRUTH-IN-SENTENCING REQUIREMENTS.**—Not later than October 1, 2001, any person who has been sentenced to incarceration pursuant to the District of Columbia Code or the truth-in-sentencing system as described in section 11211 shall be designated by the Bureau of Prisons to a penal or correctional facility operated or contracted for by the Bureau of Prisons, for such term of imprisonment as the court may direct. Such persons shall be subject to any law or regulation applicable to persons committed for violations of laws of the United States consistent with the sentence imposed.

(b) **FELONS SENTENCED PURSUANT TO THE D.C. CODE.**—Notwithstanding any other provision of law, not later than December 31, 2001, the Lorton Correctional Complex shall be closed and the felony population sentenced pursuant to the District of Columbia Code residing at the Lorton Correctional Complex shall be transferred to a penal or correctional facility operated or contracted for by the Bureau of Prisons. Such persons shall be subject to any law or regulation applicable to persons committed for violations of laws of the United States consistent with the sentence imposed, and the Bureau of Prisons shall be responsible for the custody, care, subsistence, education, treatment and training of such persons.

(c) PRIVATIZATION.—

(1) **TRANSITION OF INMATES FROM LORTON.**—The Bureau of Prisons shall house, in private contract facilities—

(A) at least 2000 District of Columbia sentenced felons by December 31, 1999; and

(B) at least 50 percent of the District of Columbia sentenced felony population by September 30, 2003.

(2) **DUTIES OF DEPUTY ATTORNEY GENERAL.**—The Deputy Attorney General shall—

(A) be responsible for overseeing Bureau of Prisons privatization activities; and

⁴ Section 3(a) of Public Law 106–1 (113 Stat. 3) repealed subtitle B (relating to “Management Reform Plans”).

(B) submit a report to Congress on October 1 of each year detailing the progress and status of compliance with privatization requirements.

(3) DUTIES OF ATTORNEY GENERAL.—The Attorney General shall—

(A) conduct a study of correctional privatization, including a review of relevant research and related legal issues, and comparative analysis of the cost effectiveness and feasibility of private sector and Federal, State, and local governmental operation of prisons and corrections programs at all security levels; and

(B) submit a report to Congress no later than one year after the date of enactment of this Act.

(d) SITE ACQUISITION AND CONSTRUCTION.—In order to house the District of Columbia felony inmate population the Bureau of Prisons shall acquire land, construct and build new facilities at sites selected by the Bureau of Prisons, or contract for appropriate bed space, but no facilities may be built on the grounds of the Lorton Reservation.

(e) NATIONAL CAPITAL PLANNING.—Notwithstanding any other provision of law, the requirements of the National Capital Planning Act of 1952 (40 U.S.C. 71 et seq.) shall not apply to any actions taken by the Bureau of Prisons or its agents or employees.

(f) DEPARTMENT OF CORRECTIONS AUTHORITY.—The District of Columbia Department of Corrections shall remain responsible for the custody, care, subsistence, education, treatment, and training of any person convicted of a felony offense pursuant to the District of Columbia Code and housed at the Lorton Correctional Complex until December 31, 2001, or the date on which the last inmate housed at the Lorton Correctional Complex is designated by the Bureau of Prisons, whichever is earlier.

(g) LORTON CORRECTIONAL COMPLEX.—

(1) TRANSFER OF FUNCTIONS.—(A) Notwithstanding any other provision of law, to the extent the Bureau of Prisons assumes functions of the Department of Corrections under this subtitle, the Department is no longer responsible for such functions and the provisions of “An Act to create a Department of Corrections in the District of Columbia”, approved June 27, 1946 (D.C. Code 24–441, 442), that apply with respect to such functions are no longer applicable.

(B) Contingent on the General Services Administration (GSA) receiving the necessary appropriations to carry out the requirements of this paragraph and subsection (g), and notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), not later than 60 days after the date of the enactment of the Lorton Technical Corrections Act of 1998, any property on which the Lorton Correctional Complex is located shall be transferred to the GSA.

(C) Not later than 1 year after the date of the enactment of the Lorton Technical Corrections Act of 1998, Fairfax County shall submit a reuse plan that complies with all requisite approvals to the Administrator of General Services, that aims to maximize use of the land for open space, park land, or recreation, while delineating permissible or required uses, potential

development densities, and any time limits on such development factors of the property on which the Lorton Correctional Complex is located.

(D) Not later than 180 days after the date of the enactment of the Lorton Technical Corrections Act of 1998, the Secretary of the Interior shall notify GSA of any property it requests to be transferred to the Department of the Interior for the purpose of a land exchange by the United States Fish and Wildlife Service within the Commonwealth of Virginia or such other purposes consistent with the reuse plan developed by Fairfax County as the Secretary may request. The Administrator of General Services shall approve the Secretary's request to the extent that the request is consistent with the reuse plan developed by Fairfax County and does not result in a significant reduction in the marketability or value of any remaining property. The Administrator of General Services shall coordinate with the Secretary of the Interior to resolve any conflicts presented by the Department of the Interior's request and shall transfer the property to the Department of the Interior at no cost.

(E) Any property not transferred to the Department of the Interior under subparagraph (D) shall be disposed of according to paragraphs (2) and (4).

(2) TRANSFER OF LAND.—

(A) IN GENERAL.—

(i) FAIRFAX COUNTY WATER AUTHORITY.—150 acres of parcel 106–4–001–54 located west of Ox Road (State Route 123) on which the Lorton Correctional Complex is located shall be transferred, without consideration, to the Fairfax County Water Authority of Fairfax, Virginia.

(ii) FAIRFAX COUNTY PARKS AUTHORITY.—Any acres of parcel 106–4–001–54 located west of Ox Road (State Route 123) on which the Lorton Correctional Complex is located not transferred under clause (i) shall be assigned to the Department of the Interior, National Park Service, for conveyance to the Fairfax County Parks Authority for recreational purposes pursuant to the section 203(k)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)(2)).

(B) CONDITION OF TRANSFER.—

(i) WATER SERVICES.—The United States Government shall not transfer any parcels under this paragraph unless the Fairfax County Water Authority certifies that it will continue to provide water services to the Lorton Correctional Complex at the rate it provided water services prior to the transfer.

(ii) RESTRICTION ON TRANSFER.—No Federal agency may transfer the property under this paragraph until the prospective recipient of the property provides to such agency—

(I) a land description survey suitable for transferring property under Virginia law; and

(II) any necessary surveys to determine the presence of any hazardous substances, contaminants or pollutants.

(iii) LORTON CORRECTIONAL COMPLEX.—The Lorton Correctional Complex shall remain available for the District of Columbia Department of Corrections to house District of Columbia felony inmates until the last inmate at the Complex has been designated by the Bureau of Prisons or until December 31, 2003, whichever is earlier.

(C) AUTHORIZATION.—The General Services Administration and the National Park Service is authorized to expend any funds necessary to ensure that the transfer or conveyance under subparagraph (A) complies with all applicable environmental and historic preservation laws.

(3) WATER MAINS.—Any water mains located on or across the Lorton Correctional Complex on the date of the transfers under paragraph (2), that are owned by the Fairfax County Water Authority and provide water to the public, shall be permitted to remain in place, and shall be operated, maintained, repaired, and replaced by the Fairfax County Water Authority or a successor agency furnishing water to the public in Fairfax County or adjacent jurisdictions, but shall not interfere with operations of the Lorton Correctional Complex.

(4) CONDITIONS ON TRANSFER OF LORTON PROPERTY EAST OF OX ROAD (STATE ROUTE 123).—

(A) IN GENERAL.—With respect to property east of Ox Road (State Route 123) on which the Lorton Correctional Complex is located, the Administrator of General Services shall—

(i) cooperate with the District of Columbia Corrections Trustee to determine property necessary for the Trustee to maintain the security of the Lorton Correctional Complex until its closure;

(ii) prepare a report of title, complete a property description, provide protection and maintenance, conduct an environmental assessment of the property to determine the extent of contamination, complete National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) and National Historic Preservation Act (16 U.S.C. 470 et seq.) processes for closure and disposal of the property, and provide an estimate of the cost for remediation and contingent on receiving the necessary appropriations complete the remediation in compliance with applicable Federal and State environmental laws;

(iii) develop a disposition strategy incorporating the Fairfax County reuse plan and the Department of the Interior's land transfer request, and resolve conflicts between the plan and the transfer request, or between the reuse plan, the transfer request and the results of the environmental studies;

(iv) negotiate with any entity that has a lease, agreement, memorandum of understanding, right-of-

way, or easement with the District of Columbia to occupy or utilize any parcels of such property on the date of the enactment of this title, to perfect or extend such lease, agreement, memorandum of understanding, right-of-way, or easement;

(v) transfer any property identified for use for open space, park land, or recreation in the Fairfax County reuse plan to the Northern Virginia Regional Park Authority, the Fairfax County Park Authority, or another public entity, subject to the condition that the recipient use the conveyed property only for open space, park land, or recreation and that the transfer be at fair market value considering the highest and best use of the property to be open space, park land, and recreation;

(vi) immediately upon completing the remediation required under clause (ii) (but in no event later than June 1, 2003), transfer any property located south of Silverbrooke Road which is identified for use for educational purposes in the Fairfax County reuse plan to the County, without consideration, subject to the condition that the County use the property only for educational purposes;

(vii) not later than 60 days after the property is transferred to the General Services Administration, transfer at fair market value the six-acre parcel east of Shirley Highway on Interstate 95 to Amtrak, subject to such terms and conditions as the Administrator determines to be in the best interest of the United States;

(viii) dispose of any parcels not reserved by the Department of the Interior and not otherwise addressed under this subparagraph at fair market value, subject to such terms and conditions as the Administrator determines to be in the best interest of the United States;

(ix) deposit any proceeds from the sale of property on which the Lorton Correctional Complex is located into a special fund established in the treasury for purposes of covering real property utilization and disposal related expenses, including environmental compliance and remediation for the Lorton Correctional Complex until all property has been conveyed; and

(x) deposit any remaining funds in the Policy and Operations appropriation account of the General Services Administration to be used for real property utilization and disposal activities until expended.

(B) REPORT.—Not later than 90 days after the date of the receipt of the Fairfax County reuse plan and the Department of the Interior property transfer request by the Administrator of General Services, the Administrator shall report to the Committees on Appropriations and Government Reform and Oversight of the House of Representatives, and the Committees on Appropriations and Govern-

mental Affairs of the Senate on plans to comply with the terms of this paragraph and any estimated costs associated with such compliance.

(C) AUTHORIZATION.—There is authorized to be appropriated such sums as are necessary from the general funds of the Treasury, to remain available until expended, to the Policy and Operations appropriation account of the General Services Administration for the real property utilization and disposal activities in carrying out the provisions of this title.

(5) JURISDICTION.—Any property disposed of according to paragraphs (2) and (4) shall be under the jurisdiction of the Commonwealth of Virginia. Any development of such property and any property transferred to the Department of the Interior for exchange purposes shall comply with any applicable planning and zoning requirements of Fairfax County and the Fairfax County reuse plan.

(6) MEADOWOOD FARM LAND EXCHANGE.—

(A) IN GENERAL.—If, not later than January 15, 2001, Fairfax County, Virginia, agrees to convey fee simple title to the property on Mason Neck in excess of 800 acres depicted on the map dated June 2000, on file in the Office of the Director of the Bureau of Land Management, Eastern States (hereafter in this paragraph referred to as “Meadowood Farm”) to the Secretary of the Interior, then the Administrator of General Services shall agree to convey to Fairfax County, Virginia, fee simple title to the property located at the Lorton Correctional Complex north of Silverbrook Road, and consisting of more than 200 acres identified in the Fairfax County Reuse Plan, dated July 26, 1999, as land available for residential development in Land Units 1 and 2 (hereafter in this paragraph referred to as the “Laurel Hill Residential Land”), the actual exchange to occur no later than December 31, 2001.

(B) TERMS AND CONDITIONS.—(i) When Fairfax County transfers fee simple title to Meadowood Farm to the Secretary of the Interior, the Administrator of General Services shall simultaneously transfer to the County the Laurel Hill Residential Land.

(ii) The transfer of property to Fairfax County, Virginia, under clause (i) shall be subject to such terms and conditions that the Administrator of General Services considers to be appropriate to protect the interests of the United States.

(iii) Any proceeds derived from the sale of the Laurel Hill Residential Land by Fairfax County that exceed the County’s cost of acquiring, financing (which shall be deemed a County cost from the time of financing of the Meadowood Farm acquisition to the receipt of proceeds of the sale or sales of the Laurel Hill Residential Land until such time as the proceeds of such sale or sales exceed the acquisition and financing costs of Meadowood Farm to the County), preparing, and conveying Meadowood Farm and costs incurred for improving, preparing, and conveying the

Laurel Hill Residential Land shall be remitted to the United States and deposited into the special fund established pursuant to paragraph (4)(A)(viii).

(C) MANAGEMENT OF PROPERTY.—The property transferred to the Secretary of the Interior under this section shall be managed by the Bureau of Land Management for public use and recreation purposes.

(h) DISTRICT OF COLUMBIA CORRECTIONS INFORMATION COUNCIL.—

(1) ESTABLISHMENT.—There is established a council to be known as the District of Columbia Correction Information Council (hereafter referred to as “Council”).

(2) MEMBERSHIP.—The Council shall be composed of 3 members appointed as follows:

(A) 2 individuals appointed by the mayor of the District of Columbia.

(B) 1 individual appointed by the Council of the District of Columbia.

(3) COMPENSATION.—Members of the Council may not receive pay, allowances, or benefits by reason of their service on the Council.

(4) DUTIES.—The Council shall report to the Director of the Bureau of Prisons with advice and information regarding matters affecting the District of Columbia sentenced felon population.

(i) TIMING OF INMATE TRANSFERS.—As soon as practicable after the date of the enactment of this Act, the Director of the Bureau of Prisons shall begin the transferring of inmates to Bureau of Prison or private contract facilities required by this section.

SEC. 11202. CORRECTIONS TRUSTEE.

(a) APPOINTMENT AND REMOVAL OF TRUSTEE.—

(1) APPOINTMENT.—Pursuant to the Federal Government’s assumption of responsibility for persons convicted of a felony offense under the District of Columbia Code, the Attorney General, in consultation with the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority (hereafter in this chapter referred to as the “D.C. Control Board”), the Mayor of the District of Columbia, the District of Columbia Council, and the District of Columbia judiciary, shall select a Corrections Trustee, who shall be an independent officer of the government of the District of Columbia, to oversee financial operations of the District of Columbia Department of Corrections until the Bureau of Prisons has designated all felony offenders sentenced under the District of Columbia Code to a penal or correctional facility operated or contracted for by the Bureau of Prisons under section 11201.

(2) REMOVAL.—The Corrections Trustee may be removed by the Mayor with the concurrence of the Attorney General. The Attorney General shall have the authority to remove the Corrections Trustee for misfeasance or malfeasance in office. At the request of the Corrections Trustee, the District of Columbia Financial Responsibility and Management Assistance

Authority may exercise any of its powers and authorities on behalf of the Corrections Trustee.

(b) DUTIES OF TRUSTEE.—Beginning on the date of appointment and continuing until the felony population sentenced pursuant to the District of Columbia Code residing at the Lorton Correctional Complex is transferred to a penal or correctional facility operated or contracted for by the Bureau of Prisons, the Corrections Trustee shall carry out the following responsibilities (notwithstanding any law of the District of Columbia to the contrary):

(1) Exercise financial oversight over the District of Columbia Department of Corrections and allocate funds as enacted in law or as otherwise allocated, including funds for short term improvements which are necessary for the safety and security of staff, inmates and the community.

(2) Purchase any necessary goods or services on behalf of the District of Columbia Department of Corrections consistent with Federal procurement regulations as they apply to the Bureau of Prisons.

(c) FUNDING.—

(1) IN GENERAL.—Funds available for the Corrections Trustee, staff and all necessary and appropriate operations shall be made available to the extent provided in appropriations acts to the Corrections Trustee. Funding requests shall be proposed by the Corrections Trustee to the President and Congress for each Fiscal Year.

(2) REIMBURSEMENT TO BUREAU OF PRISONS.—Upon receipt of Federal funds, the Corrections Trustee shall immediately provide an advance reimbursement to the Bureau of Prisons of all funds identified by the Congress for construction of new prisons and major renovations, which shall remain available until expended. The Bureau of Prisons shall be responsible and accountable for determining how these funds shall be used for renovation and construction, including type, security level, and location of new facilities.

(3) ACCOUNTABILITY AND REPORTS.—The District of Columbia Department of Corrections and the Bureau of Prisons shall maintain accountability for funds reimbursed from the Corrections Trustee, and shall provide expense reports by project at the request of the Corrections Trustee.

(d) COMPENSATION AND DETAILEES.—The Corrections Trustee shall be compensated at a rate not to exceed the basic pay payable for Level IV of the Executive Schedule. The Corrections Trustee may appoint and fix the pay of additional staff without regard to the provisions of the District of Columbia Code governing appointments and salaries, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates. Upon request of the Corrections Trustee, the head of any Federal department or agency may, on a reimbursable or non reimbursable basis, provide services and detail any personnel of that department or agency to the Corrections Trustee to assist in carrying out his duties.

(e) **PROCUREMENT AND JUDICIAL REVIEW.**—The provisions of the District of Columbia Code governing procurement shall not apply to the Corrections Trustee. The Corrections Trustee may seek judicial enforcement of his authority to carry out his duties.

(f) **PRESERVATION OF RETIREMENT AND CERTAIN OTHER RIGHTS OF FEDERAL EMPLOYEES WHO BECOME EMPLOYED BY THE CORRECTIONS TRUSTEE.**—

(1) **IN GENERAL.**—A Federal employee who, within 3 days after separating from the Federal Government, is appointed Corrections Trustee or becomes employed by the Corrections Trustee—

(A) shall be treated as an employee of the Federal Government for purposes of chapters 83, 84, 87, and 89 of title 5 of the United States Code; and

(B) if, after serving with the Trustee, such employee becomes reemployed by the Federal Government, shall be entitled to credit for the full period of such individual's service with the Trustee, for purposes of determining the applicable leave accrual rate.

(2) **REGULATIONS.**—The Office of Personnel Management shall prescribe such regulations as may be necessary to carry out this subsection.

SEC. 11203. PRIORITY CONSIDERATION FOR EMPLOYEES OF THE DISTRICT OF COLUMBIA.

(a) **ESTABLISHMENT.**—As soon as practicable after appointment, the Bureau of Prisons, working with the Corrections Trustee, shall establish a priority consideration program to facilitate employment placement for employees of the District of Columbia Department of Corrections who are scheduled to be separated from service as a result of closing the Lorton Correctional Complex.

(b) **PROVISIONS.**—The priority consideration program shall include provisions under which a vacant federal correctional institution position established as a result of this Act and identified for external hiring shall not be filled by the appointment of any individual from outside of the District of Columbia Department of Corrections if there is available any interested applicant within the District of Columbia Department of Corrections who meets all qualification and suitability requirements for Bureau of Prisons law enforcement positions, including those related to criminal history, educational experience and level of functions, drug use, and work-related misconduct. The priority consideration program shall also include provisions under which an employee described in subsection (a) who has not been appointed to a Federal Bureau of Prisons law enforcement position and who applies for another Federal position in the competitive service shall receive priority consideration and may be given a competitive service appointment non-competitively to such a competitive service position. The Director of the Bureau of Prisons may provide a relocation allowance to any individual who is hired by the Director under the program established under this section for a position outside of the Washington Metropolitan Area. Such program shall terminate one year after the closing of the Lorton Correctional Complex.

SEC. 11204. AMENDMENTS RELATED TO PERSONS WITH A MENTAL DISEASE OR DEFECT.

Title 18, United States Code, is amended as follows:

- (1) Section 4246 is amended—
 - (A) in subsection (a) by inserting “in the custody of the Bureau of Prisons” after “certifies that a person”; and
 - (B) by adding at the end the following new subsection:

“(h) DEFINITION.—As used in this chapter the term ‘State’ includes the District of Columbia.”.
- (2) Section 4247(a) is amended—
 - (A) in paragraph (1)(D) by striking “and” after the semicolon;
 - (B) in paragraph (2) by striking the period and inserting “; and”; and
 - (C) by adding at the end the following new paragraph:

“(3) ‘State’ includes the District of Columbia.”.
- (3) Section 4247(j) of title 18, United States Code, is amended by striking “This chapter does” and inserting “Sections 4241, 4242, 4243, and 4244 do”.

SEC. 11205. LIABILITY FOR AND LITIGATION AUTHORITY OF CORRECTIONS TRUSTEE.

(a) LIABILITY.—The District of Columbia shall defend any civil action or proceeding brought in any court or other official Federal, state, or municipal forum against the Corrections Trustee, or against the District of Columbia or its officers, employees, or agents, and shall assume any liability resulting from such an action or proceeding, if the action or proceeding arises from—

- (1) an inmate’s confinement with the District of Columbia Department of Corrections;
- (2) the District of Columbia’s operation or management of the buildings, facilities, or lands comprising the Lorton property; or
- (3) the District of Columbia’s operations or activities occurring on any property not specifically transferred to the administrative control of the Federal Government pursuant to this Act.

(b) LITIGATION.—

(1) CORPORATION COUNSEL.—Subject to paragraph (2), the Corporation Counsel of the District of Columbia shall provide litigation services to the Corrections Trustee, except that the Trustee may instead elect, either generally or in relation to particular cases or classes of cases, to hire necessary staff and personnel or enter into contracts for the provision of litigation services at the Trustee’s expense.

(2) ATTORNEY GENERAL.—

(A) IN GENERAL.—Notwithstanding paragraph (1), with respect to any litigation involving the Corrections Trustee, the Attorney General may—

- (i) direct the litigation of the Trustee, and of the District of Columbia on behalf of the Trustee; and
- (ii) provide on a reimbursable or non-reimbursable basis litigation services for the Trustee at the Trustee’s request or on the Attorney General’s own initiative.

(B) APPROVAL OF SETTLEMENT.—With respect to any litigation involving the Corrections Trustee, the Trustee may not agree to any settlement involving any form of equitable relief without the approval of the Attorney General. The Trustee shall provide to the Attorney General such notice and reports concerning litigation as the Attorney General may direct.

(C) DISCRETION.—Any decision to exercise any authority of the Attorney General under this subsection shall be in the sole discretion of the Attorney General and shall not be reviewable in any court.

(c) LIMITATIONS.—Nothing in this section shall be construed—

(1) as a waiver of sovereign immunity, or as limiting any other defense or immunity that would otherwise be available to the United States, the District of Columbia, their agencies, officers, employees, or agents; or

(2) to obligate the District of Columbia to represent or indemnify the Corrections Trustee or any officer, employee, or agent where the Trustee (or any person employed by or acting under the authority of the Trustee) acts beyond the scope of his authority.

SEC. 11206. PERMITTING EXPENDITURE OF FUNDS TO CARRY OUT CERTAIN SEWER AGREEMENT.

Notwithstanding the fourth sentence of section 446 of the District of Columbia Self-Government and Governmental Reorganization Act, the District of Columbia is authorized to obligate or expend such funds as may be necessary during a fiscal year (beginning with fiscal year 1997) to carry out the Sewage Delivery System and Capacity Purchase Agreement between Fairfax County and the District of Columbia with respect to Project Number K00301, without regard to the amount appropriated for such purpose in the budget of the District of Columbia for the fiscal year.

CHAPTER 2—SENTENCING

SEC. 11211. TRUTH IN SENTENCING COMMISSION.

(a) ESTABLISHMENT.—There is established as an independent agency of the District of Columbia a District of Columbia Truth in Sentencing Commission (hereafter in this chapter referred to as “the Commission”), which shall consist of 7 voting members. The Attorney General, or the Attorney General’s designee, shall be the chairperson of the Commission and shall have the duty to convene meetings of the Commission to ensure that it fulfills its responsibilities under this Act. The members shall serve for the life of the Commission and shall be subject to removal only for neglect of duty, malfeasance in office, or other good cause shown.

(b) MEMBERSHIP.—The members of the Commission shall have knowledge and responsibility with respect to criminal justice matters. Two members of the Commission shall be judges of the Superior Court of the District of Columbia, and shall be appointed by the chief judge of that court; one member shall be a representative of the District of Columbia Council and shall be appointed by the chairperson or chairperson pro temp of the Council; one member shall be a representative of the executive branch of the District of

Columbia government with official responsibilities for criminal justice matters in the District of Columbia and shall be appointed by the Mayor of the District of Columbia; one member shall be a representative of the District of Columbia Public Defender Service and shall be appointed by the Director of such Service; and one member shall be a representative of the United States Attorney for the District of Columbia and shall be appointed by the United States Attorney. A representative of the Federal Bureau of Prisons and a representative of the office of Corporation Counsel of the District of Columbia shall each serve as a non-voting, ex officio member.

(c) VACANCY.—Any vacancy in the Commission shall be filled in the same manner as the original appointment. Members of the Commission shall receive no compensation for their services, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission, but not in excess of the maximum amounts authorized under section 456 of title 28, United States Code.

SEC. 11212. GENERAL DUTIES, POWERS, AND GOALS OF COMMISSION.

(a) RECOMMENDATIONS.—The Commission shall, within 180 days after the enactment of this Act, make recommendations to the District of Columbia Council for amendments to the District of Columbia Code with respect to the sentences to be imposed for all felonies committed on or after 3 years after the date of enactment of this Act.

(b) CONTENTS OF RECOMMENDATIONS.—Such recommendations shall—

(1) as to all felonies described in paragraph (h), meet the truth in sentencing standards of 20104(a)(1) of the Violent Crime Control and Law Enforcement Act of 1994;

(2) as to all felonies ensure that—

(A) an offender will have a sentence imposed that—

(i) reflects the seriousness of the offense and the criminal history of the offender; and

(ii) provides for just punishment, affords adequate deterrence to potential future criminal conduct of the offender and others, and provides the offender with needed educational or vocational training, medical care, and other correctional treatment;

(B) good time shall be calculated pursuant to section 3624 of title 18, United States Code; and

(C) an adequate period of supervision will be imposed to follow release from the imprisonment.

(c) DEATH PENALTY.—The Commission shall not have the power to recommend a sentence of death for any offense nor for any offense a term of imprisonment less than that prescribed by the D.C. Code as a mandatory minimum sentence.

(d) OTHER FEATURES OF RECOMMENDATIONS.—The Commission shall ensure that its recommendations—

(1) will be neutral as to the race, sex, marital status, ethnic origin, religious affiliation, national origin, creed, socioeconomic status, and sexual orientation of offenders;

(2) will include provisions designed to maximize the effectiveness of the drug court of the Superior Court of the District of Columbia; and

(3) will be fully consistent with all other provisions of this Act, including provisions relating to the administration of probation, parole, and supervised release for District of Columbia Code offenders.

(e) **VOTE; TERMINATION.**—The recommendations of the Commission required under subsections (a)–(d) shall be adopted by a vote of not less than 6 of the members and when made shall be transmitted forthwith to the District of Columbia Council. The Commission shall cease to exist 90 days after the transmittal of recommendations to the Council or on the last date on which timely recommendations may be made if the Commission is unable to agree on such recommendations.

(f) **RECOMMENDATIONS FOR IMPLEMENTATION.**—In fulfilling its responsibilities, the Commission may adopt by a vote of not less than 6 of the members and transmit to the Superior Court of the District of Columbia recommended rules and principles for determining the sentence to be imposed, including—

(1) whether to impose a sentence of probation, a term of imprisonment and/or a fine, and the amount or length thereof, and including intermediate sanctions in appropriate cases; and

(2) whether multiple sentences of terms of imprisonment should run concurrently or consecutively.

(g) **POWERS.**—The Commission is authorized—

(1) to hold hearings and call witnesses that might assist the Commission in the exercise of its powers;

(2) to perform such other functions as may be necessary to carry out the purposes of this section; and

(3) except as otherwise provided, to conduct business, exercise powers, and fulfill duties by the vote of a majority of the members present at any meeting.

(h) **FELONIES DESCRIBED.**—The felonies described in this subsection are violations of any of the following provisions of law:

(1) The following provisions relating to arson:

(A) Section 820 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22–401).

(B) Section 821 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22–402).

(2) The following provisions relating to felony assault:

(A) Section 803 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22–501).

(B) Section 804 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22–502).

(C) Section 805 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22–503).

- (D) Section 806a of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-504.1).
- (E) Section 432 of the Revised Statutes, relating to the District of Columbia (DC Code, sec. 22-505).
- (F) Section 807 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-506).
- (3) Section 502 of the District of Columbia Theft and White Collar Crimes Act of 1982 (DC Code, sec. 22-722) (relating to obstruction of justice).
- (4) Section 3 of the Act of February 13, 1885 (chapter 58; 23 Stat. 303) (DC Code, sec. 22-901) (relating to cruelty to children).
- (5) Section 823 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-1801) (relating to first degree burglary).
- (6) Section 812 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2101) (relating to kidnapping).
- (7) The following provisions relating to murder and manslaughter:
- (A) Section 798 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2401).
- (B) Section 799 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2402).
- (C) Section 800 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2403).
- (D) Section 801 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2404).
- (E) Section 802 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2405).
- (F) Section 802a of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2406).
- (8) Section 8 of the Act of July 15, 1932 (chapter 492; 47 Stat. 698) (DC Code, sec. 22-2601) (relating to prison breach).
- (9) The Act entitled “An Act to prohibit the introduction of contraband into the District of Columbia penal institutions,” approved December 15, 1941 (DC Code, sec. 22-2603).
- (10) Section 810 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2901) (relating to robbery).
- (11) Section 811a of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2903) (relating to carjacking).
- (12) The Dangerous Weapons Act (DC Code, sec. 22-3201 et seq.).

- (13) The following provisions relating to sex offenses:
- (A) Section 201 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4102).
 - (B) Section 202 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4103).
 - (C) Section 203 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4104).
 - (D) Section 204 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4105).
 - (E) Section 207 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4108).
 - (F) Section 208 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4109).
 - (G) Section 209 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4110).
 - (H) Section 212 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4113).
 - (I) Section 213 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4114).
 - (J) Section 214 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4115).
 - (K) Section 215 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4116).
 - (L) Section 217 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4118).
 - (M) Section 219 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4120).
- (14) Section 401 of the District of Columbia Uniform Controlled Substances Act of 1981 (D.C. Code, sec. 33-541) (relating to recidivist drug offenders), but only in the case of a second or subsequent violation.

SEC. 11213. DATA COLLECTION.

(a) **DATA FOR ATTORNEY GENERAL.**—The Commission, the Superior Court of the District of Columbia, the District of Columbia Department of Corrections, and other agencies as necessary shall provide to the Attorney General such data as are requested in furtherance of this Act.

(b) **SUPERIOR COURT.**—The Superior Court of the District of Columbia, in connection with defendants sentenced in such Court, shall provide to the Commission and the Attorney General such data as are requested for planning, statistical analysis or projecting future prison population levels.

SEC. 11214. ENACTMENT OF AMENDMENTS TO DISTRICT OF COLUMBIA CODE.

If, within 270 days after the date of the enactment of this Act, the Council of the District of Columbia has failed to amend the District of Columbia Code to enact in whole the recommendations of the Commission under this chapter, or if the Commission fails to make such recommendations within the deadline established under such section, the Attorney General (after consultation with the Commission) shall promulgate within 90 days amendments to the District of Columbia Code with respect to the sentences to be imposed for all offenses committed on or after 3 years after the date

of the enactment of this Act. Such amendments shall be consistent with the standards of subsections (a) through (d) of section 11212. Such amendments shall take effect 30 days after the Attorney General transmits the recommendations to Congress.

CHAPTER 3—OFFENDER SUPERVISION AND PAROLE

SEC. 11231. PAROLE.

(a) PAROLING JURISDICTION.—

(1) JURISDICTION OF PAROLE COMMISSION TO GRANT OR DENY PAROLE AND TO IMPOSE CONDITIONS.—Not later than one year after date of the enactment of this Act, the United States Parole Commission shall assume the jurisdiction and authority of the Board of Parole of the District of Columbia to grant and deny parole, and to impose conditions upon an order of parole, in the case of any imprisoned felon who is eligible for parole or reparole under the District of Columbia Code. The Parole Commission shall have exclusive authority to amend or supplement any regulation interpreting or implementing the parole laws of the District of Columbia with respect to felons, provided that the Commission adheres to the rulemaking procedures set forth in section 4218 of title 18, United States Code.

(2) JURISDICTION OF PAROLE COMMISSION TO REVOKE PAROLE OR MODIFY CONDITIONS.—On the date in which the Court Services and Offender Supervision Agency for the District of Columbia is established under section 11233, the United States Parole Commission shall assume any remaining powers, duties, and jurisdiction of the Board of Parole of the District of Columbia, including jurisdiction to revoke parole and to modify the conditions of parole, with respect to felons.

(3) JURISDICTION OF SUPERIOR COURT.—On the date on which the Court Services and Offender Supervision Agency for the District of Columbia is established under section 11233, the Superior Court of the District of Columbia shall assume the jurisdiction and authority of the Board of Parole of the District of Columbia to grant, deny, and revoke parole, and to impose and modify conditions of parole, with respect to misdemeanants.

(b) ABOLITION OF THE BOARD OF PAROLE.—On the date on which the Court Services and Offender Supervision Agency for the District of Columbia is established under section 11233, the Board of Parole established in the District of Columbia Board of Parole Amendment Act of 1987 shall be abolished.

(c) RULEMAKING AND LEGISLATIVE RESPONSIBILITY FOR PAROLE MATTERS.—The Parole Commission shall exercise the authority vested in it by this section pursuant to the parole laws and regulations of the District of Columbia, except that the Council of the District of Columbia and the Board of Parole of the District of Columbia may not revise any such laws or regulations (as in effect on the date of the enactment of this Act) without the concurrence of the Attorney General.

(d) INCREASE IN THE AUTHORIZED NUMBER OF UNITED STATES PAROLE COMMISSIONERS.—Section 2(c) of the Parole Commission

Phaseout Act of 1996 (Public Law 104–232) is amended to read as follows:

“(c) The United States Parole Commission shall have no more than five members.”.

SEC. 11232. PRETRIAL SERVICES, PAROLE, ADULT PROBATION AND OFFENDER SUPERVISION TRUSTEE.

(a) APPOINTMENT AND REMOVAL.—

(1) APPOINTMENT.—The Attorney General, in consultation with the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority (hereafter in this section referred to as the “D.C. Control Board”) and the Mayor of the District of Columbia, shall appoint a Pretrial Services, Parole, Adult Probation and Offender Supervision Trustee, who shall be an independent officer of the government of the District of Columbia, to effectuate the reorganization and transition of functions and funding relating to pretrial services, defense services, parole, adult probation and offender supervision.

(2) REMOVAL.—The Trustee may be removed by the Mayor with the concurrence of the Attorney General. The Attorney General shall have the authority to remove the Trustee for misfeasance or malfeasance in office. At the request of the Trustee, the District of Columbia Financial Responsibility and Management Assistance Authority may exercise any of its powers and authorities on behalf of the Trustee.

(b) AUTHORITY.—Beginning on the date of appointment, and continuing until the Court Services and Offender Supervision Agency for the District of Columbia is established under section 11233, the Trustee shall—

(1)⁵ have the authority to exercise all powers and functions authorized for the Director of the Court Services and Offender Supervision Agency for the District of Columbia;

(2) have the authority to direct the actions of all agencies of the District of Columbia whose functions will be assumed by or within the Court Services and Offender Supervision Agency for the District of Columbia, and of the Board of Parole of the District of Columbia, including the authority to discharge or replace any officers or employees of these agencies;

⁵Section 166(b) of the District of Columbia Appropriations Act, 2000 (Public Law 106–113, 113 Stat. 1530) provides as follows:

(b) AUTHORITY DURING TRANSITION TO FULL OPERATION OF AGENCY.—

(1) AUTHORITY OF PRETRIAL SERVICES, PAROLE, ADULT PROBATION AND OFFENDER SUPERVISION TRUSTEE.—Notwithstanding section 11232(b)(1) of the National Capital Revitalization and Self-Government Improvement Act of 1997 (D.C. Code, sec. 24–1232(b)(1)), the Pretrial Services, Parole, Adult Probation and Offender Supervision Trustee appointed under section 11232(a) of such Act (hereafter referred to as the “Trustee”) shall, in accordance with section 11232 of such Act, exercise the powers and functions of the Court Services and Offender Supervision Agency for the District of Columbia (hereafter referred to as the “Agency”) relating to sex offender registration (as granted to the Agency under any District of Columbia law) only upon the Trustee’s certification that the Trustee is able to assume such powers and functions.

(2) AUTHORITY OF METROPOLITAN POLICE DEPARTMENT.—During the period that begins on the date of the enactment of the Sex Offender Registration Emergency Act of 1999 and ends on the date the Trustee makes the certification described in paragraph (1), the Metropolitan Police Department of the District of Columbia shall have the authority to carry out any powers and functions relating to sex offender registration that are granted to the Agency or to the Trustee under any District of Columbia law.

(3) exercise financial oversight over all agencies of the District of Columbia whose functions will be assumed by or within the Court Services and Offender Supervision Agency for the District of Columbia, and over the Board of Parole of the District of Columbia, and allocate funds to these agencies as appropriated by Congress and allocated by the President;

(4) receive and transmit to the District of Columbia Pretrial Services Agency all funds appropriated for such agency; and

(5) receive and transmit to the District of Columbia Public Defender Service all funds appropriated for such agency.

(c) COMPENSATION.—The Trustee shall be compensated at a rate not to exceed the basic pay payable for Level IV of the Executive Schedule. The Trustee may appoint and fix the pay of additional staff without regard to the provisions of the District of Columbia Code governing appointments and salaries, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of Chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates. Upon request of the Trustee, the head of any Federal department or agency may, on a reimbursable or non-reimbursable basis, provide services and/or detail any personnel of that department or agency to the Trusteeship to assist in carrying out its duties.

(d) PROCUREMENT AND JUDICIAL REVIEW.—The provisions of the District of Columbia Code governing procurement shall not apply to the Trustee. The Trustee may enter into such contracts as the Trustee considers appropriate to carry out the Trustee's duties. The Trustee may seek judicial enforcement of the Trustee's authority to carry out the Trustee's duties.

(e) PRESERVATION OF RETIREMENT AND CERTAIN OTHER RIGHTS OF FEDERAL EMPLOYEE WHO BECOMES THE TRUSTEE OR FEDERAL EMPLOYEES WHO BECOME EMPLOYED BY THE TRUSTEE.—

(1) IN GENERAL.—A Federal employee who, within 3 days after separating from the Federal Government, is appointed Trustee or becomes employed by the Trustee—

(A) shall be treated as an employee of the Federal Government for purposes of chapters 83, 84, 87, and 89 of title 5 of the United States Code; and

(B) if, after serving with the Trustee, such employee becomes reemployed by the Federal Government, shall be entitled to credit for the full period of such individual's service with the Trustee, for purposes of determining the applicable leave accrual rate.

(2) REGULATIONS.—The Office of Personnel Management shall prescribe such regulations as may be necessary to carry out this subsection.

(f) TREATMENT AS FEDERAL EMPLOYEES.—

(1) IN GENERAL.—The Trustee and employees of the Trustee who are not covered under subsection (e) shall be treated as employees of the Federal Government solely for purposes of the following provisions of title 5, United States Code:

(A) Chapter 83 (relating to retirement).

- (B) Chapter 84 (relating to the Federal Employees' Retirement System).
- (C) Chapter 87 (relating to life insurance).
- (D) Chapter 89 (relating to health insurance).
- (2) **EFFECTIVE DATES OF COVERAGE.**—The effective dates of coverage of the provisions of paragraph (1) are as follows:
- (A) In the case of the Trustee and employees of the Office of the Trustee and the Office of Adult Probation, August 5, 1997, or the date of appointment, whichever is later.
- (B) In the case of employees of the Office of Parole, October 11, 1998, or the date of appointment, whichever is later.
- (C) In the case of employees of the Pretrial Services Agency, January 3, 1999, or the date of appointment, whichever is later.
- (3) **RATE OF CONTRIBUTIONS.**—The Trustee shall make contributions under the provisions referred to in paragraph (1) at the same rates applicable to agencies of the Federal Government.
- (4) **REGULATIONS.**—The Office of Personnel Management shall issue such regulations as are necessary to carry out this subsection.
- (g) **FUNDING.**—Funds available for operations of the Trustee shall be made available to the extent provided in appropriations acts to the Trustee, through the State Justice Institute. Funding requests shall be proposed by the Trustee to the President and Congress for each Fiscal Year.
- (h) **LIABILITY AND LITIGATION AUTHORITY.**—
- (1) **LIABILITY.**—The District of Columbia shall defend any civil action or proceeding brought in any court or other official Federal, state, or municipal forum against the Trustee, or against the District of Columbia or its officers, employees, or agents, and shall assume any liability resulting from such an action or proceeding, if the action or proceeding arises from the—
- (A) supervision of offenders on probation, parole, or supervised release;
- (B) provision of pretrial services by the District of Columbia; or
- (C) activities of the District of Columbia Board of Parole.
- (2) **LITIGATION.**—
- (A) **CORPORATION COUNSEL.**—Subject to subparagraph (B), the Corporation Counsel of the District of Columbia shall provide litigation services to the Trustee, except that the Trustee may instead elect, either generally or in relation to particular cases or classes of cases, to hire necessary staff and personnel or enter into contracts for the provision of litigation services at the Trustee's expense.
- (B) **ATTORNEY GENERAL.**—
- (i) **IN GENERAL.**—Notwithstanding subparagraph (A), with respect to any litigation involving the Trustee, the Attorney General may—

(I) direct the litigation of the Trustee, and of the District of Columbia on behalf of the Trustee; and

(II) provide on a reimbursable or non-reimbursable basis litigation services for the Trustee at the Trustee's request or on the Attorney General's own initiative.

(ii) APPROVAL OF SETTLEMENT.—With respect to any litigation involving the Trustee, the Trustee may not agree to any settlement involving any form of equitable relief without the approval of the Attorney General. The Trustee shall provide to the Attorney General such notice and reports concerning litigation as the Attorney General may direct.

(iii) DISCRETION.—Any decision to exercise any authority of the Attorney General under this paragraph shall be in the sole discretion of the Attorney General and shall not be reviewable in any court.

(3) LIMITATIONS.—Nothing in this section shall be construed—

(1) as a waiver of sovereign immunity, or as limiting any other defense or immunity that would otherwise be available to the United States, the District of Columbia, their agencies, officers, employees, or agents; or

(2) to obligate the District of Columbia to represent or indemnify the Corrections Trustee or any officer, employee, or agent where the Trustee (or any person employed by or acting under the authority of the Trustee) acts beyond the scope of his authority.

(i) CERTIFICATION.—The Court Services and Offender Supervision Agency for the District of Columbia⁶ shall assume its duties pursuant to section 11233 when, within the period beginning one year after the date of the enactment of this subtitle and ending three years after the date of the enactment of this subtitle, the Trustee certifies to the Attorney General and the Attorney General concurs that the Agency can carry out the functions described in section 11233 and the United States Parole Commission can carry out the functions described in section 11231.

(j) EXERCISE OF AUTHORITY ON BEHALF OF PUBLIC DEFENDER SERVICE.—At the request of the Director of the District of Columbia Public Defender Service, the Trustee may exercise any of the powers and authorities of the Trustee on behalf of such Service in the same manner and to the same extent as the Trustee may exercise such powers and authorities in relation to any agency described in subsection (b).

SEC. 11233. COURT SERVICES AND OFFENDER SUPERVISION AGENCY.

(a) ESTABLISHMENT.—There is established within the executive branch of the Federal Government the Court Services and Offender Supervision Agency for the District of Columbia (hereafter in this

⁶The amendment made by section 7(c)(2)(B) of Public Law 105-274 (112 Stat. 2426) striking “the District of Columbia Offender Supervision, Defender, and Courts Services Agency” and inserting “the Court Services and Offender Supervision Agency for the District of Columbia” was executed to reflect the probable intent of Congress. The amendment should have referred to “The”, not “the”.

section referred to as the “Agency”) which shall assume its duties not less than one year or more than three years after the enactment of this Act.

(b) DIRECTOR.—

(1) APPOINTMENT AND COMPENSATION.—The Agency shall be headed by a Director appointed by the President, by and with the advice and consent of the Senate, for a term of six years. The Director shall be compensated at the rate prescribed for Level IV of the Executive Schedule, and may be removed from office prior to the expiration of term only for neglect of duty, malfeasance in office, or other good cause shown.

(2) POWERS AND DUTIES OF DIRECTOR.—The Director shall—

(A) submit annual appropriation requests for the Agency to the Office of Management and Budget;

(B) determine, in consultation with the Chief Judge of the United States District Court for the District of Columbia, the Chief Judge of the Superior Court of the District of Columbia, and the Chairman of the United States Parole Commission, uniform supervision and reporting practices for the Agency;

(C) hire and supervise supervision officers and support staff for the Agency;

(D) direct the use of funds made available to the Agency;

(E) enter into such contracts, leases, and cooperative agreements as may be necessary for the performance of the Agency’s functions, including contracts for substance abuse and other treatment and rehabilitative programs;

(F) develop and operate intermediate sanctions and incentives programs for sentenced offenders;

(G) arrange for the supervision of District of Columbia offenders on parole, probation, and supervised release who seek to reside in jurisdictions outside the District of Columbia;

(H) carry out all functions which have heretofore been carried out by the Social Services Division of the Superior Court relating to supervision of adults subject to protection orders or provision of services for or related to such persons;

(I) arrange for the supervision of offenders on parole, probation, and supervised release from jurisdictions outside the District of Columbia who seek to reside in the District of Columbia; and

(J) have the authority to enter into agreements, including the Interstate Compact for Adult Offender Supervision, with any State or group of States in accordance with the Agency’s responsibilities under subparagraphs (G) and (I).

(3) ACCEPTANCE OF GIFTS.—

(A) AUTHORITY TO ACCEPT GIFTS.—The Director may accept, solicit, and use on behalf of the Agency any monetary or nonmonetary gift, donation, bequest, or use of fa-

cilities, property, or services for the purpose of aiding or facilitating the work of the Agency.

(B) RECORDS.—The Director shall keep accurate and detailed records of the acceptance and use of any gifts under subparagraph (A), and shall make such records available for audit and public inspection.

(4) REIMBURSEMENT FROM DISTRICT GOVERNMENT.—The Director may accept and use reimbursement from the District government for space and services provided, on a cost reimbursable basis.

(c) FUNCTIONS.—

(1) IN GENERAL.—The Agency shall provide supervision, through qualified supervision officers, for offenders on probation, parole, and supervised release pursuant to the District of Columbia Code. The Agency shall carry out its responsibilities on behalf of the court or agency having jurisdiction over the offender being supervised.

(2) SUPERVISION OF RELEASED OFFENDERS.—The Agency shall supervise any offender who is released from imprisonment for any term of supervised release imposed by the Superior Court of the District of Columbia. Such offender shall be subject to the authority of the United States Parole Commission until completion of the term of supervised release. The United States Parole Commission shall have and exercise the same authority as is vested in the United States district courts by paragraphs (d) through (i) of section 3583 of title 18, United States Code, except that—

(A) the procedures followed by the Commission in exercising such authority shall be those set forth in chapter 311 of title 18, United States Code; and

(B) an extension of a term of supervised release under subsection (e)(2) of section 3583 may only be ordered by the Superior Court upon motion from the Commission.

(3) SUPERVISION OF PROBATIONERS.—Subject to appropriations and program availability, the Agency shall supervise all offenders placed on probation by the Superior Court of the District of Columbia. The Agency shall carry out the conditions of release imposed by the Superior Court (including conditions that probationers undergo training, education, therapy, counseling, drug testing, or drug treatment), and shall make such reports to the Superior Court with respect to an individual on probation as the Superior Court may require.

(4) SUPERVISION OF DISTRICT OF COLUMBIA PAROLEES.—The Agency shall supervise all individuals on parole pursuant to the District of Columbia Code. The Agency shall carry out the conditions of release imposed by the United States Parole Commission or, with respect to a misdemeanor, by the Superior Court of the District of Columbia, and shall make such reports to the Commission or Court with respect to an individual on parole supervision as the Commission or Court may require.

(5) SEX OFFENDER REGISTRATION.—The Agency shall carry out sex offender registration functions in the District of Columbia, and shall have the authority to exercise all powers and

functions relating to sex offender registration that are granted to the Agency under any District of Columbia law.

(d) **AUTHORITY OF OFFICERS.**—The supervision officers of the Agency shall have and exercise the same powers and authority as are granted by law to United States Probation and Pretrial Officers.

(e) **PRETRIAL SERVICES AGENCY.**—

(1) **INDEPENDENT ENTITY.**—The District of Columbia Pretrial Services Agency established by subchapter I of chapter 13 of title 23, District of Columbia Code shall function as an independent entity within the Agency.

(2) **SUBMISSION ON BEHALF OF PRETRIAL SERVICES.**—The Director of the Agency shall submit, on behalf of the District of Columbia Pretrial Services Agency and with the approval of the Director of the Pretrial Services Agency, an annual appropriation request to the Office of Management and Budget. Such request shall be separate from the request submitted for the Agency.

(3) **LIABILITY OF DISTRICT OF COLUMBIA.**—The District of Columbia shall defend any civil action or proceeding brought in any court or other official Federal, state, or municipal forum against the District of Columbia Pretrial Services Agency or the District of Columbia or its officers, employees, or agents, and shall assume any liability resulting from such an action or proceeding, if the action or proceeding arises from the activities of the District of Columbia Pretrial Services Agency prior to the date on which the Offender Supervision, Defender and Courts Services Agency assumes its duties.

(4) **LITIGATION.**—

(A) **CORPORATION COUNSEL.**—Subject to subparagraph (B), the Corporation Counsel of the District of Columbia shall provide litigation services to the District of Columbia Pretrial Services Agency, except that the District of Columbia Pretrial Services Agency may instead elect, either generally or in relation to particular cases or classes of cases, to hire necessary staff and personnel or enter into contracts for the provision of litigation services at such agency's expense.

(B) **ATTORNEY GENERAL.**—

(i) **IN GENERAL.**—Notwithstanding subparagraph (A), with respect to any litigation involving the District of Columbia Pretrial Services Agency, the Attorney General may—

(I) direct the litigation of the agency, and of the District of Columbia on behalf of the agency; and

(II) provide on a reimbursable or non-reimbursable basis litigation services for the agency at the agency's request or on the Attorney General's own initiative.

(ii) **APPROVAL OF SETTLEMENT.**—With respect to any litigation involving the District of Columbia Pretrial Services Agency, the agency may not agree to any settlement involving any form of equitable relief with-

out the approval of the Attorney General. The agency shall provide to the Attorney General such notice and reports concerning litigation as the Attorney General may direct.

(iii) DISCRETION.—Any decision to exercise any authority of the Attorney General under this paragraph shall be in the sole discretion of the Attorney General and shall not be reviewable in any court.

【Subsection (f) was repealed by section 825(b) of Public Law 110–161.】

(g) AUTHORITY TO USE SERVICES OF VOLUNTEERS.—

(1) IN GENERAL.—The Agency (including any independent entity within the Agency) may accept the services of volunteers and provide for their incidental expenses to carry out any activity of the Agency except policy-making.

(2) APPLICABILITY OF WORKER’S COMPENSATION RULES TO VOLUNTEERS.—Any volunteer whose services are accepted pursuant to this subsection shall be considered an employee of the United States Government in providing the services for purposes of chapter 81 of title 5, United States Code (relating to compensation for work injuries) and chapter 11 of title 18, United States Code, relating to corruption and conflicts of interest.

SEC. 11234. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated in each fiscal year such sums as may be necessary for the following:

- (1) District of Columbia Pretrial Services Agency.
- (2) Supervision of offenders on probation, parole, or supervised release for offenses under the District of Columbia Code.
- (3) Operation of the parole system for offenders convicted of offenses under the District of Columbia Code.
- (4) Operation of the Trusteeship described in section 11232.

CHAPTER 4—DISTRICT OF COLUMBIA COURTS

Subchapter A—Transfer of Administration and Financing of Courts to Federal Government

SEC. 11241. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATIONS.—There are authorized to be appropriated for payment to the Joint Committee on Judicial Administration in the District of Columbia in each fiscal year such sums as may be necessary for the following:

- (1) The Superior Court of the District of Columbia.
- (2) The District of Columbia Court of Appeals.
- (3) The District of Columbia Court System.

(b) SUBMISSION TO OMB.—The Joint Committee on Judicial Administration in the District of Columbia shall include in its submissions to the Office of Management and Budget and the Congress, the budget and appropriations requests of the Superior Court of the District of Columbia, the District of Columbia Court of Appeals, and the District of Columbia Court System.

SEC. 11242. ADMINISTRATION OF COURTS UNDER DISTRICT OF COLUMBIA CODE.

(a) **SUBMISSION OF ANNUAL BUDGET REQUESTS BY JOINT COMMITTEE ON JUDICIAL ADMINISTRATION.**—Section 11–1701(b)(4), District of Columbia Code, is amended to read as follows:

“(4) Submission of the annual budget requests of the District of Columbia Court of Appeals, the Superior Court of the District of Columbia, and the District of Columbia Court System as the integrated budget of the District of Columbia courts, except that such requests may be modified upon the concurrence of four of the five members of the Joint Committee.”.

(b) **AUDIT OF ACCOUNTS OF COURTS.**—Section 11–1723(a)(3), District of Columbia Code, is amended to read as follows:

“(3) The Fiscal Officer shall be responsible for the approval of vouchers and the internal auditing of the accounts of the courts and shall arrange for an annual independent audit of the accounts of the courts.”.

(c) **APPOINTMENT AND REMOVAL OF COURT PERSONNEL.**—Section 11–1725(b) of the District of Columbia Code is amended to read as follows:

“(b) The Executive Officer shall appoint, and may remove, the Director of Social Services, the clerks of the courts, the Auditor-Master, and all other nonjudicial personnel for the courts (other than the Register of Wills and personal law clerks and secretaries of the judges) as may be necessary, subject to—

“(1) regulations approved by the Joint Committee; and

“(2) the approval of the chief judge of the court to which the personnel are or will be assigned.

Appointments and removals of court personnel shall not be subject to the laws, rules, and limitations applicable to District of Columbia employees.”.

(d) **PROCUREMENT OF EQUIPMENT AND SUPPLIES.**—Section 11–1742(b), District of Columbia Code, is amended to read as follows:

“(b) The Executive Officer shall be responsible for the procurement of necessary equipment, supplies, and services for the courts and shall have power, subject to applicable law, to reimburse the District of Columbia government for services provided and to contract for such equipment, supplies, and services as may be necessary.”.

(e) **BUDGET AND EXPENDITURES.**—

(1) **IN GENERAL.**—Section 11–1743, District of Columbia Code, is amended to read as follows:

“§ 11–1743. Annual Budget and Expenditures.

“(a) The Joint Committee shall prepare and submit to the Mayor and the Council of the District of Columbia annual estimates of the expenditures and appropriations necessary for the maintenance and operations of the District of Columbia courts, and shall submit such estimates to Congress and the Director of the Office of Management and Budget after submitting them to the Mayor and the Council. All such estimates shall be included in the budget without revision by the President but subject to the President’s recommendations.

“(b) The District of Columbia Courts may make such expenditures as may be necessary to execute efficiently the functions vested in the Courts.

“(c) All expenditures of the Courts shall be allowed and paid upon presentation of itemized vouchers signed by the certifying officer designated by the Joint Committee. All such expenditures shall be paid out of moneys appropriated for purposes of the Courts.”.

(2) CLERICAL AMENDMENT.—The item relating to section 11–1743 in the table of sections for subchapter III of chapter 17 of title 11, District of Columbia Code, is amended to read as follows:

“11–1743. Annual budget and expenditures.”.

SEC. 11243. BUDGETING AND FINANCING REQUIREMENTS FOR COURTS UNDER HOME RULE ACT.

(a) BUDGET OF COURTS.—Section 445 of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, Title 11 App.) is amended to read as follows:

“SEC. 445. The District of Columbia courts shall prepare and annually submit to the Director of the Office of Management and Budget, for inclusion in the annual budget, annual estimates of the expenditures and appropriations necessary for the maintenance and operation of the District of Columbia court system. The courts shall submit as part of their budgets both a multiyear plan and a multiyear capital improvements plan and shall submit a statement presenting qualitative and quantitative descriptions of court activities and the status of efforts to comply with reports of the Comptroller General of the United States.”.

(b) FINANCIAL DUTIES OF THE MAYOR.—Section 448(a)(6) of such Act (DC Code, sec. 47–310(a)(6)) is amended to read as follows:

“(6) supervise and be responsible for the levying and collection of all taxes, special assessments, license fees, and other revenues of the District, as required by law, and receive all moneys receivable by the District from the Federal Government or from any agency or instrumentality of the District, except that this paragraph shall not apply to moneys from the District of Columbia Courts.”.

(c) FUNDS OF THE DISTRICT.—Section 450 of such Act (DC Code, sec. 47–130), is amended to read as follows:

“SEC. 450. The General Fund of the District shall be composed of those District revenues which on the effective date of this title are paid into the Treasury of the United States and credited either to the General Fund of the District or its miscellaneous receipts, but shall not include any revenues which are applied by law to any special fund existing on the date of enactment of this title. The Council may from time to time establish such additional special funds as may be necessary for the efficient operation of the government of the District. All money received by any agency, officer, or employee of the District in its or his official capacity shall belong to the District government and shall be paid promptly to the Mayor for deposit in the appropriate fund, except that all money received

by the District of Columbia Courts shall be deposited in the Treasury of the United States or the Crime Victims Fund.”.

(d) **REDUCTIONS IN BUDGETS OF INDEPENDENT AGENCIES.**—Section 453(c) of such Act (DC Code, sec. 47–304.1(c)) is amended to read as follows:

“(c) Subsection (a) shall not apply to amounts appropriated or otherwise made available to the Council or to the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.”.

(e) **TREATMENT OF COURT FEES IN CALCULATION OF LIMITS ON DISTRICT BORROWING.**—Section 603 of such Act (DC Code, sec. 47–313) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in the first sentence, by striking “less court fees, any fees” and inserting “less any fees”; and

(ii) in the second sentence, by striking “section 2501, title 47 of the District of Columbia Code, as amended” and inserting “title VI of the District of Columbia Revenue Act of 1939”;

(B) in paragraph (3)(A), by striking “less court fees, any fees” and inserting “less any fees”; and

(2) in subsection (c), by striking the last sentence (relating to budget estimates of the District of Columbia courts).

SEC. 11244. AUDITING OF ACCOUNTS OF COURT SYSTEM.

(a) **POWERS OF DISTRICT OF COLUMBIA AUDITOR.**—Section 455 of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47–117) is amended by adding at the end the following new subsection:

“(g) This section shall not apply to the District of Columbia Courts or the accounts and operations thereof.”.

(b) **SUBMISSION OF GAO AUDIT REPORTS TO MAYOR AND COUNCIL.**—Section 715(b) of title 31, United States Code (DC Code, sec. 47–118.1(b)), is amended by striking “and the Mayor” and inserting “and (other than the audit reports of the District of Columbia Courts) the Mayor”.

(c) **INDEPENDENT ANNUAL AUDIT.**—Section 4 of Public Law 94–399 (DC Code, sec. 47–119) is amended by adding at the end the following new subsection:

“(d) This section shall not apply to the District of Columbia Courts or the financial operations thereof.”.

SEC. 11245. MISCELLANEOUS BUDGETING AND FINANCING REQUIREMENTS FOR COURTS UNDER DISTRICT LAW.

(a) **DEPOSIT OF PUBLIC FUNDS.**—Section 2(21) of the District of Columbia Depository Act of 1977 (DC Code, sec. 47–341(21)) is amended by striking “a court, agency” and inserting “an agency”.

(b) **REPROGRAMMING OF BUDGET AMOUNTS.**—Section 4(h) of D.C. Law 3–100 (DC Code, sec. 47–363(h)) is amended by striking “the District of Columbia courts,”.

(c) **CONTROL OF GRANT FUNDS.**—(1) Section 3(1) of D.C. Law 3–104 (DC Code, sec. 47–382(1)) is amended to read as follows:

“(1) ‘Agency’ means the highest organizational structure of the District at which budgeting data is aggregated, but shall not include the District of Columbia Courts.”

(2) Section 4(b) of D.C. Law 3–104 (DC Code, sec. 47–383(b)) is amended to read as follows:

“(b) The Trustees of the University of the District of Columbia, the Board of Education, and the D.C. General Hospital Commission shall submit to the Mayor two copies of the application and completed approval form, as an advisory notice, concurrent with submitting the application and completed approval form to a grant-making agency in accordance with rules and regulations issued pursuant to subsection (c) of this section.”

SEC. 11246. OTHER PROVISIONS RELATING TO ADMINISTRATION OF DISTRICT OF COLUMBIA COURTS.

(a) JUROR FEES.—Section 11–1912(a), District of Columbia Code, is amended to read as follows:

“(a) Notwithstanding section 602(a) of the District of Columbia Self-Government and Governmental Reorganization Act, grand and petit jurors serving in the Superior Court shall receive fees and expenses at rates established by the Board of Judges of the Superior Court”, except that such fees and expenses may not exceed the respective rates paid to such jurors in the Federal system.”

(b) COMPENSATION AND BENEFITS FOR COURT PERSONNEL.—

(1) IN GENERAL.—Section 11–1726, District of Columbia Code, is amended to read as follows:

“§ 11–1726. Compensation and benefits for court personnel.

“(a) In the case of nonjudicial employees of the District of Columbia courts whose compensation is not otherwise fixed by this title, the Executive Officer shall fix the rates of compensation of such employees without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code. Any rates so established shall be subject to the limitation on pay fixed by administrative action in section 5373 of such title. In fixing the rates of compensation of nonjudicial employees under this section, the Executive Officer may be guided by the rates of compensation fixed for employees in the executive and judicial branches of the Federal Government or State or local governments occupying the same or similar positions or occupying positions of similar responsibility, duty, and difficulty.

“(b)(1) Nonjudicial employees of the District of Columbia courts shall be treated as employees of the Federal Government solely for purposes of any of the following provisions of title 5, United States Code:

“(A) Subchapter 1 of chapter 81 (relating to compensation for work injuries).

“(B) Chapter 83 (relating to retirement).

“(C) Chapter 84 (relating to the Federal Employees’ Retirement System).

“(D) Chapter 87 (relating to life insurance).

“(E) Chapter 89 (relating to health insurance).

“(2) The employing agency shall make contributions under the provisions referred to paragraph (1) at the same rates applicable to agencies of the Federal Government.

“(3) An individual who is a nonjudicial employee of the District of Columbia courts on the date of the enactment of the Balanced Budget Act of 1997 may make, within 60 days after such date, an election under section 8351 or section 8432 of title 5, United States Code, to participate in the Thrift Savings Plan for Federal employees.

“(c)(1) Judicial employees of the District of Columbia courts shall be treated as employees of the Federal Government for purposes of any of the following provisions of title 5, United States Code:

“(A) Subchapter 1 of chapter 81 (relating to compensation for work injuries).

“(B) Chapter 87 (relating to life insurance).

“(C) Chapter 89 (relating to health insurance).

“(2) The employing agency shall make contributions under the provisions referred to paragraph (1) at the same rates applicable to agencies of the Federal Government.

“(3) For purposes of section 8706(b) and section 8901(3)(B) of title 5, United States Code, benefits paid from the retirement system for judicial employees of the District of Columbia courts or from the system providing benefits to survivors of such employees shall be considered an annuity.

“(4) For purposes of section 8901(3)(A) of title 5, United States Code, the retirement system for judicial employees of the District of Columbia courts shall be considered a retirement system for employees of the Government.”.

(2) CONFORMING AMENDMENTS TO INTERNAL REVENUE CODE AND SOCIAL SECURITY.—(A) Section 3121(b)(7)(C) of the Internal Revenue Code of 1986 (relating to the definition of employment for service performed in the employ of the District of Columbia) is amended by inserting “(other than the Federal Employees Retirement System provided in chapter 84 of title 5, United States Code)” after “law of the United States”.

(B) Section 210(a)(7)(D) of the Social Security Act (42 U.S.C. 410(a)(7)(D)) (relating to the definition of employment for service performed in the employ of the District of Columbia), is amended by inserting “(other than the Federal Employees Retirement System provided in chapter 84 of title 5, United States Code)” after “law of the United States”.

(3) CLERICAL AMENDMENT.—The table of sections for subchapter II of chapter 15 of title 11, District of Columbia Code, is amended by amending the item relating to section 11–1726 to read as follows:

“11–1726. Compensation and benefits for court personnel.”.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to all months beginning after the date on which the Director of the Office of Personnel Management issues regulations to carry out section 11–1726, District of Columbia Code (as amended by paragraph (1)).

(c) RETIREMENT PERIOD FOR EXECUTIVE OFFICER.—Section 11–1703(d), District of Columbia Code, is amended by striking the period at the end and inserting the following: “, except that the Executive Officer (if initially hired after October 1, 1997) shall be eligible for retirement under subchapter III of chapter 15 when the Ex-

ecutive Officer has completed 7 years of service as Executive Officer, whether continuous or not.”.

Subchapter B—Judicial Retirement Program

SEC. 11251. JUDICIAL RETIREMENT AND SURVIVORS ANNUITY FUND.

(a) ESTABLISHMENT OF FUND.—Section 11–1570, District of Columbia Code, is amended to read as follows:

“§ 11–1570. The District of Columbia Judicial Retirement and Survivors Annuity Fund.

“(a) There is established in the Treasury a fund known as the District of Columbia Judicial Retirement and Survivors Annuity Fund (hereafter in this section referred to as the ‘Fund’), which shall consist of the following assets:

“(1) Amounts deposited by, or deducted and withheld from the salary and retired pay of, a judge under section 1563 or 1567 of this title, which shall be credited to an individual account of the judge.

“(2) Amounts transferred from the District of Columbia Judges’ Retirement Fund under section 124(c)(1) of the District of Columbia Retirement Reform Act, as amended by section 11252 of the Balanced Budget Act of 1997.

“(3) Amounts deposited under subsection (d).

“(4) Any return on investment of the assets of the Fund.

“(b)(1) The Secretary of the Treasury (hereafter in this section referred to as the ‘Secretary’) shall be responsible for the administration of the Fund. The Secretary may carry out such responsibilities through an agreement with a Trustee or contractor (who may be the Trustee or contractor appointed to carry out responsibilities relating to Federal benefit payments under subtitle A of title XI of the Balanced Budget Act of 1997) and an enrolled actuary (as defined in section 7701(a)(35) of the Internal Revenue Code of 1986) who is a member of the American Academy of Actuaries (who may be the enrolled actuary engaged under such Act). Notwithstanding any other provision of District law or any other law, rule, or regulation, any Trustee, contractor, or enrolled actuary selected by the Secretary under this subsection may, with the approval of the Secretary, enter into one or more subcontracts with the District of Columbia government or any person to provide services to such Trustee, contractor, or enrolled actuary in connection with its performance of its agreement with the Secretary. Such Trustee, contractor, or enrolled actuary shall monitor the performance of any subcontract to which it is a party and enforce its provisions.

“(2) The Secretary shall submit to the President an annual estimate of the expenditures necessary for the maintenance and operation of the Fund, and such supplemental estimates as may be required from time to time for the same purposes, according to law.

“(3) The Secretary may cause periodic examinations of the Fund to be made by an enrolled actuary (as defined in section 7701(a)(35) of the Internal Revenue Code of 1986) who is a member of the American Academy of Actuaries.

“(c)(1) Amounts in the Fund are available—

“(A) for the payment of judges retirement pay, annuities, refunds, and allowances under this subchapter;

“(B) to cover the reasonable and necessary expenses of administering the Fund under any agreement entered into with a Trustee, contractor, or enrolled actuary under subsection (b)(1), including any agreement with a department, agency or instrumentality of the United States; and

“(C) to cover the reasonable and necessary administrative expenses incurred by the Secretary in carrying out the Secretary’s responsibilities under this subchapter.

“(2) Notwithstanding any other provision of District law or any other law, rule, or regulation—

“(A) the Secretary may review benefit determinations under this subchapter made prior to the date of the enactment of the Balanced Budget Act of 1997, and shall make initial benefit determinations after such date; and

“(B) the Secretary may recoup or recover, or waive recoupment or recovery of, any amounts paid under this subchapter as a result of errors or omissions by any person.”.

“(d)(1) The Secretary shall pay into the Fund from the General Fund of the Treasury, not later than the close of each fiscal year, an amount equal to the sum of—

“(A) the normal cost for the year;

“(B) the annual amortization amount for the year (which may not be less than zero); and

“(C) the covered administrative expenses for the year.

“(2) For purposes of this subsection:

“(A) The ‘original unfunded liability’ is the amount that is the present value as of September 30, 1997, of future benefits payable from the Fund (net of the sum of the present value of future normal costs and plan assets as of such date).

“(B) The ‘annual amortization amount’ is the amount determined by the enrolled actuary to be necessary to amortize in equal annual installments (until fully amortized)—

“(i) the original unfunded liability over a 30-year period;

“(ii) a net experience gain or loss over a 10-year period; and

“(iii) any other changes in actuarial liability over a 20-year period.

“(C) The ‘covered administrative expenses’ are the expenses determined by the Secretary (on an annual basis) to be necessary to administer the Fund.

“(3) Deposits made under this subsection shall not be credited to the account of any individual.

“(e) The Secretary shall invest such portion of the Fund as is not in the judgment of the Secretary required to meet current withdrawals. Such investments shall be in public debt securities with maturities suitable to the needs of the Fund, as determined by the Secretary, and bearing interest at rates determined by the Secretary, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities.

“(f) None of the moneys mentioned in this subchapter shall be assignable, either in law or in equity, or be subject to execution, levy, attachment, garnishment, or other legal process (except to the extent permitted pursuant to the District of Columbia Spouse Equity Act of 1988).

“(g) Notwithstanding any other provision of District law, rule, or regulation, any civil action brought—

“(1) by an individual to enforce or clarify rights to benefits from the Fund; or

“(2) by the Secretary—

“(A) to enforce any claim arising (in whole or in part) under this section or any contract entered into to carry out this section,

“(B) to recover benefits improperly paid from the Fund or to clarify an individual’s rights to benefits from the Fund, or

“(C) to enforce any provision of this section or any contract entered into to carry out this section,

shall be brought in the United States District Court for the District of Columbia.

“(h) For purposes of the Internal Revenue Code of 1986—

“(1) the Fund shall be treated as a trust described in section 401(a) of the Code that is exempt from taxation under section 501(a) of the Code;

“(2) any transfer to or distribution from the Fund shall be treated in the same manner as a transfer to or distribution from a trust described in section 401(a) of the Code; and

“(3) the benefits provided by the Fund shall be treated as benefits provided under a governmental plan maintained by the District of Columbia.

“(i) For purposes of the Employee Retirement Income Security Act of 1974, the benefits provided by the Fund shall be treated as benefits provided under a governmental plan maintained by the District of Columbia.

“(j) To the extent that any provision of subpart A of part I of subchapter D of the chapter 1 of the Internal Revenue Code of 1986 (26 U.S.C. 401 et seq.) is amended after the date of the enactment of this subsection, such provision as amended shall apply to the Fund only to the extent the Secretary determines that application of the provision as amended is consistent with the administration of this subchapter.

“(k) Federal obligations for benefits under this subchapter are backed by the full faith and credit of the United States.”.

(b) REGULATIONS; EFFECT ON REFORM ACT.—Title 11, District of Columbia Code, is amended by adding the following new section:

“§ 11-1572. Regulations; effect on Reform Act.

“(a) The Secretary is authorized to issue regulations to implement, interpret, administer and carry out the purposes of this subchapter, and, in the Secretary’s discretion, those regulations may have retroactive effect, except that nothing in this subsection may be construed to permit the Secretary to issue any regulation to retroactively reduce or eliminate the benefits to which any individual is entitled under this subchapter.

“(b) This subchapter supersedes any provision of the District of Columbia Retirement Reform Act (Public Law 96-122) inconsistent with this subchapter and the regulations thereunder.”.

(c) CLERICAL AMENDMENTS.—

(1) The table of sections for subchapter III of chapter 15 of title 11, District of Columbia Code, is amended by amending the item relating to section 11-1570 to read as follows:

“11-1570. The District of Columbia Judicial Retirement and Survivors Annuity Fund.”.

(2) The table of sections for subchapter III of chapter 15 of title 11, District of Columbia Code, is amended by adding at the end the following new item:

“11-1572. Regulations; effect on Reform Act.”.

SEC. 11252. TERMINATION OF CURRENT FUND AND PROGRAM.

(a) TERMINATION OF JUDGES’ RETIREMENT FUND.—Section 124 of the District of Columbia Retirement Reform Act (DC Code, sec. 1-714) is amended by striking subsection (c) and inserting the following (except as provided in section 11-1570, District of Columbia Code):

“(c)(1) Notwithstanding any other provision of this Act or the amendments made by this Act, upon the date the assets of the Retirement Fund described in subtitle A of title XI of the Balanced Budget Act of 1997 are transferred, the assets of the District of Columbia Judges’ Retirement Fund established under subsection (a) shall be transferred to the District of Columbia Judicial Retirement and Survivors Annuity Fund under section 11-1570, District of Columbia Code, and no amounts shall be deposited into the District of Columbia Judges’ Retirement Fund after the date on which the assets are so transferred.

“(2) In accordance with the direction of the Secretary, the District of Columbia Judges’ Retirement Fund established under subsection (a) shall be continued at the Board and appropriated for the purposes provided in this Act until such time as all amounts in such Fund have been expended or transferred to the District of Columbia Judicial Retirement and Survivors Annuity Fund pursuant to paragraph (1). Thereafter any payments of retirement pay, annuities, refunds, and allowances for judicial personnel of the District of Columbia shall be paid from the District of Columbia Judicial Retirement and Survivors Annuity Fund in accordance with subchapter III of chapter 15 of title 11, District of Columbia Code.”.

(b) TRANSITION FROM DISTRICT OF COLUMBIA ADMINISTRATION.—Sections 11023, 11032(b)(2), 11033(d), and 11041 shall apply to the administration of the District of Columbia Judges Retirement Fund established under section 124 of the District of Columbia Retirement Reform Act (DC Code, sec. 1-714), the District of Columbia Judicial Retirement and Survivors Annuity Fund established under section 11-1570, District of Columbia Code, and the retirement program for judges under subchapter III of chapter 15 of title 11, District of Columbia Code, except as follows:

(1) In applying each such section—

(A) any reference to this subtitle shall instead refer to subchapter III of chapter 15 of title 11, District of Columbia Code;

(B) any reference to the District Retirement Program shall be deemed to include the retirement program for judges under subchapter III of chapter 15 of title 11, District of Columbia Code;

(C) any reference to the District Retirement Fund shall be deemed to include the District of Columbia Judges Retirement Fund established under section 124 of the District of Columbia Retirement Reform Act;

(D) any reference to Federal benefit payments shall be deemed to include judges retirement pay, annuities, refunds and allowances under subchapter III of chapter 15 of title 11, District of Columbia Code;

(E) any reference to the Trust Fund shall instead refer to the District of Columbia Judicial Retirement and Survivors Annuity Fund established under section 11-1570, District of Columbia Code;

(F) any reference to section 11033 shall instead refer to section 124 of the District of Columbia Retirement Reform Act, as amended by section 11252; and

(G) any reference to chapter 2 shall instead refer to section 11-1570, District of Columbia Code.

(2) In applying section 11023—

(A) any reference to the contract shall instead refer to the agreement referred to in section 11-1570(b), District of Columbia Code; and

(B) any reference to the Trustee shall instead refer to the Trustee or contractor referred to in section 11-1570(b), District of Columbia Code.

(3) In applying section 11033(d)—

(A) any reference to this section shall instead refer to section 124 of the District of Columbia Retirement Reform Act, as amended by section 11252; and

(B) any reference to the Trustee shall instead refer to the Secretary or the Trustee or contractor referred to in section 11-1570(b), District of Columbia Code.

(4) In applying section 11041(b), any reference to the Trustee shall instead refer to the Trustee or contractor referred to in section 11-1570(b), District of Columbia Code.

(c) REMOVAL OF JUDGES FROM RETIREMENT BOARD.—Section 121(b)(1)(A) of the District of Columbia Retirement Reform Act (DC Code, sec. 1-711(b)(1)(A)) is amended—

(1) in the matter preceding clause (i), by striking “13” and inserting “12”;

(2) by striking clause (vii); and

(3) by redesignating clauses (viii) and (ix) as clauses (vii) and (viii).

(d) EFFECTIVE DATE.—The provisions of subsection (c) shall take effect on the date on which the assets of the District of Columbia Judges Retirement Fund are transferred to the District of Columbia Judicial Retirement and Survivors Annuity Fund.

SEC. 11253. CONFORMING AMENDMENTS.

(a) **TRANSFER OF AUTHORITY OVER FUND TO SECRETARY OF TREASURY.**—Title 11, District of Columbia Code, is amended as follows:

(1) In sections 11–1561(8)(C), 11–1562(c), 11–1563(b), 11–1563(c), 11–1564(d)(6), 11–1564(d)(7), 11–1566(a), and 11–1570(c), by striking “Commissioner [Mayor]” each place it appears and inserting “Secretary of the Treasury”.

(2) In sections 11–1566(b)(2), 11–1567(a), 11–1567(b), by striking “Mayor” each place it appears and inserting “Secretary of the Treasury”.

(3) In sections 11–1564(d)(2)(A) and 11–1568.1(1)(B), by striking “Mayor of the District of Columbia” each place it appears and inserting “Secretary of the Treasury”.

(4) In section 11–1563(a), by striking “paid to the Custodian of Retirement Funds (as defined in section 102(6) of the District of Columbia Retirement Reform Act)” and inserting “paid to the Secretary of the Treasury”.

(b) **DEFINITION OF FUND.**—Section 11–1561(4), District of Columbia Code, is amended to read as follows:

“(4) The term ‘fund’ means the District of Columbia Judicial Retirement and Survivors Annuity Fund established by section 11–1570.”.

(c) **TREATMENT OF FEDERAL SERVICE OF JUDGES.**—Section 11–1564, District of Columbia Code, is amended—

(1) in subsection (d)(2)(A), by striking “section 1–1814)” and inserting “section 1–714) or the District of Columbia Judicial Retirement and Survivors Annuity Fund (established by section 11–1570)”;

(2) in subsection (d)(4), by striking “Judges Retirement Fund established by section 124(a) of the District of Columbia Retirement Reform Act” and inserting “Judicial Retirement and Survivors Annuity Fund under section 11–1570.”.

(d) **REDEPOSITS TO FUND.**—Section 11–1568.1(4)(A), District of Columbia Code, is amended by striking “Judges Retirement Fund” and inserting “Judicial Retirement and Survivors Annuity Fund.”.

**Subchapter C—Miscellaneous Conforming and
Administrative Provisions**

SEC. 11261. TREATMENT OF COURTS UNDER MISCELLANEOUS DISTRICT LAWS.

(a) **FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE ACT.**—Paragraph (5) of section 305 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (DC Code, sec. 47–393(5)) is amended to read as follows:

“(5) The term ‘District government’ means the government of the District of Columbia, including any department, agency or instrumentality of the government of the District of Columbia; any independent agency of the District of Columbia established under part F of title IV of the District of Columbia Self-Government and Governmental Reorganization Act or any other agency, board, or commission established by the Mayor or the Council; the Council of the District of Columbia; and any other agency, public authority, or public benefit corporation

which has the authority to receive monies directly or indirectly from the District of Columbia (other than monies received from the sale of goods, the provision of services, or the loaning of funds to the District of Columbia), except that such term does not include the Authority.”.

(b) MERIT PERSONNEL ACT.—(1) Section 201 of the District of Columbia Comprehensive Merit Personnel Act of 1978 (DC Code, sec. 1–602.1) is amended—

(A) by striking “(a) Except as provided in subsection (b) or unless” and inserting “Unless”; and

(B) by striking subsection (b).

(2) Section 301(13) of the District of Columbia Comprehensive Merit Personnel Act of 1978 (DC Code, sec. 1–603.1(13)) is amended by striking “, the Superior Court of the District of Columbia, and the District of Columbia Court of Appeals shall be considered independent agencies” and inserting “shall be considered an independent agency”.

SEC. 11262. REPRESENTATION OF INDIGENTS IN CRIMINAL CASES.

(a) BUDGET.—Section 11–2607, District of Columbia Code, is amended to read as follows:

“§ 11–2607. Preparation of Budget.

“The joint committee shall prepare and include in its annual budget requests for the District of Columbia court system estimates of the expenditures and appropriations necessary for furnishing representation by private attorneys to persons entitled to representation in accordance with section 2601 of this title.”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 11–2608 of the District of Columbia Code is amended to read as follows:

“§ 11–2608. Authorization of appropriations.

“There are authorized to be appropriated through the State Justice Institute such sums as may be necessary to pay for representation by private attorneys and related services under this chapter. When so specified in appropriation Acts, such appropriations shall remain available until expended.”.

(c) REPEAL AUTHORITY OF COUNCIL.—

(1) IN GENERAL.—Section 11–2609, District of Columbia Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 26 of title 11, District of Columbia Code, is amended by striking the item relating to section 11–2609.

CHAPTER 5—PRETRIAL SERVICES AGENCY AND PUBLIC DEFENDER SERVICE

SEC. 11271. AMENDMENTS AFFECTING PRETRIAL SERVICES AGENCY.

(a) IN GENERAL.—Sections 23–1304 through 23–1308 of the District of Columbia Code are amended to read as follows:

“§ 23–1304. Executive committee; composition; appointment and qualifications of Director

“(a) The agency shall be advised by an executive committee of seven members, of which four members shall constitute a quorum.

The Executive Committee shall be composed of the following persons or their designees: the Chief Judge of the United States Court of Appeals for the District of Columbia Circuit, the Chief Judge of the United States District Court for the District of Columbia, the Chief Judge of the District of the Columbia Court of Appeals, the Chief Judge of the Superior Court of the District of Columbia, the United States Attorney for the District of Columbia, the Director of the District of Columbia Public Defender Service, and the Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency.

“(b) The Chief Judge of the United States Court of Appeals for the District of Columbia Circuit and the Chief Judge of the United States District Court for the District of Columbia, in consultation with the other members of the executive committee, shall appoint a Director of the agency who shall be a member of the bar of the District of Columbia.

“§ 23-1305. Duties of director; compensation

“(a) The Director of the agency shall be responsible for the supervision and execution of the duties of the agency. The Director shall be compensated as a member of the Senior Executive Service pursuant to subchapter VIII of chapter 53 of title 5, United States Code.

“§ 23-1306. Chief assistant and other agency personnel; compensation

“The Director shall employ a chief assistant who shall be compensated as a member of the Senior Executive Service pursuant to section 5382 of title 5, United States Code. The Director shall employ such agency personnel as may be necessary properly to conduct the business of the agency. All employees other than the chief assistant shall receive compensation that is comparable to levels of compensation established for Federal pretrial services agencies.

“§ 23-1307. Annual reports

“(a) The Director shall each year submit to the executive committee and to the Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency a report as to the Pretrial Services Agency's administration of its responsibilities for the previous fiscal year. The Director shall include in the report a statement of financial condition, revenues, and expenses for the past fiscal year.

“§ 23-1308. Appropriation; budget

“There are authorized to be appropriated through the State Justice Institute in each fiscal year such sums as may be necessary to carry out the provisions of this subchapter. Funds appropriated by Congress for the District of Columbia Pretrial Services Agency shall be received by the Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency, and shall be disbursed by that Director to and on behalf of the District of Columbia Pretrial Services Agency. The District of Columbia Pretrial Services Agency shall submit to the Director of the District of Columbia Offender Supervision, Defender and Courts Services

Agency at the time and in the form prescribed by that Director, reports of its activities and financial position and its proposed budget.”.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter I of chapter 13 of title 23, District of Columbia Code, is amended by striking the items relating to sections 23–1304 through 23–1308 and inserting the following:

“23–1304. Executive committee; composition; appointment and qualifications of Director.

“23–1305. Duties of director; compensation.

“23–1306. Chief assistant and other agency personnel; compensation.

“23–1307. Annual reports.

“23–1308. Appropriation; budget.”.

[SEC. 11272. REPEALED.⁷]

CHAPTER 6—MISCELLANEOUS PROVISIONS

SEC. 11281. TECHNICAL ASSISTANCE AND RESEARCH.

There are authorized to be appropriated to the National Institute of Justice in each fiscal year (beginning with fiscal year 1998) such sums as may be necessary for the following activities:

(1) Research and demonstration projects, evaluations, and technical assistance to assess and analyze the crime problem in the District of Columbia, and to improve the ability of the criminal justice and other systems and entities in the District of Columbia to prevent, solve, and punish crimes.

(2) The establishment of a locally-based corporation or institute in the District of Columbia supporting research and demonstration projects relating to the prevention, solution, or punishment of crimes in the District of Columbia, including the provision of related technical assistance.

SEC. 11282. EXEMPTION FROM PERSONNEL AND BUDGET CEILINGS FOR TRUSTEES AND RELATED AGENCIES.

The Trustees described in sections 11202 and 11232 and the activities and personnel of, and the funds allocated or otherwise available to, the Trustees and the agencies over which the Trustees exercise financial oversight pursuant to those sections, shall not be subject to any general personnel or budget limitations which otherwise apply to the District of Columbia government or its agencies in any appropriations act.

Subtitle D—Privatization of Tax Collection and Administration

SEC. 11301. FINDINGS.

Congress finds as follows:

(1) The District of Columbia government has historically had a poor record of determining and collecting all revenue it is due under its revenue code.

(2) The impact on the District’s financial condition of poor administration and collection is significant and has contributed

⁷ Section 7(d) of the District of Columbia Courts and Justice Technical Corrections Act of 1998 (Public Law 105–274, 112 Stat. 2427, Oct. 21, 1998) repealed section 11272.

both to the size of its accumulated operating deficit and to the difficulty in balancing the budget going forward.

(3) More complete collection of taxes would not only increase District of Columbia revenues, but would give residents and businesses a sense of equity and that all were paying their fair share.

(4) Once District tax processing and collection is competently managed it will be possible for the District government to accurately assess the true value of its many taxes and determine that some may be reduced or eliminated without a significant negative impact on revenues.

(5) Any reduction or elimination of non-productive or counterproductive taxes or taxes which cost more to administer than they produce in revenue would significantly improve the negative atmosphere surrounding the District of Columbia tax system and its enforcement.

SEC. 11302. AUTHORIZING CHIEF FINANCIAL OFFICER TO PRIVATIZE TAX ADMINISTRATION AND COLLECTION.

The Chief Financial Officer of the District of Columbia may enter into contracts with a private entity for the administration and collection of taxes of the District of Columbia.

Subtitle E—Financing of District of Columbia Accumulated Deficit

SEC. 11401. FINDINGS.

Congress finds as follows:

(1) The District of Columbia government sold accumulated deficit financing bonds in 1991.

(2) Between 1991 and the end of fiscal year 1997 the District of Columbia government is expected to accumulate an operating deficit in excess of \$500,000,000.

(3) Requiring the District of Columbia budget for fiscal year 1998 to be balanced will ensure that no further addition is made to the accumulated operating deficit.

(4) In every other example of an American city in financial crisis, a vital and necessary component of recovery was to finance the accumulated operating deficit.

(5) Carrying forward an accumulated operating deficit of more than \$500,000,000 has a significant negative impact on the District of Columbia's cash flow and financial condition and on its ability to improve its credit rating.

(6) It is not feasible to carry forward such a debt with an expectation of paying it off gradually from future budget surpluses.

(7) Financing the accumulated deficit would improve the District's cash management position and allow more normal cash management techniques.

SEC. 11402. AUTHORIZATION FOR INTERMEDIATE-TERM ADVANCES OF FUNDS BY THE SECRETARY OF THE TREASURY TO LIQUIDATE THE ACCUMULATED GENERAL FUND DEFICIT OF THE DISTRICT OF COLUMBIA.

Title VI of the District of Columbia Revenue Act of 1939 (DC Code, sec. 47-3401 et seq.) is amended—

- (1) by redesignating sections 602 through 605 as sections 603 through 606, respectively; and
- (2) by inserting after section 601 the following:

“SEC. 602. INTERMEDIATE-TERM ADVANCES FOR LIQUIDATION OF DEFICIT.

“(a) IN GENERAL.—If the conditions in subsection (b) are satisfied, the Secretary shall make an advance of funds from time to time, out of any money in the Treasury not otherwise appropriated and to the extent provided in advance in annual appropriations Acts, for the purpose of assisting the District government in liquidating the outstanding accumulated operating deficit of the general fund of the District government existing as of September 30, 1997.

“(b) CONDITIONS TO MAKING ANY INTERMEDIATE-TERM ADVANCE.—The Secretary shall make an advance under this section if—

“(1) the Mayor delivers to the Secretary the following instruments, in form and substance satisfactory to the Secretary—

“(A) a financing agreement in which the Mayor agrees to procedures for requisitioning advances;

“(B) a requisition for an advance under this section; and

“(C) a promissory note evidencing the District government’s obligation to reimburse the Treasury for the requisitioned advance, which note may be a general obligation bond issued under section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act by the District government to the Secretary if the Secretary determines that such a bond is satisfactory;

“(2) the date on which the requisitioned advance is requested to be made is not later than 3 years from the date of enactment of the Balanced Budget Act of 1997;

“(3) the District government delivers to the Secretary—

“(A) evidence demonstrating to the satisfaction of the Secretary that, at the time of the Mayor’s requisition for an advance, the District government is effectively unable to obtain credit in the public credit markets or elsewhere in sufficient amounts and on sufficiently reasonable terms to meet the District government’s need for financing to accomplish the purpose described in subsection (a); and

“(B) a schedule setting out the anticipated timing and amounts of requisitions for advances under this section;

“(4) the Authority certifies to the Secretary that—

“(A) there is an approved financial plan and budget in effect under the District of Columbia Financial Responsibility and Management Assistance Act of 1995 for the fiscal year in which the requisition is to be made;

“(B) at the time that the Mayor’s requisition for an advance is delivered to the Secretary, the District government is in compliance with the approved financial plan and budget;

“(C) both the receipt of funds from such advance and the reimbursement of Treasury for such advance are consistent with the approved financial plan and budget for the year;

“(D) such advance will not adversely affect the financial stability of the District government; and

“(E) at the time that the Mayor’s requisition for an advance is delivered to the Secretary, the District government is effectively unable to obtain credit in the public credit markets or elsewhere in sufficient amounts and on sufficiently reasonable terms to meet the District government’s need for financing to accomplish the purpose described in subsection (a);

“(5) the Inspector General of the District of Columbia certifies to the Secretary the information described in subparagraphs (A) through (D) of paragraph (4), and in making this certification, the Inspector General may rely upon an audit conducted by an outside auditor engaged by the Inspector General under section 208(a)(4) of the District of Columbia Procurement Practices Act of 1985 if, after reasonable inquiry, the Inspector General concurs in the findings of such audit;

“(6) the Secretary determines that—

“(A) there is reasonable assurance of reimbursement for the requisitioned advance; and

“(B) the debt owed by the District government to the Treasury on account of the requisitioned advance will not be subordinate to any other debt owed by the District or to any other claims against the District; and

“(7) the Secretary receives from such persons as the Secretary determines to be appropriate such additional certifications and opinions relating to such matters as the Secretary determines to be appropriate.

“(c) AMOUNT OF ANY INTERMEDIATE-TERM ADVANCE.—

“(1) IN GENERAL.—Except as provided in paragraph (3), if the conditions in paragraph (2) are satisfied, each advance made under this section shall be in the amount designated by the Mayor in the Mayor’s requisition for such advance.

“(2) CONDITIONS APPLICABLE TO DESIGNATED AMOUNT.—Paragraph (1) applies if—

“(A) the Mayor certifies that the amount designated in the Mayor’s requisition for such advance is needed to accomplish the purpose described in subsection (a) within 30 days of the time that the Mayor’s requisition is delivered to the Secretary; and

“(B) the Authority concurs in the Mayor’s certification under subparagraph (A).

“(3) MAXIMUM AMOUNT.—Notwithstanding paragraph (1), the aggregate amount of all advances made under this section shall not be greater than \$300,000,000.

“(d) MATURITY OF ANY INTERMEDIATE-TERM ADVANCE.—

“(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), each advance made under this section shall mature on the date designated by the Mayor in the Mayor’s requisition for such advance.

“(2) LATEST PERMISSIBLE MATURITY DATE.—Notwithstanding paragraph (1), the maturity date for any advance made under this section shall not be later than 10 years from the date on which the first advance under this section is made.

“(4) SECRETARY’S RIGHT TO REQUIRE EARLY REIMBURSEMENT.—Notwithstanding paragraph (1), if the Secretary determines, at any time while any advance made under this section has not been fully reimbursed, that the District is able to obtain credit in the public credit markets or elsewhere in sufficient amounts and on sufficiently reasonable terms, in the judgment of the Secretary, to refinance all or a portion of the unpaid balance of such advance in the public credit markets or elsewhere without adversely affecting the financial stability of the District government, the Secretary may require reimbursement for all or a portion of the unpaid balance of such advance at any time after the Secretary makes the determination.

“(e) INTEREST RATE.—Each advance made under this section shall bear interest at an annual rate equal to a rate determined by the Secretary at the time that the Secretary makes such advance taking into consideration the prevailing yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the repayment schedule of such advance, plus $\frac{1}{8}$ of 1 percent.

“(f) OTHER TERMS AND CONDITIONS.—Each advance made under this section shall be on such other terms and conditions, including repayment schedule, as the Secretary determines to be appropriate.

“(g) DEPOSIT OF ADVANCES.—As provided in section 204(b) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, advances made under this section for the account of the District government shall be deposited by the Secretary into an escrow account held by the Authority.”.

SEC. 11403. CONFORMING AMENDMENTS.

(a) AMENDMENT TO SECTION 601.—Section 601 of the District of Columbia Revenue Act of 1939 (DC Code, sec. 47–3401) is amended—

(1) in subsection (c)(2)(B)(i)(IV), by striking “602(b)” and inserting “603(b)”; and

(2) in subsection (d)(2)(B)(iii), by striking “602(b)” and inserting “603(b)”.

(b) AMENDMENT TO SECTION 604.—Section 604 of the District of Columbia Revenue Act of 1939 (DC Code, sec. 47–3401.3) is amended—

(1) in subsection (a)(2)(A)(i), by striking “602” and inserting “603”; and

(2) in subsection (a)(2)(B)(i), by striking “602” and inserting “603”.

SEC. 11404. TECHNICAL CORRECTIONS.

Section 601 of the District of Columbia Revenue Act of 1939 (DC Code, sec. 47-3401) is amended—

- (1) in subsection (a)(3)(D), by striking “September 30, 1995” and inserting “September 30, 1996”;
- (2) in subsection (b)(2)(E), by striking “September 30, 1996” and inserting “September 30, 1997”;
- (3) in subsection (c)(2)(B)(i), by striking “October 1, 1995” and inserting “September 30, 1995”;
- (4) in subsection (d)(2)(B)(i)(II), by striking “September 30, 1997” and inserting “September 30, 1998”;
- (5) in subsection (d)(2)(B)(ii)—
 - (A) by striking “September 30, 1995” and inserting “October 1, 1995”; and
 - (B) by striking “September 30, 1997” and inserting “October 1, 1997”; and
- (6) in subsection (d)(2)(C)(iv), by striking “September 30, 1997” and inserting “September 30, 1998”.

SEC. 11405. AUTHORIZATION FOR ISSUANCE OF GENERAL OBLIGATION BONDS BY THE DISTRICT OF COLUMBIA TO FINANCE OR REFUND ITS ACCUMULATED GENERAL FUND DEFICIT.

Section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47-321(a)) is amended—

- (1) in paragraph (1), by inserting “to finance or refund the outstanding accumulated operating deficit of the general fund of the District of \$500,000,000, existing as of September 30, 1997,” after “existing as of September 30, 1990,”; and
- (2) in paragraph (2), by inserting “existing as of September 30, 1990” after “operating deficit”.

Subtitle F—District of Columbia Bond Financing Improvements

SEC. 11501. SHORT TITLE.

This subtitle may be cited as the “District of Columbia Bond Financing Improvements Act of 1997”.

SEC. 11502. FINDINGS.

Congress finds as follows:

- (1) The bond authorization provision of the District of Columbia Self-Government and Governmental Reorganization Act (commonly known as the “Home Rule Act”) have not been updated to conform with changes in the municipal securities marketplace.
- (2) The Home Rule Act unduly limits the ability of the District to take advantage of cost savings, investment opportunities, and other efficiencies generally available to municipal securities issuers.
- (3) Section 461 of the Home Rule Act limits the ability of the District government to implement cost-effective capital planning to the extent that it does not permit the District ac-

cess to interim capital financing in anticipation of its periodic long-term borrowings.

(4) Section 462 of the Home Rule Act prevents the re-programming of unused bond proceeds from dormant projects to other pending, authorized, and viable projects.

(5) Section 466 of the Home Rule Act requires that the District undertake competitive bond sales even under circumstances in which greater efficiencies can be achieved through negotiated sales.

(6) Section 490 of the Home Rule Act does not permit the issuance and sale of taxable and tax-exempt bonds for the full range of economic development and governmental purposes permitted the States and their political subdivisions.

SEC. 11503. AMENDMENT TO SECTION 462 (RELATING TO CONTENTS OF BORROWING LEGISLATION AND ELECTIONS ON ISSUING GENERAL OBLIGATION BONDS).

Section 462(a) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47-322(a)) is amended to read as follows:

“(a) The Council may by act authorize the issuance of general obligation bonds for the purposes specified in section 461. Such an Act shall contain, at least, provisions—

“(1) briefly describing the projects or categories of projects to be financed by the Act;

“(2) identifying the act authorizing each such project or category of projects;

“(3) setting forth the maximum amount of the principal of the indebtedness which may be incurred for the projects to be financed;

“(4) setting forth the maximum rate of interest to be paid on such indebtedness;

“(5) setting forth the maximum allowable maturity for the issue and the maximum debt service payable in any year; and

“(6) setting forth, in the event that the Council determines in its discretion to submit the question of issuing such bonds to a vote of the qualified voters of the District, the manner of holding such election, the date of such election, the manner of voting for or against the incurring of such indebtedness, and the form of ballot to be used at such election.”.

SEC. 11504. AMENDMENT TO SECTION 466 (RELATING TO PUBLIC OR NEGOTIATED SALE OF GENERAL OBLIGATION BONDS).

Section 466 of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47-326) is amended by striking all after the heading and inserting the following:

“SEC. 466. General obligation bonds issued under this part may be sold at a private sale on a negotiated basis (in such manner as the Mayor may determine to be in the public interest), or may be sold at public sale upon sealed proposals after publication of a notice of such public sale at least once not less than 10 days prior to the date fixed for sale in a daily newspaper carrying municipal bond notices and devoted primarily to financial news or to the subject of State and municipal bonds published in the city of New York, New York, and in 1 or more newspapers of general circulation published in the District. Such notice of public sale shall state,

among other things, that no proposal shall be considered unless there is deposited with the District as a down payment a certified check, cashier's check, or surety for an amount equal to at least 2 percent of the par amount of general obligation bonds bid for, and the Mayor shall reserve the right to reject any and all bids."

SEC. 11505. AMENDMENT TO SECTION 467 (RELATING TO AUTHORITY TO CREATE SECURITY INTERESTS IN DISTRICT REVENUES).

Section 467 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code Sec. 47-326.1.) is amended by striking all after the heading and inserting the following:

"SEC. 467. (a) IN GENERAL.—An act of the Council authorizing the issuance of general obligation bonds or notes under section 461(a), section 471(a), section 472(a), or section 475(a) may create a security interest in any District revenues as additional security for the payment of the bonds or notes authorized by such act.

"(b) CONTENTS OF ACTS.—Any such act creating a security interest in District revenues may contain provisions (which may be part of the contract with the holders of such bonds or notes)—

"(1) describing the particular District revenues which are subject to such security interest;

"(2) creating a reasonably required debt service reserve fund or any other special fund;

"(3) authorizing the Mayor of the District to execute a trust indenture securing the bonds or notes;

"(4) vesting in the trustee under such a trust indenture such properties, rights, powers, and duties in trust as may be necessary, convenient, or desirable;

"(5) authorizing the Mayor of the District to enter into and amend agreements concerning—

"(A) the custody, collection, use, disposition, security, investment, and payment of the proceeds of the bonds or notes and the District revenues which are subject to such security interest; and

"(B) the doing of any act (or the refraining from doing any act) that the District would have the right to do in the absence of such an agreement;

"(6) prescribing the remedies of the holders of the bonds or notes in the event of a default; and

"(7) authorizing the Mayor to take any other actions in connection with the issuance, sale, delivery, security, and payment of the bonds or notes.

"(c) TIMING AND PERFECTION OF SECURITY INTERESTS.—Notwithstanding article 9 of title 28 of the District of Columbia Code, any security interest in District revenues created under subsection (a) shall be valid, binding, and perfected from the time such security interest is created, with or without the physical delivery of any funds or any other property and with or without any further action. Such security interest shall be valid, binding, and perfected whether or not any statement, document, or instrument relating to such security interest is recorded or filed. The lien created by such security interest is valid, binding, and perfected with respect to any in-

dividual or legal entity having claims against the District, whether or not such individual or legal entity has notice of such lien.

“(d) OBLIGATIONS AND EXPENDITURES NOT SUBJECT TO APPROPRIATION.—The fourth sentence of section 446 shall not apply to any obligation or expenditure of any District revenues to secure any general obligation bond or note under subsection (a).”.

SEC. 11506. AMENDMENT TO SECTION 472 (RELATING TO BORROWING IN ANTICIPATION OF REVENUES).

Section 472 of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47-328) is amended by striking all after the heading and inserting the following:

“SEC. 472. (a) IN GENERAL.—In anticipation of the collection or receipt of revenues for a fiscal year, the Council may by act authorize the issuance of general obligation notes for such fiscal year, to be known as revenue anticipation notes.

“(b) LIMIT ON AGGREGATE NOTES OUTSTANDING.—The total amount of all revenue anticipation notes issued under subsection (a) outstanding at any time during a fiscal year shall not exceed 20 percent of the total anticipated revenue of the District for such fiscal year, as certified by the Mayor under this subsection. The Mayor shall certify, as of a date which occurs not more than 15 days before each original issuance of such revenue anticipation notes, the total anticipated revenue of the District for such fiscal year.

“(c) PERMITTED OUTSTANDING DURATION.—Any revenue anticipation note issued under subsection (a) may be renewed. Any such note, including any renewal note, shall be due and payable not later than the last day of the fiscal year during which the note was originally issued.

“(d) EFFECTIVE DATE OF AUTHORIZATION ACTS; PAYMENTS NOT SUBJECT TO APPROPRIATION.—

“(1) EFFECTIVE DATE.—Notwithstanding section 602(c)(1), any act of the Council authorizing the issuance of revenue anticipation notes under subsection (a) shall take effect—

“(A) if such act is enacted during a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), on the date of approval by the District of Columbia Financial Responsibility and Management Assistance Authority; or

“(B) if such act is enacted during any other year, on the date of enactment of such act.

“(2) PAYMENTS NOT SUBJECT TO APPROPRIATION.—The fourth sentence of section 446 shall not apply to any amount obligated or expended by the District for the payment of the principal of, interest on, or redemption premium for any revenue anticipation note issued under subsection (a).”.

SEC. 11507. ADDITION OF NEW SECTION 475 (RELATING TO GENERAL OBLIGATION BOND ANTICIPATION NOTES).

(a) IN GENERAL.—Subpart 2 of part E of title IV of the District of Columbia Self-Government and Governmental Reorganization Act is amended by adding at the end the following new section:

“BOND ANTICIPATION NOTES

“SEC. 475. (a) AUTHORIZING ISSUANCE.—

“(1) IN GENERAL.—In anticipation of the issuance of general obligation bonds, the Council may by act authorize the issuance of general obligation notes to be known as bond anticipation notes in accordance with this section.

“(2) PURPOSES; PERMITTING ISSUANCE OF GENERAL OBLIGATION BONDS TO COVER INDEBTEDNESS.—The proceeds of bond anticipation notes issued under this section shall be used for the purposes for which general obligation bonds may be issued under section 461, and such notes shall constitute indebtedness which may be refunded through the issuance of general obligation bonds under such section.

“(b) MAXIMUM ANNUAL DEBT SERVICE AMOUNT.—The Act of the Council authorizing the issuance of bond anticipation notes shall set forth for the bonds anticipated by such notes an estimated maximum annual debt service amount based on an estimated schedule of annual principal payments and an estimated schedule of annual interest payments (based on an estimated maximum average annual interest rate for such bonds over a period of 30 years from the earlier of the date of issuance of the notes or the date of original issuance of prior notes in anticipation of those bonds). Such estimated maximum annual debt service amount as estimated at the time of issuance of the original bond anticipation notes shall be included in the calculation required by section 603(b) while such notes or renewal notes are outstanding.

“(c) PERMITTED OUTSTANDING DURATION.—Any bond anticipation note, including any renewal note, shall be due and payable not later than the last day of the third fiscal year following the fiscal year during which the note was originally issued.

“(d) GENERAL AUTHORITY OF COUNCIL.—If provided for in Act of the Council authorizing such an issue of bond anticipation notes, bond anticipation notes may be issued in succession, in such amounts, at such times, and bearing interest rates within the permitted maximum authorized by such Act.

“(e) EFFECTIVE DATE OF AUTHORIZATION ACTS; PAYMENTS NOT SUBJECT TO APPROPRIATION.—

“(1) EFFECTIVE DATE.—Notwithstanding section 602(c)(1), any act of the Council authorizing the renewal of bond anticipation notes under subsection (c) or the issuance of general obligation bonds under section 461(a) to refund any bond anticipation notes shall take effect—

“(A) if such act is enacted during a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), on the date of approval by the District of Columbia Financial Responsibility and Management Assistance Authority; or

“(B) if such act is enacted during any other year, on the date of enactment of such act.

“(2) PAYMENT NOT SUBJECT TO APPROPRIATION.—The fourth sentence of 446 shall not apply to any amount obligated or expended by the District for the payment of the principal of, in-

terest on, or redemption premium for any bond anticipation note issued under this section.”.

(b) CLERICAL AMENDMENT.—The table of contents for the District of Columbia Self-Government and Governmental Reorganization Act is amended by adding at the end of the items relating to subpart 2 of part E of title IV the following new item:

“Sec. 475. Bond anticipation notes.”.

SEC. 11508. AMENDMENT TO SECTION 490 (RELATING TO REVENUE BONDS AND OTHER OBLIGATIONS).

Section 490 of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47-334), as amended by section 2 of the District of Columbia Water and Sewer Authority Act of 1996, is amended—

(1) in subsection (a)—

(A) by amending paragraphs (1) through (3) to read as follows:

“(a)(1) Subject to paragraph (2), the Council may by act or by resolution authorize the issuance of taxable and tax-exempt revenue bonds, notes, or other obligations to borrow money to finance, refinance, or reimburse and to assist in the financing, refinancing, or reimbursing of or for capital projects and other undertakings by the District or by any District instrumentality, or on behalf of any qualified applicant, including capital projects or undertakings in the areas of housing; health facilities; transit and utility facilities; manufacturing; sports, convention, and entertainment facilities; recreation, tourism and hospitality facilities; facilities to house and equip operations of the District government or its instrumentalities; public infrastructure development and redevelopment; elementary, secondary and college and university facilities; educational programs which provide loans for the payment of educational expenses for or on behalf of students; facilities used to house and equip operations related to the study, development, application, or production of innovative commercial or industrial technologies and social services; water and sewer facilities (as defined in paragraph (5)); pollution control facilities; solid and hazardous waste disposal facilities; parking facilities, industrial and commercial development; authorized capital expenditures of the District; and any other property or project that will, as determined by the Council, contribute to the health, education, safety, or welfare, of, or the creation or preservation of jobs for, residents of the District, or to economic development of the District, and any facilities or property, real or personal, used in connection with or supplementing any of the foregoing; lease-purchase financing of any of the foregoing facilities or property; and any costs related to the issuance, carrying, security, liquidity or credit enhancement of or for revenue bonds, notes, or other obligations, including, capitalized interest and reserves, and the costs of bond insurance, letters of credit, and guaranteed investment, forward purchase, remarketing, auction, and swap agreements. Any such financing, refinancing, or reimbursement may be effected by loans made directly or indirectly to any individual or legal entity, by the purchase of any mortgage, note, or other security, or by the purchase, lease, or sale of any property.

“(2) Any revenue bond, note, or other obligation issued under paragraph (1) shall be a special obligation of the District and shall be a negotiable instrument, whether or not such revenue bond, note, or other obligation is a security as defined in section 28:8-102(1)(a) of title 28 of the District of Columbia Code.

“(3) Any revenue bond, note, or other obligation issued under paragraph (1) shall be paid and secured (as to principal, interest, and any premium) as provided by the act or resolution of the Council authorizing the issuance of such revenue bond, note, or other obligation. Any act or resolution of the Council, or any delegation of Council authority under subsection (a)(6), authorizing the issuance of revenue bonds, notes, or other obligations may provide for (A) the payment of such revenue bonds, notes, or other obligations from any available revenues, assets, property (including water and sewer enterprise fund revenues, assets, or other property in the case of bonds, notes, or obligations issued with respect to water and sewer facilities), and (B) the securing of such revenue bond, note, or other obligation by the mortgage of real property or the creation of a security interest in available revenues, assets, or other property (including water and sewer enterprise fund revenues, assets, or other property in the case of bonds, notes, or obligations issued with respect to water and sewer facilities).”.

(B) by amending paragraph (4)(A) to read as follows:

“(4)(A) In authorizing the issuance of any revenue bond, note, or other obligation under paragraph (1), the Council may enter into, or authorize the Mayor to enter into, any agreement concerning the acquisition, use, or disposition of any available revenues, assets, or property. Any such agreement may create a security interest in any available revenues, assets, or property, may provide for the custody, collection, security, investment, and payment of any available revenues (including any funds held in trust) for the payment of such revenue bond, note, or other obligation, may mortgage any property, may provide for the acquisition, construction, maintenance, and disposition of the undertaking financed or refinanced using the proceeds of such revenue bond, note, or other obligation, and may provide for the doing of any act (or the refraining from doing of any act) which the District has the right to do in the absence of such agreement. Any such agreement may be assigned for the benefit of, or made a part of any contract with, any holder of such revenue bond, note, or other obligation issued under paragraph (1).”, and

(C) by adding at the end the following new paragraph:

“(6)(A) The Council may by act delegate to any District instrumentality the authority of the Council under subsection (a)(1) to issue taxable or tax-exempt revenue bonds, notes, or other obligations to borrow money for the purposes specified in this subsection. For purposes of this paragraph, the Council shall specify for what undertakings revenue bonds, notes, or other obligations may be issued under each delegation made pursuant to this paragraph. Any District instrumentality may exercise the authority and the powers incident thereto delegated to it by the Council as described in the first sentence of this paragraph only in accordance with this paragraph and

shall be consistent with this paragraph and the terms of the delegation.

“(B) Revenue bonds, notes, or other obligations issued by a District instrumentality under a delegation of authority described in subparagraph (A) shall be issued by resolution of that instrumentality, and any such resolution shall not be considered to be an act of the Council.

“(C) Nothing in this paragraph shall be construed as restricting, impairing, or superseding the authority otherwise vested by law in any District instrumentality.”;

(2) by amending subsection (b) to read as follows:

“(b) No property owned by the United States may be mortgaged or made subject to any security interest to secure any revenue bond, note, or other obligation issued under subsection (a)(1).”;

(3) by amending subsection (c) to read as follows:

“(c) Any and all such revenue bonds, notes, or other obligations issued under subsection (a)(1) shall not be general obligations of the District, shall not be a pledge of or involve the faith and credit or taxing power of the District (other than with respect to any dedicated taxes) and shall not constitute a debt of the District, and shall not constitute lending of the public credit for private undertakings for purposes of section 602(a)(2).”;

(4) by amending subsection (f) to read as follows:

“(f) The fourth sentence of section 446 shall not apply to—

“(1) any amount (including the amount of any accrued interest or premium) obligated or expended from the proceeds of the sale of any revenue bond, note, or other obligations issued under subsection (a)(1);

“(2) any amount obligated or expended for the payment of the principal of, interest on, or any premium for any revenue bond, note, or other obligation issued under subsection (a)(1);

“(3) any amount obligated or expended pursuant to provisions made to secure any revenue bond, note, or other obligations issued under subsection (a)(1); and

“(4) any amount obligated or expended pursuant to commitments made in connection with the issuance of revenue bonds, notes, or other obligations for repair, maintenance, and capital improvements relating to undertakings financed through any revenue bond, note, or other obligation issued under subsection (a)(1).”;

(5) by adding at the end the following new subsections:

“(i) The revenue bonds, notes, or other obligations issued under subsection (a)(1) are not general obligation bonds of the District government and shall not be included in determining the aggregate amount of all outstanding obligations subject to the limitation specified in section 603(b).

“(j) The issuance of revenue bonds, notes, or other obligations by the District where the ultimate obligation to repay such revenue bonds, notes, or other obligations is that of one or more non-governmental persons or entities may be authorized by resolution of the Council. The issuance of all other revenue bonds, notes, or other obligations by the District shall be authorized by act of the Council.

“(k) During any control period (as defined in section 209 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), any act or resolution of the Council authorizing the issuance of revenue bonds, notes, or other obligations under subsection (a)(1) shall be submitted to the District of Columbia Financial Responsibility and Management Assistance Authority for certification in accordance with section 204 of that Act. Any certification issued by the Authority during a control period shall be effective for purposes of this subsection for revenue bonds, notes, or other obligations issued pursuant to such act or resolution of the Council whether the revenue bonds, notes, or other obligations are issued during or subsequent to that control period.

“(l) The following provisions of law shall not apply with respect to property acquired, held, and disposed of by the District in accordance with the terms of any lease-purchase financing authorized pursuant to subsection (a)(1):

“(1) The Act entitled ‘An Act authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes’, approved August 5, 1939 (53 Stat. 1211; DC Code sec. 9–401 et seq.).

“(2) Subchapter III of chapter 13 of title 16, District of Columbia Code.

“(3) Any other provision of District of Columbia law that prohibits or restricts lease-purchase financing.

“(m) For purposes of this section, the following definitions shall apply:

“(1) The term ‘revenue bonds, notes, or other obligations’ means special fund bonds, notes, or other obligations (including refunding bonds, notes, or other obligations) used to borrow money to finance, assist in financing, refinance, or repay, restore or reimburse moneys used for purposes referred to in subsection (a)(1) the principal of and interest, if any, on which are to be paid and secured in the manner described in this section and which are special obligations and to which the full faith and credit of the District of Columbia is not pledged.

“(2) The term ‘District instrumentality’ means any agency or instrumentality (including an independent agency or instrumentality), authority, commission, board, department, division, office, body, or officer of the District of Columbia government duly established by an act of the Council or by the laws of the United States, whether established before or after the date of enactment of the District of Columbia Bond Financing Improvements Act of 1997.

“(3) The term ‘available revenues’ means gross revenues and receipts, other than general fund tax receipts, lawfully available for the purpose and not otherwise exclusively committed to another purpose, including enterprise funds, grants, subsidies, contributions, fees, dedicated taxes and fees, investment income and proceeds of revenue bonds, notes, or other obligations issued under this section.

“(4) The term ‘enterprise fund’ means a fund or account for operations that are financed or operated in a manner similar to private business enterprises, or established so that separate determinations may more readily be made periodically of reve-

nues earned, expenses incurred, or net income for management control, accountability, capital maintenance, public policy, or other purposes.

“(5) The term ‘dedicated taxes and fees’ means taxes and surtaxes, portions thereof, tax increments, or payments in lieu of taxes, and fees that are dedicated pursuant to law to the payment of the debt service on revenue bonds, notes, or other obligations authorized under this section, the provision and maintenance of reserves for that purpose, or the provision of working capital for or the maintenance, repair, reconstruction or improvement of the undertaking to which the revenue bonds, notes, or other obligations relate.

“(6) The term ‘tax increments’ means taxes, other than the special tax provided for in section 481 and pledged to the payment of general obligation indebtedness of the District, allocable to the increase in taxable value of real property or the increase in sales tax receipts, each from a certain date or dates, in prescribed areas, to the extent that such increases are not otherwise exclusively committed to another purpose and as further provided for pursuant to an act of the Council.”.

SEC. 11509. CONFORMING AMENDMENT.

The fourth sentence of section 446 of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47-304) is amended to read as follows: “Except as provided in section 467(d), section 471(c), section 472(d)(2), section 475(e)(2), section 483(d), and section 490(f), (g), and (h)(3), no amount may be obligated or expended by any officer or employee of the District of Columbia government unless such amount has been approved by Act of Congress, and then only according to such Act.”.

Subtitle G—District of Columbia Government Budget

SEC. 11601. ELIMINATION OF THE ANNUAL FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA.

(a) **ELIMINATION OF PAYMENT.**—

(1) **IN GENERAL.**—Title V of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47-3406 et seq.) is hereby repealed.

(2) **CLERICAL AMENDMENT.**—The table of contents of such Act is amended by striking the items relating to title V.

(b) **CONFORMING AMENDMENTS.**—

(1) **HOME RULE ACT.**—The District of Columbia Self-Government and Governmental Reorganization Act is amended as follows:

(A) In section 103(10) (DC Code, sec. 1-202(10)), by striking “the annual Federal payment to the District authorized under title V,”.

(B) In section 483 (DC Code, sec. 47-331.2), by striking subsection (c).

(C) In section 603(c) (DC Code, sec. 47-313(c)), by striking the fourth sentence.

(D) In section 603(f)(1) (DC Code, sec. 47–313(f)(1)), by striking “(other than the fourth sentence)”.

(2) FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE ACT.—The District of Columbia Financial Responsibility and Management Assistance Act of 1995 is amended—

(A) by striking section 205 (DC Code, sec. 47–392.5); and

(B) in the table of contents for such Act, by striking the item relating to section 205.

(3) PROCUREMENT PRACTICES ACT.—Section 208(a)(2) of the District of Columbia Procurement Practices Act of 1985 (DC Code, sec. 1–1182.8(a)(2)) is amended—

(1) by striking subparagraph (B);

(2) by redesignating subparagraph (C) as subparagraph (B); and

(3) in subparagraph (B), as so redesignated, by striking “Amounts deposited in the dedicated fund described in subparagraph (B)” and inserting “Amounts appropriated for the Inspector General”.

(4) DISTRICT OF COLUMBIA REVENUE ACT OF 1939.—The District of Columbia Revenue Act of 1939 (DC Code, sec. 47–3401 et seq.) is amended as follows:

(A) In section 603(b) (as redesignated by section 11402)—

(i) in paragraph (5), by adding “and” at the end;

(ii) in paragraph (6), by striking “; and” and inserting a period; and

(iii) by striking paragraph (7).

(B) In section 603(c) (as redesignated by section 11402), by amending subparagraph (C) to read as follows:

“(C) APPLICABLE LIMIT DEFINED.—In this paragraph, the ‘applicable limit’ for a fiscal year is equal to 15 percent of the total anticipated revenues of the District government for such fiscal year, as certified by the Mayor at the time of the Mayor’s requisition for an advance.”

(C) In section 605(b) (as redesignated by section 11402)—

(i) by striking paragraph (1) and redesignating paragraphs (2) through (4) as paragraphs (1) through (3);

(ii) in paragraph (1) (as so redesignated), by striking “OTHER” in the heading;

(iii) in paragraph (1) (as so redesignated), by striking “If, after” and all that follows through “the Secretary” and inserting “The Secretary”;

(iv) in paragraph (1) (as so redesignated), by striking “to individuals,” and inserting “to individuals (including any Federal contribution authorized to be appropriated pursuant to section 11601(c)(2) of the Balanced Budget Act of 1997),”;

(v) in paragraph (2) (as so redesignated), by striking “paragraphs (1) and (2)” and inserting “paragraph (1)”; and

(vi) in paragraph (3) (as so redesignated), by striking “(1) through (3)” and inserting “(1) and (2)”.

(c) **FEDERAL CONTRIBUTION TO OPERATIONS OF GOVERNMENT OF NATION’S CAPITAL.—**

(1) **FINDINGS.**—Congress finds as follows:

(A) Congress has restricted the overall size of the District of Columbia’s economy by limiting the height of buildings in the District and imposing other limitations relating to the Federal presence in the District.

(B) Congress has imposed limitations on the District’s ability to tax income earned in the District of Columbia.

(C) The unique status of the District of Columbia as the seat of the government of the United States imposes unusual costs and requirements which are not imposed on other jurisdictions and many of which are not directly reimbursed by the Federal government.

(D) These factors play a significant role in causing the relative tax burden on District residents to be greater than the burden on residents in other jurisdictions in the Washington, D.C. metropolitan area and in other cities of comparable size.

(2) **FEDERAL CONTRIBUTION.**—There is authorized to be appropriated a Federal contribution towards the costs of the operation of the government of the Nation’s capital—

(A) for fiscal year 1998, \$190,000,000; and

(B) for each subsequent fiscal year, such amount as may be necessary for such contribution.

In determining the amount appropriated pursuant to the authorization under this paragraph, Congress shall take into account the findings described in paragraph (1).

SEC. 11602. REQUIREMENT THAT THE DISTRICT OF COLUMBIA BALANCE ITS BUDGET IN FY 1998.

(a) **IN GENERAL.**—Section 201(c)(1) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 is amended—

(1) in subparagraph (A), by striking “1999” and inserting “1998”; and

(2) in subparagraph (B), by striking “1996, 1997, and 1998,” and inserting “1996 and 1997,”.

(b) **CONFORMING AMENDMENT.**—Section 603(f) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47–313(f)) is amended by striking “Act of 1995—” and all that follows through “(2) the Council” and inserting “Act of 1995), the Council”.

SEC. 11603. PERMITTING EXPEDITED SUBMISSION AND APPROVAL OF CONSENSUS BUDGET AND FINANCIAL PLAN.

(a) **FINDINGS.**—Congress finds the following:

(1) The District of Columbia Financial Responsibility and Management Assistance Act (hereafter in this subsection referred to as the “Act”) was structured as to preserve the maximum prerogatives of each branch of elected self-government consistent with returning the District of Columbia to full financial stability and health.

(2) The Act was intended to eliminate unnecessary bureaucratic barriers and procedures throughout the District government, including the budget process.

(3) Preservation of home rule and self-government are consistent with cooperation between elected officials and the Authority in drawing the annual budget and other matters affecting the District of Columbia government, and are preferable to achieve greater efficiency, communication among the parties, and avoidance of conflict and delay.

(b) **IN GENERAL.**—Section 202 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 is amended by adding at the end the following new subsection:

“(i) **EXPEDITED SUBMISSION AND APPROVAL OF CONSENSUS BUDGET AND FINANCIAL PLAN.**—Notwithstanding any other provision of this section, if the Mayor, the Council, and the Authority jointly develop a financial plan and budget for the fiscal year which meets the requirements applicable under section 201 and which the Mayor, Council, and Authority certify reflects a consensus among them—

“(1) such financial plan and budget shall serve as the budget of the District government for the fiscal year adopted by the Council under section 446 of the District of Columbia Self-Government and Governmental Reorganization Act; and

“(2) the Mayor shall transmit the financial plan and budget to the President and Congress under such section.”.

(c) **EFFECTIVE DATE.**—The amendment made by subsection (b) shall apply with respect to fiscal years beginning with fiscal year 1998.

SEC. 11604. INCREASE IN MAXIMUM AMOUNT OF PERMITTED DISTRICT BORROWING.

Section 603(b) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47–313(b)) is amended by striking “14 per centum” each place it appears in paragraph (1) and paragraph (3) and inserting “17 percent”.

Subtitle H—Miscellaneous Provisions

CHAPTER 1—REGULATORY REFORM IN THE DISTRICT OF COLUMBIA

SEC. 11701. REVIEW AND REVISION OF REGULATIONS AND PERMIT AND APPLICATION PROCESSES.

(a) **REVIEW OF CURRENT REGULATIONS BY AUTHORITY.**—

(1) **IN GENERAL.**—Not later than 6 months after the date of the enactment of this title, the District of Columbia Financial Responsibility and Management Assistance Authority shall complete a review of regulations of the District of Columbia in effect as of the date of the enactment of this title and analyze the extent to which such regulations unnecessarily and inappropriately impair economic development in the District of Columbia and the financial stability and management efficiency of the District of Columbia government. In carrying out such review, the Authority shall include an explicit reference to each recommendation made by the Business Regulatory Reform

Commission pursuant to the Business Regulatory Reform Commission Act of 1994 (D.C. Code, sec. 2–4101 et seq.), together with specific findings and conclusions with respect to each such recommendation. The Authority shall transmit the findings of its review to the Mayor, Council, and Congress.

(2) REVISION.—Based on the review conducted under paragraph (1) and taking into account actions by the Council and the Executive Branch of the District of Columbia government, the Authority shall take such additional actions as it considers appropriate to repeal or revise the regulations of the District of Columbia, in accordance with (and subject to the terms and conditions described in) section 207 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

(b) SURVEY AND REVISION OF PERMIT AND APPLICATION PROCESSES.—

(1) IN GENERAL.—Not later than 6 months after the date of the enactment of this title, the Authority shall complete a review of the current processes of the District of Columbia for obtaining permits and applications of all types and analyze the extent to which such processes and their completion times vary from the processes applicable in other jurisdictions. To the greatest extent possible, such review shall take into account the work and recommendations of the Business Regulatory Reform Commission pursuant to the Business Regulatory Reform Commission Act of 1994 (DC Code, sec. 2–4101 et seq.) and other existing and ongoing public and private regulatory reform efforts. The Authority shall transmit the findings of its review to the Mayor, Council, and Congress.

(2) REVISION.—Based on the review conducted under paragraph (1) and taking into account actions by the Council and the Executive Branch of the District of Columbia government, the Authority shall take such additional actions as it considers appropriate to repeal or revise the permit and application processes (and their completion times) of the District of Columbia, in accordance with (and subject to the terms and conditions described in) section 207 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995. In carrying out such repeals or revisions, the Authority shall seek to ensure that the average time required to obtain a permit or application from the District of Columbia is consistent with the average time for other similar jurisdictions in the United States.

(c) REPORTS TO CONGRESS.—Upon the expiration of the 6-month period which begins on the date of the enactment of this title and on a quarterly basis thereafter, the Authority shall submit a report to Congress describing the steps taken to carry out the requirements of this section and the effectiveness of the regulatory, permit, and application processes of the District of Columbia.

SEC. 11702. REPEAL OF CLEAN AIR COMPLIANCE FEE ACT OF 1994.

(a) REPEAL.—

(1) IN GENERAL.—Effective March 21, 1995, the Clean Air Compliance Fee Act of 1994 is hereby repealed (DC Code, sec. 47–2731 et seq.), except as provided in subsection (b).

(2) CONFORMING AMENDMENT.—Section 2(b)(2) of the Stable and Reliable Source of Revenues for WMATA Act of 1982 (DC Code, sec. 1–2466(b)(2)) is amended by striking subparagraph (H).

(b) EXCEPTION FOR PROVISIONS EXEMPTING DELIVERY OF NEWSPAPERS FROM APPLICATION OF CERTAIN TAXES.—Subsection (a) shall not apply to section 14 of the Clean Air Compliance Fee Act of 1994.

SEC. 11703. REPEAL REQUIREMENT FOR CONGRESSIONAL AUTHORIZATION OF CERTAIN MERGERS INVOLVING DISTRICT OF COLUMBIA PUBLIC UTILITY CORPORATIONS.

Section 11 of the Act of March 4, 1913 (37 Stat. 1006; DC Code, sec. 43–802) is hereby repealed.

SEC. 11704. EXEMPTION OF CERTAIN CONTRACTS FROM COUNCIL REVIEW.

(a) IN GENERAL.—Section 451 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1–1130, D.C. Code) is amended by adding at the end the following new subsection:

“(d) EXEMPTION FOR CERTAIN CONTRACTS.—The requirements of this section shall not apply with respect to any of the following contracts:

“(1) Any contract entered into by the Washington Convention Center Authority for preconstruction activities, project management, design, or construction.

“(2) Any contract entered into by the District of Columbia Water and Sewer Authority established pursuant to the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, other than contracts for the sale or lease of the Blue Plains Wastewater Treatment Plant.

“(3) At the option of the Council, any contract for a highway improvement project carried out under title 23, United States Code.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to contracts entered into on or after the date of the enactment of this title.

CHAPTER 2—OTHER MISCELLANEOUS PROVISIONS

SEC. 11711. REVISIONS TO FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE ACT.

(a) USE OF INTEREST ON ACCOUNTS OF AUTHORITY FOR BENEFIT OF DISTRICT.—Section 106 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (DC Code, sec. 47–391.6) is amended by adding at the end the following new subsection:

“(d) USE OF INTEREST ON ACCOUNTS FOR DISTRICT.—

“(1) IN GENERAL.—Notwithstanding any other provision of this Act, the Authority may transfer or otherwise expend any amounts derived from interest earned on accounts held by the Authority on behalf of the District of Columbia for such pur-

poses as it considers appropriate to promote the economic stability and management efficiency of the District government.

“(2) SPENDING NOT SUBJECT TO APPROPRIATION BY CONGRESS.—Notwithstanding subsection (a)(3), any amounts transferred or otherwise expended pursuant to paragraph (1) may be obligated or expended without approval by Act of Congress.”.

(b) APPOINTMENT OF INSPECTOR GENERAL.—Section 303(e)(1) of such Act (DC Code, sec. 1–1182.8 note) is amended by striking “the Authority” and inserting “the Mayor”.

SEC. 11712. COOPERATIVE AGREEMENTS BETWEEN FEDERAL AGENCIES AND METROPOLITAN POLICE DEPARTMENT.

(a) AGREEMENTS.—Each covered Federal law enforcement agency may enter into a cooperative agreement with the Metropolitan Police Department of the District of Columbia to assist the Department in carrying out crime prevention and law enforcement activities in the District of Columbia, including taking appropriate action to enforce subsection (e) (except that nothing in such an agreement may be construed to grant authority to the United States to prosecute violations of subsection (e)).

(b) CONTENTS OF AGREEMENT.—An agreement entered into between a covered Federal law enforcement agency and the Metropolitan Police Department pursuant to this section may include agreements relating to—

(1) sending personnel of the agency on patrol in areas of the District of Columbia which immediately surround the area of the agency’s jurisdiction, and granting personnel of the agency the power to arrest in such areas;

(2) sharing and donating equipment and supplies with the Metropolitan Police Department;

(3) operating on shared radio frequencies with the Metropolitan Police Department;

(4) permitting personnel of the agency to carry out processing and papering of suspects they arrest in the District of Columbia; and

(5) such other items as the agency and the Metropolitan Police Department may agree to include in the agreement.

(c) COORDINATION WITH U.S. ATTORNEY’S OFFICE.—Agreements entered into pursuant to this section shall be coordinated in advance with the United States Attorney for the District of Columbia.

(d) COVERED FEDERAL LAW ENFORCEMENT AGENCIES DESCRIBED.—In this section, the term “covered Federal law enforcement agency” means any of the following:

- (1) United States Capitol Police.
- (2) United States Marshals Service.
- (3) Library of Congress Police.
- (4) Bureau of Engraving and Printing Police Force.
- (5) Supreme Court Police.
- (6) Amtrak Police Department.
- (7) Department of Protective Services, United States Holocaust Museum.
- (8) Government Printing Office Police.
- (9) United States Park Police.
- (10) Bureau of Alcohol, Tobacco, and Firearms.

- (11) Drug Enforcement Administration.
- (12) Federal Bureau of Investigation.
- (13) Criminal Investigation Division, Internal Revenue Service.
- (14) Department of the Navy Police Division, Naval District Washington.
- (15) Naval Criminal Investigative Service.
- (16) 11th Security Police Squadron, Bolling Air Force Base.
- (17) United States Army Military District of Washington.
- (18) United States Customs Service.
- (19) Immigration and Naturalization Service.
- (20) Postal Inspection Service, United States Postal Service.
- (21) Uniformed Division, United States Secret Service.
- (22) United States Secret Service.
- (23) National Zoological Park Police.
- (24) Federal Protective Service, General Services Administration, National Capital Region.
- (25) Defense Protective Service, Department of Defense Washington Headquarters Services.
- (26) Office of Protective Services, Smithsonian Institution.
- (27) Office of Protective Services, National Gallery of Art.
- (28) United States Army Criminal Investigation Command, Department of the Army Washington District, 3rd Military Police Group.
- (29) Marine Corps Law Enforcement.
- (30) Department of State Diplomatic Security.
- (31) United States Coast Guard.
- (32) United States Postal Police.
- (33) Any other law enforcement agency of the Federal government that the Chief of the Metropolitan Police Department and the United States Attorney for the District of Columbia deem appropriate to enter into an agreement pursuant to this section.

(e) CERTAIN PROHIBITED ACTIVITY.—Effective with respect to conduct occurring on or after the date of the enactment of this title, whoever in the District of Columbia knowingly and willfully obstructs any bridge connecting the District of Columbia and the Commonwealth of Virginia—

(1) shall be fined not less than \$1,000 and not more than \$5,000, and in addition may be imprisoned not more than 30 days; or

(2) if applicable, shall be subject to prosecution by the District of Columbia under the provisions of District law and regulation amended by the Safe Streets Anti-Prostitution Amendment Act of 1996 (D.C. Law 11–130).

SEC. 11713. PERMITTING GARNISHMENT OF WAGES OF OFFICERS AND EMPLOYEES OF DISTRICT OF COLUMBIA GOVERNMENT.

Section 2 of D.C. Law 2–14 (DC Code, sec. 1–516) is amended—

(1) by striking “After July 25” and inserting “(a) After July 25”; and

(2) by adding at the end the following new subsection:

“(b) After October 1, 1997, wages salaries, annuities, retirement and disability benefits, and other remuneration based upon employment, or other income owed by, due from, and payable by the government of the District of Columbia to any individual shall be subject to attachment, garnishment, assignment, or withholding in accordance with subchapter III of chapter 5 of title 16 of the District of Columbia Code in the same manner and to the same extent as if the government of the District of Columbia were a private person.”.

SEC. 11714. PERMITTING EXCESS APPROPRIATIONS BY WATER AND SEWER AUTHORITY FOR CAPITAL PROJECTS.

(a) **IN GENERAL.**—Section 445A of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 43–1691), as added by section 4(a) of the District of Columbia Water and Sewer Authority Act of 1996, is amended—

(1) by striking “The District” and inserting “(a) **IN GENERAL.**—The District”; and

(2) by adding at the end the following new subsection:

“(b) **PERMITTING EXPENDITURE OF EXCESS REVENUES FOR CAPITAL PROJECTS IN EXCESS OF BUDGET.**—Notwithstanding the amount appropriated for the District of Columbia Water and Sewer Authority for capital projects for a fiscal year, if the revenues of the Authority for the year exceed the estimated revenues of the Authority provided in the annual budget of the District of Columbia for the fiscal year, the Authority may obligate or expend an additional amount for capital projects during the year equal to the amount of such excess revenues.”.

(b) **CONFORMING AMENDMENT.**—The fourth sentence of section 446 of such Act (DC Code, sec. 47–304), as amended by section 2(c)(2) of the District of Columbia Water and Sewer Authority Act of 1996, is amended by striking “in section 467(d)” and inserting “in section 445A(b), section 467(d)”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to fiscal years beginning on or after October 1, 1996.

[SEC. 11715. REPEALED.⁸]

SEC. 11716. REPEAL TERM OF DEED OF CONVEYANCE TO CERTAIN HOSPITAL.

Section 2 of the Act of June 6, 1952 (chapter 486; 66 Stat. 288) (DC Code, sec. 32–121) is hereby repealed.

SEC. 11717. SHORT TITLE OF HOME RULE ACT.

(a) **IN GENERAL.**—Section 101 of the District of Columbia Self-Government and Governmental Reorganization Act is amended by striking “District of Columbia Self-Government and Governmental Reorganization Act” and inserting “District of Columbia Home Rule Act”.

(b) **REFERENCES IN LAW.**—Any reference in law or regulation to the District of Columbia Self-Government and Governmental Reorganization Act shall be deemed to be a reference to the District of Columbia Home Rule Act.

CHAPTER 3—EFFECTIVE DATE; GENERAL PROVISIONS

Section 1514 of the District of Columbia Appropriations Act, 1998 (Public Law 105–106, 111 Stat. 2187, Nov. 19, 1997) repealed section 11715.

CHAPTER 3—EFFECTIVE DATE; GENERAL PROVISIONS**SEC. 11721. [18 U.S.C. 4246 note] EFFECTIVE DATE.**

Except as otherwise provided in this title, the provisions of this title shall take effect on the later of October 1, 1997, or the day the District of Columbia Financial Responsibility and Management Assistance Authority certifies that the financial plan and budget for the District government for fiscal year 1998 meet the requirements of section 201(c)(1) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, as amended by this title.

SEC. 11722. TECHNICAL ASSISTANCE.

Any Federal agency (as defined in section 101 of title 31, United States Code) may provide, at the discretion of the head of the agency, technical assistance to, and training for, personnel of the Government of the District of Columbia. Such assistance shall be limited to assistance that does not interfere with the mission of the agency. The authority provided by this section shall expire three years from the date of enactment of this statute.

SEC. 11723. LIABILITY.

(a) **DISTRICT OF COLUMBIA.**—The District of Columbia shall defend any civil action or proceeding pending on the effective date of this title in any court or other official municipal, state, or federal forum against the District of Columbia or its officers, employees, or agents, and shall assume any liability resulting from such an action or proceeding.

(b) **STATE JUSTICE INSTITUTE.**—The State Justice Institute shall not be liable for damages or equitable relief on the basis of the activities or operations of any federal or District of Columbia agency which receives funds through the State Justice Institute pursuant to this title.

(c) **UNITED STATES.**—The United States, its officers, employees, and agents, and its agencies shall not—

(1) be responsible for the payment of any judgments, liabilities or costs resulting from any action or proceeding against the District of Columbia or its agencies, officers, employees, or agents;

(2) be subject to liability in any case on the basis of the activities of the District of Columbia or its agencies, officers, employees, or agents; or

(3) be subject to liability in any case under section 1979 of the Revised Statutes (42 U.S.C. 1983).

(d) **LIMITATIONS.**—Nothing in this section shall be construed as a waiver of sovereign immunity, or as limiting any other defense or immunity that would otherwise be available to the United States, the District of Columbia, their agencies, officers, employees, or agents.