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113TH CONGRESS
1ST SESSION

S. RES. 215

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

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2013

Mr. KIRK (for himself, Ms. AYOTTE, Mr. BARRASSO, Mr. COATS, Mr. CRAPO, Mr. JOHNSON of Wisconsin, Mr. RUBIO, and Mr. SHELBY) submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs

RESOLUTION

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

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

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

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

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

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

Resolved, That—

(1) the Federal Government should take no action to redeem, assume, or guarantee any debt of a State; and

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

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