

114TH CONGRESS
1ST SESSION

H. R. 3753

To require that the Government prioritize all obligations on the debt held by the public in the event that the debt limit is reached, to require the sale of Federal assets, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 9, 2015

Mr. SCHWEIKERT introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Oversight and Government Reform, Financial Services, and Appropriations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To require that the Government prioritize all obligations on the debt held by the public in the event that the debt limit is reached, to require the sale of Federal assets, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Debt Ceiling Alter-
5 native Act”.

1 **SEC. 2. ENSURING THE GOVERNMENT DOES NOT DEFAULT**
2 **ON ITS DEBT OBLIGATIONS.**

3 (a) IN GENERAL.—If the Department of the Treas-
4 ury issues a marketable borrowing estimate for a quarter
5 that estimates that the debt of the United States, as de-
6 fined in section 3101 of title 31, United States Code, will
7 reach the statutory limit during such quarter, the Presi-
8 dent shall ensure that the aggregate of the amounts depos-
9 ited in the Treasury from the sale of assets described
10 under subsection (b) and the disposal of real property pur-
11 suant to subchapter VII of chapter 5 of subtitle I of title
12 40, United States Code, and the amount of any recision
13 of unobligated balances pursuant to section 5, is sufficient
14 to prevent the debt of the United States from reaching
15 such statutory limit during such quarter.

16 (b) AUTHORITY TO SELL ASSETS.—For purposes of
17 subsection (a), the President may order the sale of the
18 following assets, with the proceeds from such sales depos-
19 ited in the Treasury:

20 (1) On-balance sheet non-performing mortgages
21 of the Federal National Mortgage Association.

22 (2) Other mortgages owned or held by the Fed-
23 eral National Mortgage Association.

24 (3) Real estate owned properties of the Federal
25 National Mortgage Association.

3 (5) Other mortgages owned or held by the Fed-
4 eral Home Loan Mortgage Corporation.

5 (6) Real estate owned properties of the Federal
6 Home Loan Mortgage Corporation.

(7) Mortgage-backed securities held by the Board of Governors of the Federal Reserve System or any Federal reserve bank.

10 (c) USE OF FUNDS.—Any funds realized through this
11 Act must be used for the retirement of old debt and
12 issuance of new debt.

13 SEC. 3. DISPOSAL OF REAL PROPERTY.

(a) IN GENERAL.—Chapter 5 of subtitle I of title 40, United States Code, is amended by adding at the end the following:

17 “SUBCHAPTER VII—EXPEDITED DISPOSAL OF
18 REAL PROPERTY

19 “§ 621. Definitions

20 “In this subchapter:

21 “(1) DIRECTOR.—The term ‘Director’ means
22 the Director of the Office of Management and Budg-
23 et.

24 “(2) EXPEDITED DISPOSAL OF REAL PROP-
25 ERTY.—The term ‘expedited disposal of real prop-

erty’ means a demolition of real property or a sale of real property for cash that is conducted under the requirements of section 545.

“(3) LANDHOLDING AGENCY.—The term ‘landholding agency’ has the meaning given that term under section 501(i)(3) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11411(i)(3)).

“(4) REAL PROPERTY.—

“(A) IN GENERAL.—The term ‘real property’ means—

“(i) a parcel of real property under the administrative jurisdiction of the Federal Government that is—

“(I) excess;

“(II) surplus;

“(III) underperforming; or

“(IV) otherwise not meeting the needs of the Federal Government, as determined by the Director; and

“(ii) a building or other structure located on real property described under clause (i).

“(B) EXCLUSION.—The term ‘real property’ excludes any parcel of real property or building or other structure located on such real

1 property that is to be closed or realigned under
2 the Defense Base Closure and Realignment Act
3 of 1990 (part A of title XXIX of Public Law
4 101–510; 10 U.S.C. 2687 note).

5 “(5) REPRESENTATIVE OF THE HOMELESS.—
6 The term ‘representative of the homeless’ has the
7 meaning given that term under section 501(i)(4) of
8 the McKinney-Vento Homeless Assistance Act (42
9 U.S.C. 11411(i)(4)).

10 **“§ 622. Pilot program**

11 “(a) ESTABLISHMENT.—The Director of the Office
12 of Management and Budget shall conduct a pilot program,
13 to be known as the ‘Federal Real Property Disposal Pilot
14 Program’, under which real property that is not meeting
15 Federal Government needs may be disposed of in accord-
16 ance with this subchapter.

17 “(b) TERMINATION.—The Federal Real Property
18 Disposal Pilot Program shall terminate 5 years after the
19 date of the enactment of this subchapter.

20 **“§ 623. Selection of real properties**

21 “(a) AGENCY RECOMMENDATION OF PROPERTIES.—
22 The head of each executive agency shall recommend can-
23 didate disposition real properties to the Director for par-
24 ticipation in the pilot program established under section
25 622.

1 “(b) SELECTION OF PROPERTIES.—The Director,
2 with the concurrence of the head of the executive agency
3 concerned and consistent with the criteria established in
4 this subchapter, may then select such candidate real prop-
5 erties for participation in the pilot program and notify the
6 recommending agency accordingly.

7 “(c) WEBSITE REQUIRED.—The Director shall en-
8 sure that all real properties selected for disposition under
9 this section are listed on a website that shall—

10 “(1) be updated routinely; and

11 “(2) include the functionality to allow members
12 of the public, at their option, to receive such updates
13 through electronic mail.

14 “(d) NOTIFICATION OF PILOT PROGRAM.—The Sec-
15 retary of Housing and Urban Development shall ensure
16 that efforts are taken to inform representatives of the
17 homeless about—

18 “(1) the pilot program established under section
19 622; and

20 “(2) the website under subsection (c).

21 “(e) AVAILABILITY OF INFORMATION.—The Sec-
22 retary of Housing and Urban Development shall—

23 “(1) make available to the public upon request
24 all information (other than valuation information),
25 regardless of format, in the possession of the De-

1 partment of Housing and Urban Development relat-
 2 ing to the properties listed on the website under sub-
 3 section (c), including environmental assessment
 4 data; and

5 “(2) maintain a current list of agency contacts
 6 for making referrals to inquiries for information re-
 7 lating to specific properties.

8 **“§ 624. Suitability determination**

9 “(a) SUITABILITY OF PROPERTY TO ASSIST THE
 10 HOMELESS.—After the Director selects the candidate real
 11 properties that may participate in the pilot program under
 12 section 623, the Secretary of Housing and Urban Develop-
 13 ment shall determine whether each such real property is
 14 suitable for use to assist the homeless.

15 “(b) SUITABILITY DETERMINATION REQUIRE-
 16 MENTS.—The Secretary of Housing and Urban Develop-
 17 ment shall base the suitability determination required
 18 under subsection (a)—

19 “(1) on the suitability criteria identified by the
 20 Secretary of Housing and Urban Development under
 21 section 501(a) of the McKinney-Vento Homeless As-
 22 sistance Act (42 U.S.C. 11411(a));

23 “(2) for real properties located within a Federal
 24 installation, campus, or compound, on whether such

1 property can easily be transported to an off-site lo-
 2 cation; and

3 “(3) for real properties where the predominant
 4 use is other than housing, on whether the size of the
 5 real property is equal to or greater than 100,000
 6 square feet.

7 “(c) INFORMATION REQUIRED TO BE PUBLISHED
 8 ON THE WEBSITE.—Immediately after a determination of
 9 suitability is made under this section, the Director shall
 10 publish, on the website described in section 623(c) the fol-
 11 lowing information:

12 “(1) The address of each such real property.

13 “(2) The result of the suitability determination
 14 required under subsection (a) for each such real
 15 property.

16 “(3) The date on which the suitability deter-
 17 mination was made.

18 **“§ 625. Unsuitable real property**

19 “(a) 20-DAY HOLD REQUIRED AFTER DETERMINA-
 20 TION OF UNSUITABILITY.—If real property is determined
 21 unsuitable under section 624, such real property may not
 22 be disposed of or otherwise used for any other purpose
 23 for at least 20 days after such determination was made.

24 “(b) APPEAL.—

1 “(1) SECONDARY REVIEW OF DETERMINA-
2 TION.—Not later than 20 days after real property
3 has been determined unsuitable under section 624
4 and before disposal of the real property in accord-
5 ance with subsection (d), any representative of the
6 homeless may appeal to the Secretary of Housing
7 and Urban Development for a secondary review of
8 such determination.

9 “(2) CLEAR AND CONVINCING EVIDENCE.—Not
10 later than 20 days after real property has been de-
11 termined unsuitable under subsection (b)(3) of sec-
12 tion 624, the Secretary of Housing and Urban De-
13 velopment shall deem such real property suitable
14 notwithstanding the requirements of that subsection
15 if a representative of the homeless has produced
16 clear and convincing evidence that such property can
17 be utilized for the benefit of the homeless. Any de-
18 termination under this paragraph shall be committed
19 to the unreviewable discretion of the Secretary of
20 Housing and Urban Development.

21 “(c) FINAL SUITABILITY DETERMINATION.—Not
22 later than 20 days after the receipt of any appeal under
23 subsection (b), the Secretary of Housing and Urban De-
24 velopment shall respond to such appeal and shall make

1 a final suitability determination regarding the real prop-
2 erty.

3 “(d) DISPOSAL OF UNSUITABLE REAL PROPERTY.—

4 “(1) NO APPEAL.—If at the end of the 20-day
5 period required under subsection (a), no appeal for
6 review of a determination of unsuitability is received
7 by the Secretary of Housing and Urban Develop-
8 ment, such real property shall be disposed of in ac-
9 cordance with section 627.

10 “(2) DETERMINATION OF UNSUITABILITY
11 AFTER SECONDARY REVIEW.—If after conducting a
12 secondary review of a determination of unsuitability
13 under subsection (b), the Secretary of Housing and
14 Urban Development determines that the real prop-
15 erty remains unsuitable under subsection (c), such
16 real property shall be disposed of in accordance with
17 section 627.

18 “(3) DETERMINATION OF SUITABILITY AFTER
19 SECONDARY REVIEW.—If after conducting a sec-
20 ondary review of a determination of unsuitability
21 under subsection (b), the Secretary of Housing and
22 Urban Development determines that the real prop-
23 erty is suitable under subsection (c), such real prop-
24 erty shall be treated as suitable property for pur-
25 poses of section 626.

1 **“§ 626. Suitable real property**

2 “(a) DISPOSAL OF SUITABLE REAL PROPERTY.—

3 “(1) APPLICATION FOR TRANSFER OF PROP-
4 erty.—If real property is determined suitable under
5 section 624 or upon a secondary review under sec-
6 tion 625(d), any representative of the homeless shall
7 have not more than 90 days after such determina-
8 tion to submit an application to the Secretary of
9 Health and Human Services for the transfer of the
10 real property to that representative. If an applica-
11 tion cannot be completed within the 90-day period
12 due to non-material factors, the Secretary of Health
13 and Human Services, with the concurrence of the
14 appropriate landholding agency, may grant reason-
15 able extensions.

16 “(2) NO APPLICATION SUBMITTED.—If at the
17 end of the time period described under paragraph
18 (1), no representative of the homeless has submitted
19 an application, such real property shall be disposed
20 of in accordance with section 627.

21 “(b) CONSIDERATION OF APPLICATION.—

22 “(1) ASSESSMENT OF APPLICATION.—Not later
23 than 20 days after the receipt of any application
24 under subsection (a)(1), the Secretary of Health and
25 Human Services shall assess such application and
26 determine whether to approve or deny the request

1 for the transfer of the real property to such appli-
2 cant.

3 “(2) DENIAL OF APPLICATION.—If the applica-
4 tion of a representative of the homeless is denied by
5 the Secretary of Health and Human Services under
6 paragraph (1), such real property shall be disposed
7 of in accordance with section 627.

8 “(3) APPROVAL OF APPLICATION.—If the appli-
9 cation of a representative of the homeless is ap-
10 proved by the Secretary of Health and Human Serv-
11 ices under paragraph (1), such real property shall be
12 made promptly available to that representative by
13 permit or lease, or by deed, as a public health use
14 under subsections (a) through (d) of section 550.

15 **“§ 627. Expedited disposal requirements**

16 “(a) FAIR MARKET VALUE REQUIRED.—Real prop-
17 erty sold under the pilot program established under this
18 subchapter shall be sold at not less than the fair market
19 value, as determined by the Director in consultation with
20 the head of the executive agency. Costs associated with
21 such disposal may not exceed the fair market value of the
22 property unless the Director approves incurring such
23 costs.

24 “(b) MONETARY PROCEEDS REQUIRED.—Real prop-
25 erty may be sold under the pilot program established

1 under this subchapter only if the property will generate
2 monetary proceeds to the Federal Government, as pro-
3 vided in subsection (a). A disposal of real property under
4 the pilot program may not include any exchange, trade,
5 transfer, acquisition of like-kind property, or other non-
6 cash transaction as part of the disposal.

7 “(c) CONSTRUCTION.—Nothing in this subchapter
8 shall be construed as terminating or in any way limiting
9 authorities that are otherwise available to agencies under
10 other provisions of law to dispose of Federal real property,
11 except as provided in subsection (d).

12 “(d) EXPEDITED DISPOSAL EXEMPTIONS.—Any ex-
13 pedited disposal of real property conducted under this sub-
14 chapter shall not be subject to—

15 “(1) subchapter IV of this chapter;

16 “(2) sections 550 and 553 of this title;

17 “(3) section 501 of the McKinney-Vento Home-
18 less Assistance Act (42 U.S.C. 11411);

19 “(4) any other provision of law authorizing the
20 no-cost conveyance of real property owned by the
21 Federal Government; or

22 “(5) any congressional notification requirement
23 other than that in section 545.

1 **“§ 628. Special rules for deposit and use of proceeds**
 2 **from disposal of real property**

3 “(a) REIMBURSEMENT OF ADMINISTRATIVE EX-
 4 PENSES.—Executive agencies that dispose of real property
 5 under this subchapter shall be reimbursed from the pro-
 6 ceeds, if any, from such disposal for the administrative
 7 expenses associated with such disposal. Such amounts
 8 shall be credited as offsetting collections to the account
 9 that incurred such expenses, to remain available until ex-
 10 pended.

11 “(b) DEPOSIT OF PROCEEDS.—

12 “(1) IN GENERAL.—After payment of the ad-
 13 ministrative expenses described under subsection (a),
 14 the balance of the proceeds shall be distributed as
 15 follows:

16 “(A) 80 percent shall be deposited into the
 17 Treasury as miscellaneous receipts.

18 “(B) 20 percent shall be deposited into the
 19 account of the agency that owned the real prop-
 20 erty and initiated the disposal action.

21 “(2) FEDERAL REAL PROPERTY CAPITAL IM-
 22 PROVEMENTS AND DISPOSAL ACTIVITY FUNDS.—
 23 Funds deposited under paragraph (1)(A) shall re-
 24 main available until expended for the period of the
 25 pilot program, for activities related to Federal real
 26 property capital improvements and disposal activi-

1 ties. Upon termination of the pilot program, any un-
2 obligated amounts shall be transferred to the general
3 fund of the Treasury.

4 **“§ 629. Limitation on number of permissible cash**
5 **sales**

6 “‘The total number of cash sales of real properties
7 to be disposed of under this subchapter over the 5-year
8 term of the Federal Real Property Disposal Pilot Program
9 shall not exceed 750.

10 **“§ 630. Government Accountability Office study**

11 “(a) STUDY REQUIRED.—Not later than 36 months
12 after the date of enactment of this subchapter, the Comp-
13 troller General of the United States shall submit to Con-
14 gress and make publicly available a study of the effective-
15 ness of the pilot program.

16 “(b) CONTENTS OF STUDY.—The study described
17 under subsection (a) shall include at a minimum—

18 “(1) recommendations for permanent reforms
19 to statutes governing real property disposals and no
20 cost conveyances; and

21 “(2) recommendations for improving the perma-
22 nent process by which Federal properties are made
23 available for use by the homeless.”.

24 (b) TECHNICAL AND CONFORMING AMENDMENT.—

25 The table of sections for chapter 5 of subtitle I of title

1 40, United States Code, is amended by inserting after the
 2 item relating to section 611 the following:

“SUBCHAPTER VII—EXPEDITED DISPOSAL OF REAL PROPERTY

“§ 621. Definitions.

“§ 622. Pilot program.

“§ 623. Selection of real properties.

“§ 624. Suitability determination.

“§ 625. Unsuitable real property.

“§ 626. Suitable real property.

“§ 627. Expedited disposal requirements.

“§ 628. Special rules for deposit and use of proceeds from disposal of real property.

“§ 629. Limitation on number of permissible cash sales.

“§ 630. Government Accountability Office study.”.

3 **SEC. 4. PAYMENT OF PRINCIPAL AND INTEREST ON PUBLIC**
 4 **DEBT AND SOCIAL SECURITY TRUST FUNDS.**

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

15 (b) OBLIGATIONS DESCRIBED.—For purposes of this
 16 subsection, obligations described in this subsection are ob-
 17 ligations which are—

18 (1) held by the public, or

1 (2) held by the Old-Age and Survivors Insur-
2 ance Trust Fund and Disability Insurance Trust
3 Fund.

4 (c) PROHIBITION ON COMPENSATION FOR MEMBERS
5 OF CONGRESS.—None of the obligations issued under sub-
6 section (a) may be used to pay compensation for Members
7 of Congress.

8 (d) OBLIGATIONS EXEMPT FROM PUBLIC DEBT
9 LIMIT.—Obligations issued under subsection (a) shall not
10 be taken into account in applying the limitation in section
11 3101(b) of title 31, United States Code, to the extent that
12 such obligation would otherwise cause the limitation in
13 section 3101(b) of title 31, United States Code, to be ex-
14 ceeded.

15 (e) REPORT ON CERTAIN ACTIONS.—

16 (1) IN GENERAL.—If, after the date of the en-
17 actment of this Act, the Secretary of the Treasury
18 exercises his authority under subsection (a), the Sec-
19 retary shall thereafter submit a report each week the
20 authority is in use providing an accounting relating
21 to—

22 (A) the principal on mature obligations
23 and interest that is due or accrued of the
24 United States, and

1 (B) any obligations issued pursuant to
2 subsection (a).

3 (2) SUBMISSION.—The report required by para-
4 graph (1) shall be submitted to the Committee on
5 Ways and Means of the House of Representatives
6 and the Committee on Finance of the Senate.

7 **SEC. 5. RESCISSION OF UNOBLIGATED BALANCES.**

8 (a) IN GENERAL.—If a Federal budget deficit exists
9 in 2015, not later than July 16, 2016, of the funds made
10 available before October 1, 2009, the President may re-
11 scind any unobligated balances of such funds.

12 (b) REPORT.—On the same date that the President
13 orders a rescission under subsection (a), the President
14 shall submit a report to Congress containing the total
15 amounts of the funds rescinded and the affected accounts.

○