

(3) disburse the funds pursuant to the escrow agreement; and

(4) return undisbursed funds to the institution.

(c)(1) If the Secretary enters into an escrow agreement under this section, the Secretary may enter into an agreement to procure medical equipment if one-half the purchase price of the equipment is available in an appropriation or fund for the expenditure or obligation.

(2) Funds held in an escrow account under this section shall not be considered to be public funds.

(Added Pub. L. 102-405, title I, §103(a)(1), Oct. 9, 1992, 106 Stat. 1974.)

§ 8159. Authority to pay for services authorized but not subject to an agreement

(a) IN GENERAL.—If, in the course of furnishing hospital care, a medical service, or an extended care service authorized by the Secretary and pursuant to a contract, agreement, or other arrangement with the Secretary, a provider who is not a party to the contract, agreement, or other arrangement furnishes hospital care, a medical service, or an extended care service that the Secretary considers necessary, the Secretary may compensate the provider for the cost of such care or service.

(b) NEW CONTRACTS AND AGREEMENTS.—The Secretary shall take reasonable efforts to enter into a contract, agreement, or other arrangement with a provider described in subsection (a) to ensure that future care and services authorized by the Secretary and furnished by the provider are subject to such a contract, agreement, or other arrangement.

(Added Pub. L. 115-182, title I, §112(a), June 6, 2018, 132 Stat. 1421.)

SUBCHAPTER V—ENHANCED-USE LEASES OF REAL PROPERTY

§ 8161. Definitions

For the purposes of this subchapter:

(1) The term “enhanced-use lease” means a written lease entered into by the Secretary under this subchapter.

(2) The term “congressional veterans’ affairs committees” means the Committees on Veterans’ Affairs of the Senate and the House of Representatives.

(3) The term “supportive housing” means housing that engages tenants in on-site and community-based support services for veterans or their families that are at risk of homelessness or are homeless. Such term may include the following:

- (A) Transitional housing.
- (B) Single-room occupancy.
- (C) Permanent housing.
- (D) Congregate living housing.
- (E) Independent living housing.
- (F) Assisted living housing.
- (G) Other modalities of housing.

(4) The term “lessee” means the party with whom the Secretary has entered into an enhanced-use lease under this subchapter.

(5) The term “major enhanced-use lease” means an enhanced-use lease that includes

consideration consisting of an average annual rent of more than \$10,000,000.

(Added Pub. L. 102-86, title IV, §401(a), Aug. 14, 1991, 105 Stat. 417; amended Pub. L. 112-154, title II, §211(a), Aug. 6, 2012, 126 Stat. 1179; Pub. L. 114-226, §3(d), Sept. 29, 2016, 130 Stat. 932.)

Editorial Notes

AMENDMENTS

2016—Pars. (4), (5). Pub. L. 114-226 added pars. (4) and (5).

2012—Par. (3). Pub. L. 112-154 added par. (3).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2012 AMENDMENT

Pub. L. 112-154, title II, §211(k), Aug. 6, 2012, 126 Stat. 1182, provided that “Except as otherwise provided in this section [enacting section 8168 of this title, amending this section and sections 8162, 8164 to 8167, and 8169 of this title, and enacting provisions set out as notes under sections 8162 and 8168 of this title], the amendments made by this section shall take effect on the date of the enactment of this Act [Aug. 6, 2012].”

TRAINING AND OUTREACH REGARDING AUTHORITY

Pub. L. 106-117, title II, §208(f), Nov. 30, 1999, 113 Stat. 1568, provided that: “The Secretary [of Veterans Affairs] shall take appropriate actions to provide training and outreach to personnel at Department [of Veterans Affairs] medical centers regarding the enhanced-use lease authority under subchapter V of chapter 81 of title 38, United States Code. The training and outreach shall address methods of approaching potential lessees in the medical or commercial sectors regarding the possibility of entering into leases under that authority and other appropriate matters.”

INDEPENDENT ANALYSIS OF OPPORTUNITIES FOR USE OF AUTHORITY

Pub. L. 106-117, title II, §208(g), Nov. 30, 1999, 113 Stat. 1568, provided that:

“(1) The Secretary [of Veterans Affairs] shall take appropriate actions to secure from an appropriate entity (or entities) independent of the Department [of Veterans Affairs] an analysis (or analyses) of opportunities for the use of the enhanced-use lease authority under subchapter V of chapter 81 of title 38, United States Code.

“(2) An analysis under paragraph (1) shall include—

“(A) a survey of facilities of the Department for purposes of identifying Department property that presents an opportunity for lease under the enhanced-use lease authority;

“(B) an assessment of the feasibility of entering into enhanced-use leases under that authority in the case of any property identified under subparagraph (A) as presenting an opportunity for such lease; and

“(C) an assessment of the resources required at the Department facilities concerned, and at the Department Central Office, in order to facilitate the entering into of enhanced-used leases in the case of property so identified.

“(3) If as a result of a survey under paragraph (2)(A) an entity carrying out an analysis under this subsection determines that a particular Department property presents no opportunities for lease under the enhanced-use lease authority, the analysis shall include the entity’s explanation of that determination.

“(4) If as a result of such a survey an entity carrying out an analysis under this subsection determines that certain Department property presents an opportunity for lease under the enhanced-use lease authority, the analysis shall include a single integrated business plan, developed by the entity, that addresses the strategy and resources necessary to implement the plan for all

property determined to present an opportunity for such lease.”

ENHANCED USE LEASES

Pub. L. 104-110, title II, §202(c), Feb. 13, 1996, 110 Stat. 771, provided that: “The Secretary shall submit to Congress, not later than March 31, 1997, a report evaluating the operation of the program under subchapter V of chapter 81 of title 38, United States Code.”

§ 8162. Enhanced-use leases

(a)(1) The Secretary may in accordance with this subchapter enter into leases with respect to real property that is under the jurisdiction or control of the Secretary. Any such lease under this subchapter may be referred to as an “enhanced-use lease”. The Secretary may dispose of any such property that is leased to another party under this subchapter in accordance with section 8164 of this title. The Secretary may exercise the authority provided by this subchapter notwithstanding section 8122 of this title, subchapter II of chapter 5 of title 40, sections 541-555 and 1302 of title 40, or any other provision of law (other than Federal laws relating to environmental and historic preservation) inconsistent with this section. The applicability of this subchapter to section 421(b) of the Veterans' Benefits and Services Act of 1988 (Public Law 100-322; 102 Stat. 553) is covered by subsection (c).

(2)(A) The Secretary may enter into an enhanced-use lease on or after the date of the enactment of this paragraph only if the Secretary determines—

(i) that the lease will not be inconsistent with, and will not adversely affect—

(I) the mission of the Department; or

(II) the operation of facilities, programs, and services of the Department in the area of the leased property; and

(ii) that—

(I) the lease will enhance the use of the leased property by directly or indirectly benefitting veterans; or

(II) the leased property will provide supportive housing.

(B) The Secretary shall give priority to enhanced-use leases that, on the leased property—

(i) provide supportive housing for veterans;

(ii) provide direct services or benefits targeted to veterans; or

(iii) provide services or benefits that indirectly support veterans.

(3) The provisions of sections 3141-3144, 3146, and 3147 of title 40 shall not, by reason of this section, become inapplicable to property that is leased to another party under an enhanced-use lease.

(4) A property that is leased to another party under an enhanced-use lease may not be considered to be unutilized or underutilized for purposes of section 501 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11411).

(b)(1) If the Secretary has determined that a property should be leased to another party through an enhanced-use lease, the Secretary shall, at the Secretary's discretion, select the party with whom the lease will be entered into using such selection procedures as the Secretary considers appropriate.

(2) The term of an enhanced-use lease may not exceed 99 years.

(3)(A) For any enhanced-use lease entered into by the Secretary, the lease consideration provided to the Secretary shall consist solely of cash at fair value as determined by the Secretary.

(B) The Secretary shall receive no other type of consideration for an enhanced-use lease besides cash.

(C) The Secretary may enter into an enhanced-use lease without receiving consideration.

(D) The Secretary may not waive or postpone the obligation of a lessee to pay any consideration under an enhanced-use lease, including monthly rent.

(4) The terms of an enhanced-use lease may provide for the Secretary to use minor construction funds for capital contribution payments.

(5) The terms of an enhanced-use lease may not provide for any acquisition, contract, demonstration, exchange, grant, incentive, procurement, sale, other transaction authority, service agreement, use agreement, lease, or lease-back by the Secretary or Federal Government.

(6) The Office of Management and Budget shall review each enhanced-use lease before the lease goes into effect to determine whether the lease is in compliance with paragraph (5).

(c) The entering into an enhanced-use lease covering any land or improvement described in section 421(b)(2) of the Veterans' Benefits and Services Act of 1988 (Public Law 100-322; 102 Stat. 553) or section 224(a) of the Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2008, other than an enhanced-use lease under the Los Angeles Homeless Veterans Leasing Act of 2016, shall be considered to be prohibited by such sections unless specifically authorized by law.

(d)(1) Nothing in this subchapter authorizes the Secretary to enter into an enhanced-use lease that provides for, is contingent upon, or otherwise authorizes the Federal Government to guarantee a loan made by a third party to a lessee for purposes of the enhanced-use lease.

(2) Nothing in this subchapter shall be construed to abrogate or constitute a waiver of the sovereign immunity of the United States with respect to any loan, financing, or other financial agreement entered into by the lessee and a third party relating to an enhanced-use lease.

(Added Pub. L. 102-86, title IV, §401(a), Aug. 14, 1991, 105 Stat. 417; amended Pub. L. 106-117, title II, §208(a), (b), Nov. 30, 1999, 113 Stat. 1567; Pub. L. 106-400, §2, Oct. 30, 2000, 114 Stat. 1675; Pub. L. 107-95, §10(b), Dec. 21, 2001, 115 Stat. 920; Pub. L. 107-217, §3(j)(5), Aug. 21, 2002, 116 Stat. 1300; Pub. L. 108-178, §4(i)(1), Dec. 15, 2003, 117 Stat. 2642; Pub. L. 110-161, div. I, title II, §224(c), Dec. 26, 2007, 121 Stat. 2272; Pub. L. 112-154, title II, §211(b)(1), (c)(1), (d), Aug. 6, 2012, 126 Stat. 1180, 1181; Pub. L. 114-58, title VI, §601(25), Sept. 30, 2015, 129 Stat. 539; Pub. L. 114-226, §§2(m)(2)-3(b), Sept. 29, 2016, 130 Stat. 930; Pub. L. 115-182, title II, §212, June 6, 2018, 132 Stat. 1461; Pub. L. 117-168, title VII, §705(a), (b), Aug. 10, 2022, 136 Stat. 1799, 1800.)