

114TH CONGRESS
2D SESSION

H. R. 5278

IN THE SENATE OF THE UNITED STATES

JUNE 13, 2016

Received; read twice and referred to the Committee on Energy and Natural
Resources

AN ACT

To establish an Oversight Board to assist the Government of Puerto Rico, including instrumentalities, in managing its public finances, 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
 3 “Puerto Rico Oversight, Management, and Economic Sta-
 4 bility Act” or “PROMESA”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Effective date.
- Sec. 3. Severability.
- Sec. 4. Supremacy.
- Sec. 5. Definitions.
- Sec. 6. Placement.
- Sec. 7. Compliance with Federal laws.

TITLE I—ESTABLISHMENT AND ORGANIZATION OF OVERSIGHT
BOARD

- Sec. 101. Financial Oversight and Management Board.
- Sec. 102. Location of Oversight Board.
- Sec. 103. Executive Director and staff of Oversight Board.
- Sec. 104. Powers of Oversight Board.
- Sec. 105. Exemption from liability for claims.
- Sec. 106. Treatment of actions arising from Act.
- Sec. 107. Budget and funding for operation of Oversight Board.
- Sec. 108. Autonomy of Oversight Board.
- Sec. 109. Ethics.

TITLE II—RESPONSIBILITIES OF OVERSIGHT BOARD

- Sec. 201. Approval of fiscal plans.
- Sec. 202. Approval of budgets.
- Sec. 203. Effect of finding of noncompliance with budget.
- Sec. 204. Review of activities to ensure compliance with fiscal plan.
- Sec. 205. Recommendations on financial stability and management responsi-
bility.
- Sec. 206. Oversight Board duties related to restructuring.
- Sec. 207. Oversight Board authority related to debt issuance.
- Sec. 208. Required reports.
- Sec. 209. Termination of Oversight Board.
- Sec. 210. No full faith and credit of the United States.
- Sec. 211. Analysis of pensions.
- Sec. 212. Intervention in litigation.

TITLE III—ADJUSTMENTS OF DEBTS

- Sec. 301. Applicability of other laws; definitions.
- Sec. 302. Who may be a debtor.
- Sec. 303. Reservation of territorial power to control territory and territorial in-
strumentalities.
- Sec. 304. Petition and proceedings relating to petition.

1 With the United States of America (48 U.S.C. 1801
2 et seq.); or

3 (4) to alter, amend, or abrogate the treaties of
4 cession regarding certain islands of American Samoa
5 (48 U.S.C. 1661).

6 **SEC. 402. RIGHT OF PUERTO RICO TO DETERMINE ITS FU-**
7 **TURE POLITICAL STATUS.**

8 Nothing in this Act shall be interpreted to restrict
9 Puerto Rico's right to determine its future political status,
10 including by conducting the plebiscite as authorized by
11 Public Law 113-76.

12 **SEC. 403. FIRST MINIMUM WAGE IN PUERTO RICO.**

13 Section 6(g) of the Fair Labor Standards Act of
14 1938 (29 U.S.C. 206(g)) is amended by striking para-
15 graphs (2) through (4) and inserting the following:

16 “(2) In lieu of the rate prescribed by subsection
17 (a)(1), the Governor of Puerto Rico, subject to the ap-
18 proval of the Financial Oversight and Management Board
19 established pursuant to section 101 of the Puerto Rico
20 Oversight, Management, and Economic Stability Act, may
21 designate a time period not to exceed four years during
22 which employers in Puerto Rico may pay employees who
23 are initially employed after the date of enactment of such
24 Act a wage which is not less than the wage described in
25 paragraph (1). Notwithstanding the time period des-