

## S 2381

Puerto Rico Assistance Act of 2015

**Congress:** 114 (2015–2017, Ended)

**Chamber:** Senate

**Policy Area:** Government Operations and Politics

**Introduced:** Dec 9, 2015

**Current Status:** Read twice and referred to the Committee on Finance.

**Latest Action:** Read twice and referred to the Committee on Finance. (Dec 9, 2015)

**Official Text:** <https://www.congress.gov/bill/114th-congress/senate-bill/2381>

### Sponsor

**Name:** Sen. Hatch, Orrin G. [R-UT]

**Party:** Republican • **State:** UT • **Chamber:** Senate

### Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Grassley, Chuck [R-IA]	R · IA		Dec 9, 2015
Sen. Murkowski, Lisa [R-AK]	R · AK		Dec 9, 2015

### Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Dec 9, 2015

### Subjects & Policy Tags

#### Policy Area:

Government Operations and Politics

### Related Bills

Bill	Relationship	Last Action
114 HR 4199	Related bill	Jan 15, 2016: Referred to the Subcommittee on Regulatory Reform, Commercial And Antitrust Law.

## **Puerto Rico Assistance Act of 2015**

### **TITLE I--TAXES**

The bill provides for a reduction in employment and self-employment tax rates for qualified residents of Puerto Rico, American Samoa, Guam, the Northern Mariana Islands, and the Virgin Islands during a payroll tax holiday period beginning after December 31, 2015, and ending before January 1, 2021.

### **TITLE II--PUBLIC PENSIONS**

The bill requires reports on: (1) the financial condition of Puerto Rico public pension plans, and (2) state and local government employee pension benefit plans.

The bill amends the Internal Revenue Code to provide for annuity accumulation retirement plans for state and local government employees beginning after 2015.

### **TITLE III--PUERTO RICO FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY**

The bill establishes the Puerto Rico Financial Responsibility and Management Assistance Authority to assist the Commonwealth government of Puerto Rico and its public corporations in achieving financial stability. The Authority shall initiate a control period for either the Commonwealth government or a public corporation by certifying that either such entity: (1) does not have sufficient revenue to meet its debt obligations, (2) has defaulted on a loan or other financial obligation, (3) is unable to meet payroll, (4) has a cash deficit, or (5) fails to make required pension payments. For each year in which the Commonwealth government or a public corporation is in a control period, the Governor of Puerto Rico or the emergency manager of a public corporation shall develop and submit to the Authority a financial plan and budget. A control period terminates when the Authority certifies that the Commonwealth government or its public corporations have adequate access to credit and have been solvent for a specified period.

The bill sets forth standards to promote the financial stability of the Commonwealth government and its public corporations.

The Authority may issue bonds at the request of the governor and pursuant to an act of the Legislative Assembly to raise revenue for the functioning of the Commonwealth government.

The bill establishes the Office of the Chief Financial Officer of Puerto Rico. During a control period the Chief Financial Officer shall assist the governor in preparing financial plans and budgets and shall oversee other financial operations of the Commonwealth government.

### **TITLE IV--ADDITIONAL REPORTS AND STUDIES**

The bill requires: (1) a report on the exclusion of U.S. territories from participation in health care exchanges, and (2) recommendations on the manner in which the federal government should more equitably allocate resources across U.S. territories.

### **TITLE V--TRANSITION ASSISTANCE**

The bill authorizes appropriations, to remain available through FY2016, for use by the Authority to assist the transition of

Puerto Rico to financial, fiscal, economic, and health care stability, the cost of which shall be offset by reductions in funding for the Prevention and Public Health Fund.

## TITLE VI--TECHNICAL ASSISTANCE

The Department of the Treasury must provide technical assistance to U.S. territories (including Puerto Rico) for improved accounting and disclosure practices.

### **Actions Timeline**

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- **Dec 9, 2015:** Introduced in Senate
- **Dec 9, 2015:** Read twice and referred to the Committee on Finance.