

## S 2939

State, Territory, and Local Government Bailout Prevention Act

**Congress:** 114 (2015–2017, Ended)

**Chamber:** Senate

**Policy Area:** Economics and Public Finance

**Introduced:** May 17, 2016

**Current Status:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

**Latest Action:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (May 17, 2016)

**Official Text:** <https://www.congress.gov/bill/114th-congress/senate-bill/2939>

### Sponsor

**Name:** Sen. Vitter, David [R-LA]

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

### Cosponsors

*No cosponsors are listed for this bill.*

### Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	May 17, 2016

### Subjects & Policy Tags

#### Policy Area:

Economics and Public Finance

### Related Bills

Bill	Relationship	Last Action
114 HR 5276	Related bill	<b>May 18, 2016:</b> Referred to the Committee on Oversight and Government Reform, and in addition to the Committee on Financial Services, 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.
114 S 94	Related bill	<b>Jan 7, 2015:</b> Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

## **State, Territory, and Local Government Bailout Prevention Act**

This bill prohibits the use of federal funds to purchase or guarantee obligations of, issue lines of credit to, or provide direct or indirect grants-in-aid to any state (defined to include Puerto Rico and any other U.S. territory or possession), municipal, local, or county government that, on or after May 1, 2016, has defaulted on its obligations, is at risk of defaulting, or is likely to default, without such federal assistance.

The Department of the Treasury is prohibited from using general fund revenues or borrowed funds to purchase or guarantee any asset or obligation of, or to otherwise assist, any such state, municipal, local, or county government.

The Board of Governors of the Federal Reserve System is prohibited from: (1) providing or extending to, or authorizing with respect to, such a state, municipal, local, or county government or other entity with taxing authority or bonding authority, any funds, loan guarantees, credits, or any other financial instrument or other authority, including bond purchases; or (2) otherwise assisting such a government entity under any Board authority.

Such prohibitions: (1) shall not apply to federal assistance provided in response to a declared disaster, (2) include debt restructuring or any other related activity, and (3) exclude any discretionary appropriations or direct spending and any grant awarded by the United States to the state, municipal, local, or county government.

## **Actions Timeline**

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- **May 17, 2016:** Introduced in Senate
- **May 17, 2016:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.