

## SECTION BY SECTION: AMENDMENTS TO

# PROMESA



HOUSE NATURAL RESOURCES COMMITTEE CHAIR RAÚL M. GRIJALVA

**Section 1. Short title** – Amendments to PROMESA Act of 2020.

**Section 2. Table of contents** – The table of contents for this Act.

**Section 3. Preventing conflicts of interest by Oversight Board** – This section includes eligibility requirements for the appointment of Oversight Board members and employees, and establishes an Ethics Board within the Oversight Board. This language is intended to prevent members of the board from holding financial responsibilities to third parties or making decisions based on outside financial considerations.

**Section 4. Federal funding for operation of Oversight Board and title III proceedings** – This section assigns the federal government the responsibility of sufficiently funding the operations of the Oversight Board and title III debt restructuring proceedings.

**Section 5. Funding for essential public services** – This section specifies that public education, public safety, health care, and pensions are “essential public services,” ensuring adequate funding by the Government of Puerto Rico and Oversight Board.

**Section 6. Funding to promote economic growth** – This section provides examples of capital expenditures and investments necessary to promote economic growth, such as programs that create new jobs and increase the median household income, ensuring adequate funding by the Government of Puerto Rico and Oversight Board in the Fiscal Plan.

**Section 7. Funding for operation of the University of Puerto Rico** – This section ensures enough funding is allocated to the University of Puerto Rico for the institution to fulfill its role as an essential public service.

**Sections 8 and 9. Disclosure by professional persons employed by court order and the debtor** – These sections extend the disclosure requirements of the Federal Rules of Bankruptcy Procedure to professionals employed by court order and the debtor to avoid conflicts of interest.

**Section 10. Access to Information** – This section classifies any document, record, or information relating to the public debt of the Government of Puerto Rico as a public document and makes it accessible to any interested party.

**Section 11. GAO report on expenditures and operation of Oversight Board** – This section requires the U.S. Comptroller General to report on the receipt, disbursement, and use of public money by the Oversight Board.

**Section 12. Puerto Rico Infrastructure Revitalization Repealed** – This section eliminates the Puerto Rico Infrastructure Revitalization Coordinator position responsible for designating critical infrastructure projects.

**Section 13. Territorial Relief for Unsecured Public Debt** – This section grants a qualifying territory that meets specified criteria the authority to discharge some of its unsecured financial obligations.

**Section 14. Puerto Rico Public Credit Comprehensive Audit Commission** – This section creates an independent commission within the Government of Puerto Rico composed of financial, accounting, legal, and other experts to determine the amount of outstanding public indebtedness, the financial sustainability of the debt, and what policies can be implemented by the Government of Puerto Rico to address the debt. The assessment would be performed in accordance with U.S. Generally Accepted Governmental Accounting Principles.

**Section 15. Severability Clause**