

[DISCUSSION DRAFT]116TH CONGRESS
1ST SESSION**H. R.** _____

To amend the Puerto Rico Oversight, Management, and Economic Stability Act or “PROMESA”, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. GRIJALVA introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Puerto Rico Oversight, Management, and Economic Stability Act or “PROMESA”, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Amendments to
5 PROMESA Act of 2019”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of Contents.

- Sec. 3. Federal funding for operation of oversight board and title III proceedings.
- Sec. 4. Definition of essential public services.
- Sec. 5. Definition of economic growth.
- Sec. 6. Disclosure by professional persons employed by court order.
- Sec. 7. Access to information.
- Sec. 8. Puerto Rico infrastructure revitalization repealed.
- Sec. 9. Territorial relief for unsecured public debt.
- Sec. 10. Puerto Rico public credit comprehensive audit commission.
- Sec. 11. Office of reconstruction coordinator for Puerto Rico.
- Sec. 12. Revitalization Coordinator for Puerto Rico Electric Power Authority.
- Sec. 13. Severability clause.

1 **SEC. 3. FEDERAL FUNDING FOR OPERATION OF OVER-**
2 **SIGHT BOARD AND TITLE III PROCEEDINGS.**

3 Section 107 of PROMESA is amended—

4 (1) by striking subsection (b); and

5 (2) by inserting after subsection (a) the fol-
6 lowing new subsections:

7 “(b) **FUNDING.**—There is authorized to be appro-
8 priated such sums as may be necessary to carry out the
9 operations and proceedings of the Oversight Board under
10 title III.

11 “(c) **REMISSION OF EXCESS FUNDS.**—If the Over-
12 sight Board determines, in its sole discretion, that any
13 funds transferred under this subsection exceed the
14 amounts required for the Oversight Board’s operations
15 and proceedings under title III, such excess funds shall
16 be remitted by the Executive Director of the Board at the
17 end of the fiscal year to the Department of Treasury.”.

18 **SEC. 4. DEFINITION OF ESSENTIAL PUBLIC SERVICES.**

19 Section 201(b)(1)(B) of PROMESA is amended by
20 inserting “, including public education, public safety,

1 healthcare, and pensions, to the maximum extent possible,
2 and including public funds allocated to the University of
3 Puerto Rico by means of the formula established in Law
4 1 of 1966 or a minimum of \$800,000,000 annually until
5 termination of the Oversight Board pursuant to section
6 209, so that with the aforesaid funds the institution is
7 able to fulfill its major role as an essential public service
8 and is also able to comply effectively with its obligations
9 and accreditation requirements” before the semicolon.

10 **SEC. 5. DEFINITION OF ECONOMIC GROWTH.**

11 Section 201(b)(1)(J) of PROMESA is amended in-
12 serting “, including investments and expenditures to in-
13 crease the creation of new jobs, reduce the unemployment
14 rate, expand workforce development programs, reduce the
15 informal economy, increase the median household income,
16 and reduce the number of residents living under the pov-
17 erty level,” before the semicolon.

18 **SEC. 6. DISCLOSURE BY PROFESSIONAL PERSONS EM-**
19 **PLOYED BY COURT ORDER.**

20 Title III of PROMESA is amended by adding at the
21 end the following section:

22 **“SEC. 318. DISCLOSURE BY PROFESSIONAL PERSONS EM-**
23 **PLOYED BY COURT ORDER.**

24 “(a) **REQUIRED DISCLOSURE.**—In a voluntary case
25 commenced under section 304, no attorneys, accountants,

1 appraisers, auctioneers, agents, consultants, or other pro-
2 fessional persons shall be compensated under section 316
3 unless, prior to making a request for compensation, such
4 a professional person has submitted a verified statement
5 conforming to the disclosure requirements of rule 2014(a)
6 of the Federal Rules of Bankruptcy Procedure setting
7 forth the professional person's connections with the debt-
8 or, creditors, any other parties in interest, their respective
9 attorneys and accountants, the Oversight Board, and any
10 person employed by the Oversight Board. Such statement
11 shall include information on the identity of each entity or
12 person with whom such professional person has a connec-
13 tion. Such professional person shall be required—

14 “(1) to supplement such verified statement as
15 additional relevant information becomes known to
16 such person; and

17 “(2) to file annually a notice confirming the ac-
18 curacy of such statement.

19 “(b) REVIEW.—

20 “(1) TRUSTEE.—The United States Trustee—

21 “(A) shall review each verified statement
22 submitted pursuant to subsection (a);

23 “(B) may file with the court comments on
24 such verified statements before the profes-

1 sionals filing such statements seek compensa-
2 tion under section 316; and

3 “(C) may object to compensation applica-
4 tions filed under section 316 that fail to satisfy
5 the requirements of subsection (d).

6 “(2) STANDING.—Each person having standing
7 under section 1109 of title 11, United States Code
8 shall also have standing under this section. The dis-
9 trict court shall have jurisdiction to adjudicate all
10 matters arising under this section.

11 “(c) RETROACTIVITY.—If, on the date of the enact-
12 ment of this section, the court has entered orders approv-
13 ing compensation under cases commenced under section
14 304, each professional person previously awarded com-
15 pensation shall file a verified statement in accordance with
16 subsection (a) not later than 30 days after such person’s
17 first request for compensation under section 316 occurring
18 after the date of the enactment of this section. The court
19 may not delay any proceeding in connection with a case
20 commenced under section 304 pending the filing of such
21 verified statements.

22 “(d) LIMITATION ON COMPENSATION.—In a vol-
23 untary case commenced under section 304, in connection
24 with the review and approval of professional compensation
25 under section 316, the court may deny allowance of com-

1 pensation for services and reimbursement of expenses, ac-
2 cruing after the date of the enactment of this section of
3 a professional person if such professional person—

4 “(1) has failed to file statements of connections
5 required by subsection (a) or has filed inadequate
6 statements of connections;

7 “(2) is at any time during such professional
8 person’s employment in such case not a disinterested
9 person as defined in section 101(14) of title 11,
10 United States Code; or

11 “(3) represents, or holds an interest adverse to,
12 the interest of the estate with respect to the matter
13 on which such professional person is employed, ex-
14 cept that the qualification standards for committee
15 professionals shall be those set forth in section
16 1103(b) of title11, United States Code.”.

17 **SEC. 7. ACCESS TO INFORMATION.**

18 Title III of PROMESA is amended by adding after
19 section 318 (as added by this Act), the following:

20 **“SEC. 319. ACCESS TO INFORMATION.**

21 “(a) PUBLIC DOCUMENTS.—Any document, record,
22 or information relating to the public debt of the Common-
23 wealth of Puerto Rico or any of its territorial instrumen-
24 talities, including any document relating to any public of-
25 fering, contract, agreement, order, or report detailing how

1 funds obtained are spent, or contract or agreements with
2 a creditor, shall be—

3 “(1) classified as a public document; and

4 “(2) made accessible to any interested party.

5 “(b) CONFIDENTIALITY.—Any claim of confiden-
6 tiality relating to information described in subsection (a)
7 by any person, including any entity, Commonwealth of
8 Puerto Rico official, official of the Oversight Board, or
9 former official of the Commonwealth of Puerto Rico or
10 the Oversight Board, shall be construed narrowly in favor
11 of promoting transparency and the right of the public to
12 that information.”.

13 **SEC. 8. PUERTO RICO INFRASTRUCTURE REVITALIZATION**
14 **REPEALED.**

15 Title V of PROMESA (relating to Puerto Rico Infra-
16 structure Revitalization) is repealed.

17 **SEC. 9. TERRITORIAL RELIEF FOR UNSECURED PUBLIC**
18 **DEBT.**

19 (a) IN GENERAL.—PROMESA is amended by adding
20 after title VII, the following:

21 **“TITLE VIII—TERRITORIAL**
22 **RELIEF**

23 **“SEC. 801. DEFINITIONS.**

24 “For purposes of this title:

1 “(1) FINANCIAL OBLIGATION.—The term ‘fi-
2 nancial obligation’ means an obligation validly owed
3 as of the effective date of this title by a qualifying
4 territory or an instrumentality of a qualifying terri-
5 tory thereof that arises from any—

6 “(A) security issued by a qualifying terri-
7 tory or instrumentality of a qualifying territory;

8 “(B) loan taken out by a qualifying terri-
9 tory or instrumentality of a qualifying territory
10 or instrumentality of a qualifying territory;

11 “(C) repurchase or swap or other deriva-
12 tive contract entered into by a qualifying terri-
13 tory or instrumentality of a qualifying territory;
14 or

15 “(D) guaranty of any security or loan or
16 repurchase or swap or other derivative contract
17 by a qualifying territory or instrumentality of a
18 qualifying territory; and does not include any—

19 “(i) claim made by a vendor or service
20 provider that is owed payment by a quali-
21 fying territory or an instrumentality of a
22 qualifying territory for a good or service
23 rendered in the ordinary course of busi-
24 ness;

1 “(ii) claim made by or on behalf of a
2 current or former employee of a qualifying
3 territory or an instrumentality of a quali-
4 fying territory that is owed payment for a
5 pension or other retirement benefit, or for
6 a health care benefit of any kind; or

7 “(iii) claim against a qualifying terri-
8 tory or an instrumentality of a qualifying
9 territory for a pending tax refund or tax
10 credit.

11 “(2) QUALIFYING TERRITORY.—The term
12 ‘qualifying territory’ means a territory that meets no
13 less than two of the following qualifications:

14 “(A) The population of the territory, based
15 on the most recent data available from the Bu-
16 reau of the Census, has decreased by more than
17 5 percent during the 10-year period ending on
18 the date of a discharge under section 802.

19 “(B) The territory has received major dis-
20 aster assistance under the Robert T. Stafford
21 Disaster Relief and Emergency Assistance Act
22 (42 U.S.C. 5121 et. Seq.) during the 5-year pe-
23 riod ending on the date of a discharge under
24 section 802.

1 “(C) The per capita debt of the territory
2 is greater than \$15,000 (as adjusted annually
3 to reflect the percentage change in the Con-
4 sumer Price Index for all Urban Consumers
5 published by the Bureau of Labor Statistics of
6 the Department of Labor).

7 “(3) SECURED FINANCIAL OBLIGATION.— The
8 term ‘secured financial obligation’ means any finan-
9 cial obligation to the extent of the value of any col-
10 lateral pledged by a qualifying territory or any in-
11 strumentality of a qualifying territory to secure the
12 repayment of the financial obligation pursuant to a
13 valid and perfected security interest under applicable
14 territorial law, not including—

15 “(A) any property acquired or anticipated
16 to be acquired by a qualifying territory or an
17 instrumentality of a qualifying territory after
18 the date of a discharge under section 802, even
19 if that property, when acquired, would have be-
20 come collateral subject to a security interest; or

21 “(B) any proceeds, products, offspring, or
22 profits of the collateral not in existence on the
23 date of a discharge under section 802, unless
24 the property constitutes the proceeds of a col-

1 lateral to which the security interest has at-
2 tached as of the date of the discharge.

3 “(4) UNSECURED FINANCIAL OBLIGATION.—

4 The term ‘unsecured financial obligation’ means any
5 financial obligation to the extent the financial obliga-
6 tion is not a secured financial obligation.

7 **“SEC. 802. RELIEF THROUGH EXERCISE OF THE POWER TO**
8 **REGULATE COMMERCE, THE BANKRUPTCY**
9 **POWER, AND THE TERRITORIAL POWER.**

10 “(a) IN GENERAL.—Pursuant to clauses 3 and 4 of
11 section 8 of article I and clause 2, section 3 of article IV
12 of the Constitution of the United States, any unsecured
13 financial obligation of a qualifying territory or an instru-
14 mentality of a qualifying territory that is outstanding is
15 discharged on the date on which a resolution stating that
16 the qualifying territory wishes to discharge the unsecured
17 financial obligations of the qualifying territory and the in-
18 strumentalities of the qualifying territory—

19 “(1) is adopted by an affirmative vote of more
20 than 1/2 of the members of each house of
21 the legislature of that qualifying territory and is
22 signed by the chief executive of the qualifying terri-
23 tory; or

1 “(2) is adopted by an affirmative vote of not
2 less than $\frac{2}{3}$ of the members of each house of the
3 legislature of that qualifying territory.

4 “(b) LIMITATION.—A qualifying territory may dis-
5 charge unsecured financial obligations of the qualifying
6 territory and the instrumentalities of the qualifying terri-
7 tory under this title not more frequently than once during
8 any 7-year period. Such discharge shall prohibit the quali-
9 fying territory from discharging, adjusting, or impairing,
10 in any manner or degree including in a proceeding under
11 title III, a claim made by a vendor or service provider that
12 is owed payment by a qualifying territory or an instrumen-
13 tality of a qualifying territory that is owed payment for
14 a pension or other retirement benefit, or for a health care
15 benefit of any kind.

16 “(c) NO STAY OF ACTIONS BY QUALIFYING TERRI-
17 TORY TO OBTAIN A DISCHARGE.—Notwithstanding any
18 other provision of Federal, State, or territorial law, the
19 ability of a qualifying territory to obtain a discharge under
20 this title shall not be stayed, avoided, or otherwise limited
21 by operation of any provision of law or by order of a court,
22 Oversight Board, or administrative agency in any pro-
23 ceeding.

24 “(d) SECURED FINANCIAL OBLIGATIONS UNAF-
25 FECTED.—

1 “(1) IN GENERAL.—Except as provided in para-
2 graph (3) of section 803, nothing in subsection (a)
3 shall affect the validity and enforceability of any fi-
4 nancial obligation of a qualifying territory or an in-
5 strumentality of a qualifying territory to the extent
6 that the obligation is a secured financial obligation.

7 “(2) VOIDABILITY.—Notwithstanding para-
8 graph (1), a secured financial obligation of a quali-
9 fying territory or an instrumentality of a qualifying
10 territory may be voidable or otherwise impaired
11 under any other applicable law.

12 “(e) RULE OF CONSTRUCTION.—Nothing in this title
13 shall be construed to operate as a stay of a pending case
14 brought under title III, or of any act of an Oversight
15 Board appointed under that Act, or to reinstate financial
16 obligations discharged under this title through any proce-
17 dure under this Act.

18 **“SEC. 803. EFFECT OF DISCHARGE.**

19 “A discharge under section 802 shall—

20 “(1) except in regard to actions brought under
21 section 804, operate as a permanent stay, applicable
22 to all entities and enforceable by the qualifying terri-
23 tory or an instrumentality of the qualifying territory
24 in any court with jurisdiction over an action de-
25 scribed in section 804(a), against the commencement

1 or continuation of an action, the employment of
2 process, or an act to collect, recover, or offset any
3 outstanding financial obligation to the extent that
4 the financial obligation is not a secured financial ob-
5 ligation as of the date of the discharge, regardless
6 of whether discharge of that unsecured financial ob-
7 ligation is waived by the qualifying territory;

8 “(2) void any outstanding judgment entered on
9 an unsecured financial obligation of the qualifying
10 territory or an instrumentality of the qualifying ter-
11 ritory to the extent that such judgment is a deter-
12 mination of liability of the qualifying territory or in-
13 strumentality; and

14 “(3) if prior to the date of the discharge under
15 section 802, the qualifying territory or an instru-
16 mentality of the qualifying territory entered into a
17 security agreement securing a financial obligation,
18 prevent the security interest created by the security
19 agreement from attaching to any property acquired
20 by the qualifying territory or an instrumentality
21 thereof after the date of the discharge under section
22 802, except to the extent that such property con-
23 stitutes the proceeds of collateral to which the secu-
24 rity interest had attached as of the date of the dis-
25 charge.

1 **“SEC. 804. ACTIONS RELATED TO THE STATUS OF FINAN-**
2 **CIAL OBLIGATIONS.**

3 “(a) IN GENERAL.—Any financial obligation is con-
4 clusively deemed to be an unsecured financial obligation
5 except to the extent that the holder of that obligation
6 proves that the financial obligation is a secured financial
7 obligation in an action for a declaratory judgment that
8 is filed—

9 “(1) in—

10 “(A) an appropriate territorial court of the
11 qualifying territory; or

12 “(B) a district court of the United States
13 in the qualifying territory; and

14 “(2) not later than 180 days after the date of
15 a discharge under section 802.

16 “(b) BURDEN OF PROOF.—In an action described in
17 subsection (a), the holder of an obligation shall be required
18 to prove by clear and convincing evidence that—

19 “(1) the obligation is a secured financial obliga-
20 tion; and

21 “(2) any revenues generated after a discharge
22 under section 802 are the proceeds of the collateral
23 securing the secured financial obligation.

24 “(c) EXCLUSIVE JURISDICTION.—Notwithstanding
25 title 28, United States Code, a court described in sub-
26 section (a)(1) shall have exclusive jurisdiction over an ac-

1 tion involving, arising from, or related to the status of a
2 financial obligation as a secured or an unsecured financial
3 obligation under subsection (a), including—

4 “(1) any action asserting a taking under the
5 Fifth Amendment of the Constitution of the United
6 States; and

7 “(2) any action for declaratory judgment.

8 “(d) APPEALS.—Any appeal from an action under
9 this section shall be heard solely in—

10 “(1) for a case filed under subsection (a)(1)(A),
11 the appropriate territorial court of the qualifying
12 territory; or

13 “(2) for a case filed under subsection (a)(1)(B),
14 the appropriate court of appeals of the United
15 States for the qualifying territory.

16 “(e) COSTS.—All parties shall bear their own costs
17 in an action under this section.

18 “(f) ESTOPPEL.—Any party to an action under this
19 section shall be estopped in other actions from claiming
20 that the party has been deprived of the property of that
21 party by virtue of—

22 “(1) a discharge under section 802; or

23 “(2) a final ruling in an action described in
24 subsection (a) that a financial obligation of a party
25 is an unsecured financial obligation.

1 “(g) BAR ON AVOIDANCE ACTIONS BY CREDITORS.—
2 Notwithstanding any other provision of law, a creditor of
3 a qualifying territory or an instrumentality of a qualifying
4 territory that has received a discharge under this title may
5 not avoid or bring an action to avoid, directly or deriva-
6 tively, any transfer of property made by the qualifying ter-
7 ritory or instrumentality.

8 “(h) AVOIDANCE OF SECURITY INTERESTS BY
9 QUALIFYING TERRITORIES AND INSTRUMENTALITIES OF
10 QUALIFYING TERRITORIES.—

11 “(1) IN GENERAL.—In addition to the relief
12 provided elsewhere in this Act, a qualifying territory
13 or an instrumentality of a qualifying territory, in a
14 civil action described in paragraph (2), may avoid
15 any security interest—

16 “(A) securing a financial obligation that
17 would be avoidable by a trustee in a case under
18 chapter 7 of title 11, United States Code, filed
19 on the date of the discharge under section 101
20 if, notwithstanding sections 101(41) and 109(a)
21 of title 11, United States Code, or any statute
22 of limitations under that title, the qualifying
23 territory or the instrumentality of the qualifying
24 territory were deemed an eligible debtor under
25 chapter 7 of title 11, United States Code; or

1 “(B) securing a financial obligation to the
2 extent that the amount owed on the financial
3 obligation exceeds the value of any collateral,
4 subject to restrictions under paragraph (3), se-
5 curing the financial obligation.

6 “(2) CIVIL ACTIONS.—A civil action described
7 in this paragraph shall be—

8 “(A) brought by a qualifying territory, an
9 instrumentality of a qualifying territory, or a
10 relator on behalf of a qualifying territory or an
11 instrumentality of a qualifying territory not
12 later than 2 years after the date of a discharge
13 under section 101; and

14 “(B) filed in—

15 “(i) an appropriate territorial court of
16 the qualifying territory; or

17 “(ii) a district court of the United
18 States in the qualifying territory.

19 “(3) VALUE OF COLLATERAL.—For the purpose
20 of determining the value of collateral under para-
21 graph (1)(B), the following shall not be included:

22 “(A) Any proceeds, products, offspring, or
23 profits of the collateral not in existence on the
24 date of a discharge under section 802, regard-
25 less of whether those proceeds, products, off-

1 spring, or profits of the collateral would become
2 collateral subject to a security interest after the
3 date of a discharge under section 802.

4 “(B) Any property acquired or anticipated
5 to be acquired by a qualifying territory or an
6 instrumentality of a qualifying territory after
7 the date of a discharge under section 101, re-
8 gardless of whether that property, when ac-
9 quired, would have become collateral subject to
10 a security interest.

11 “(C) Any contract right to tax revenues
12 that arise after the date of a discharge under
13 section 802.

14 **“SEC. 805. NOTICE OF DISCHARGE.**

15 “(a) IN GENERAL.—

16 “(1) RESPONSIBILITIES OF A QUALIFYING TER-
17 RITORY OR AN INSTRUMENTALITY OF A QUALIFYING
18 TERRITORY.—After a discharge under section 802,
19 the qualifying territory shall promptly—

20 “(A) notify the Secretary of the Treasury
21 of the discharge;

22 “(B) provide actual notice of the discharge
23 and of the right to bring an action under sec-
24 tion 804 to—

1 “(i) any known holder of a financial
2 obligation as of the date of the discharge;

3 “(ii) any known indenture trustee for
4 a financial obligation as of the date of the
5 discharge;

6 “(iii) any known agent bank for the
7 loan, swap, repurchase agreement, or other
8 derivative of the holder of a financial obli-
9 gation as of the date of the discharge; and

10 “(iv) any known financial guaranty in-
11 surer of a financial obligation as of the
12 date of the discharge;

13 “(C) publish a general notice, in each of
14 the governmental languages of the qualifying
15 territory, of the discharge and of the right to
16 bring an action under section 804 in—

17 “(i) not less than 1 newspaper of gen-
18 eral circulation of each governmental lan-
19 guage published in the qualifying territory;
20 and

21 “(ii) not less than 2 daily newspapers
22 that each have a national circulation and a
23 general audience; and

24 “(D) publish the general notice described
25 in subparagraph (C) in the newspapers de-

1 scribed in subparagraph (C) not less than once
2 each week during the 3-week period beginning
3 on the date on which that general notice is first
4 published.

5 “(2) NOTICE IN THE FEDERAL REGISTER.—On
6 the date on which the Secretary of the Treasury re-
7 ceives the notice described in paragraph (1)(A), the
8 Secretary of the Treasury shall promptly cause to be
9 published in the Federal Register a notice of that
10 discharge and of the right to bring an action under
11 section 804.

12 “(b) ADEQUATE NOTICE.—

13 “(1) HOLDERS OF FINANCIAL OBLIGATIONS.—

14 “(A) IN GENERAL.—A holder of a financial
15 obligation shall be presumed to have received
16 adequate notice of a discharge under section
17 802 if, during the 180-day period beginning on
18 the date of a discharge under section 802, a
19 qualifying territory provides actual notice of the
20 discharge and of the right to bring an action
21 under section 804 to—

22 “(i) the holder of the financial obliga-
23 tion as of the date of the discharge;

1 “(ii) an indenture trustee for the se-
2 curity of the holder as of the date of the
3 discharge; or

4 “(iii) an agent bank for the loan,
5 swap, repurchase agreement, or other de-
6 rivative of the holder of a financial obliga-
7 tion as of the date of the discharge.

8 “(B) REBUTTABLE PRESUMPTION.—The
9 presumption described in subparagraph (A)
10 may be rebutted by clear and convincing evi-
11 dence that the holder of the financial obligation
12 did not receive adequate evidence.

13 “(2) NOTICE TO A FINANCIAL GUARANTY IN-
14 SURER.—A financial guaranty insurer shall be con-
15 clusively deemed to have received adequate notice of
16 a discharge under section 802 if, during the 180-day
17 period beginning on the date of a discharge under
18 section 802, the financial guaranty insurer receives
19 actual notice of the discharge and of the right to
20 bring an action under section 804.

21 **“SEC. 806. EFFECTIVE DATE.**

22 “‘This title shall take effect 60 days after the date
23 of enactment of the Amendments to PROMESA Act of
24 2019’.”.

1 (b) CLERICAL AMENDMENT.—The table of contents
2 of PROMESA is amended by inserting after the items re-
3 lating to title VII the following:

“TITLE VIII—TERRITORIAL RELIEF

“Sec. 801. Definitions.

“Sec. 802. Relief through exercise of the power to regulate commerce, the
bankruptcy power, and the territorial power.

“Sec. 803. Effect of discharge.

“Sec. 804. Actions related to the status of financial obligations.

“Sec. 805. Notice of discharge.

“Sec. 806. Effective date.”.

4 **SEC. 10. PUERTO RICO PUBLIC CREDIT COMPREHENSIVE**
5 **AUDIT COMMISSION.**

6 (a) IN GENERAL.—PROMESA, as amended by sec-
7 tion 9, is further amended by adding at the end the fol-
8 lowing:

9 **“TITLE IX—PUBLIC CREDIT**
10 **COMPREHENSIVE AUDIT**

11 **“SEC. 901. PUERTO RICO PUBLIC CREDIT COMPREHENSIVE**
12 **AUDIT COMMISSION.**

13 “(a) DEFINITION.—In this title the term ‘comprehen-
14 sive audit’ means a supervisory action taken to examine
15 and evaluate the public debt contracting, refinancing, or
16 renegotiation process, the source and intended use of re-
17 sources, and the implementation of programs and projects
18 financed with domestic or foreign debt, in order to deter-
19 mine the legitimacy, lawfulness, transparency, quality, ef-
20 ficacy, and efficiency thereof, considering legal and finan-

1 cial aspects, and the economic, social, ecological, national,
2 and municipal impact thereof.

3 “(b) ESTABLISHMENT; DISSOLUTION.—There is es-
4 tablished an independent commission to be known as the
5 ‘Puerto Rico Public Credit Comprehensive Audit Commis-
6 sion’ (‘Commission’). The Governor of the Commonwealth
7 of Puerto Rico shall dissolve the Commission after the
8 Commission completes or fulfills each duty of the Commis-
9 sion under subsection (c) and issues the final report of
10 the Commission under subsection (g).

11 “(c) DUTIES.—The Commission shall order a com-
12 prehensive audit of all public debt of the Commonwealth
13 of Puerto Rico and its instrumentalities, issued during the
14 period beginning on the first day of fiscal year 1972 and
15 ending on the date of enactment of this section, includ-
16 ing—

17 “(1) a current and complete accounting, in con-
18 formity with generally accepted accounting principles
19 applicable to State and local governments of the
20 United States, as to the amount of outstanding in-
21 debtedness as of the date of enactment of this sec-
22 tion;

23 “(2) an analysis of the sustainability of out-
24 standing debts;

1 “(3) an assessment of how rules, policies, and
2 controls over the use of debt can be improved upon
3 to ensure that in the future Puerto Rico’s debt load
4 is sustainable and issued in a manner that effec-
5 tively protects the legal and financial interests of the
6 Commonwealth and its instrumentalities; and

7 “(4) an investigation into any irregularities ap-
8 parent or alleged wherein probable cause of malfea-
9 sance or misfeasance as a result of audits per-
10 formed.

11 “(d) RESPONSIBILITIES.—To carry out the duties of
12 the Commission in subsection (c), the Commission shall—

13 “(1) adopt internal bylaws as appropriate for
14 the proper operations and fulfillment of the objec-
15 tives of the Commission;

16 “(2) designate and hire a minimum number of
17 regular personnel required to carry out the duties
18 and fulfill the objectives of the Commission; and

19 “(3) hold a regular meeting not less than once
20 each month.

21 “(e) AUTHORITY.—

22 “(1) IN GENERAL.—To carry out the duties de-
23 scribed in subsection (c), the Commission—

24 “(A) may audit, and ensure the trans-
25 parency of, the indebtedness process of the

1 Commonwealth of Puerto Rico and each instru-
2 mentality of the Commonwealth of Puerto Rico;
3 and

4 “(B) shall have primary jurisdiction to in-
5 tervene, have knowledge of, and conduct, on the
6 initiative of the Commission, any investigation
7 on any matter or dispute relating to any indebt-
8 edness process described in subparagraph (A).

9 “(2) SUBPOENA POWER.—

10 “(A) IN GENERAL.—The Commission may
11 issue subpoenas requiring the attendance and
12 testimony of witnesses and the production of
13 books, records, correspondence, memoranda, pa-
14 pers, documents, electronic files, metadata,
15 tapes, and materials of any nature relating to
16 any matter under investigation by the Commis-
17 sion. Jurisdiction to compel the attendance of
18 witnesses and the production of such materials
19 shall be governed by 32 L.P.R.A. App. III. R.
20 4. 7., as amended.

21 “(B) FAILURE TO OBEY A SUBPOENA.—If
22 a person refuses to obey a subpoena issued
23 under subparagraph (A), the Commission may
24 apply to the court of first instance of the Com-
25 monwealth of Puerto Rico. Any failure to obey

1 the order of the court may be punished by the
2 court in accordance with civil contempt laws of
3 the Commonwealth of Puerto Rico.

4 “(C) SERVICE OF SUBPOENAS.—The sub-
5 poena of the Commission shall be served in the
6 manner provided by the rules of procedure for
7 the courts of Puerto Rico, the Rules of Civil
8 Procedure of Puerto Rico.

9 “(f) MEMBERSHIP.—Not later than 180 days after
10 the date of the enactment of this Act, the Governor of
11 the Commonwealth of Puerto Rico shall appoint the fol-
12 lowing individuals to serve on the Commission:

13 “(1) The Executive Director of the Puerto Rico
14 Institute of Statistics, or the designee of the Execu-
15 tive Director.

16 “(2) One representative of each parliamentary
17 majority in the Legislature.

18 “(3) One representative of each parliamentary
19 minority in the Legislature.

20 “(4) One professor of economics from any pub-
21 lic higher education institution located in the Com-
22 monwealth of Puerto Rico.

23 “(5) One professor of finance from any public
24 higher education institution located in the Common-
25 wealth of Puerto Rico.

1 “(6) One professor of accounting from any pub-
2 lic higher education institution located in the Com-
3 monwealth of Puerto Rico.

4 “(7) One professor of statistics from any public
5 higher education institution located in the Common-
6 wealth of Puerto Rico.

7 “(8) One professor of law from any public high-
8 er education institution located in the Common-
9 wealth of Puerto Rico.

10 “(9) One professor of sociology from any public
11 higher education institution located in the Common-
12 wealth of Puerto Rico.

13 “(10) One representative of the labor union sec-
14 tor in the Commonwealth of Puerto Rico.

15 “(11) One representative of the business com-
16 munity in the Commonwealth of Puerto Rico, with
17 preference given to a representative from a small- or
18 medium-sized business located in the Commonwealth
19 of Puerto Rico.

20 “(12) One representative of the cooperative sec-
21 tor in the Commonwealth of Puerto Rico.

22 “(13) One individual who is a translator or in-
23 terpreter of English and Spanish.

24 “(g) REPORTS.—Not later than 180 days after the
25 date of enactment of this section, and not later than every

1 180 days thereafter, the Commission shall file with the
2 House of Representatives Committee on Natural Re-
3 sources and the Senate Committee on Energy and Natural
4 Resources, the Governor, and the Legislature, and make
5 publicly available, a report describing the progress of the
6 Commission in carrying out the duties of the Commission
7 under subsection (c).

8 “(h) FUNDING.—There is authorized to be appro-
9 priated such sums as may be necessary to carry out this
10 title.”.

11 (b) CLERICAL AMENDMENT.—The table of contents
12 for PROMESA, as amended by section 9, is further
13 amended by adding at the end the following:

“TITLE IX - PUBLIC CREDIT COMPREHENSIVE AUDIT

“Sec. 901. Puerto Rico Public Credit Comprehensive Audit Commission.”.

14 **SEC. 11. OFFICE OF RECONSTRUCTION COORDINATOR FOR**
15 **PUERTO RICO.**

16 (a) DEFINITION OF LOCAL AGENCIES.—The term
17 “local agency” means agencies of the government of the
18 Commonwealth of Puerto Rico responsible for advancing
19 the reconstruction efforts resulting from the devastation
20 caused by Hurricane Maria.

21 (b) ESTABLISHMENT OFFICE OF RECONSTRUCTION
22 COORDINATOR FOR PUERTO RICO.—There is established
23 the Office of Reconstruction Coordinator for Puerto Rico

1 (“Office”), which shall be headed by a Reconstruction Co-
2 ordinator.

3 (c) POSITION OF RECONSTRUCTION COORDI-
4 NATOR.—

5 (1) APPOINTMENT; REMOVAL.—Not later than
6 60 days after the date of the enactment of this title,
7 by the President, in consultation with the Governor
8 of Puerto Rico, shall appoint the Reconstruction Co-
9 ordinator. The position of the Reconstruction Coor-
10 dinator shall terminate upon obligation of all fund-
11 ing for the reconstruction and recovery.

12 (2) QUALIFICATIONS.—The Reconstruction Co-
13 ordinator shall—

14 (A) have substantial knowledge and exper-
15 tise in post-disaster planning, including estab-
16 lishing credible and transparent governance
17 structures;

18 (B) not currently provide goods or services
19 to the government of the Commonwealth of
20 Puerto Rico (and, as applicable, is not the
21 spouse, parent, child, or sibling of a person who
22 provides or has provided goods and services to
23 the government of the Commonwealth of Puerto
24 Rico in the preceding 3 calendar years); and

1 (C) not be an officer, employee of, or
2 former officer or employee of the government of
3 the Commonwealth of Puerto Rico in the pre-
4 ceding 3 calendar years.

5 (d) OFFICE OF THE RECONSTRUCTION COORDI-
6 NATOR DUTIES AND RESPONSIBILITIES.—

7 (1) DUTIES.—The Office of the Reconstruction
8 Coordinator shall collaborate with local agencies to
9 ensure effective coordination among key stake-
10 holders, public participation, and transparency in
11 the recovery process.

12 (2) RESPONSIBILITIES.—To carry out its du-
13 ties, the Office of the Reconstruction Coordinator
14 shall—

15 (A) designate and hire a minimum number
16 of regular personnel;

17 (B) assist local agencies in the develop-
18 ment of policies, processes, and metrics to im-
19 prove coordination among key stakeholders,
20 public participation, and transparency in the re-
21 covery process;

22 (C) coordinate with local agencies to en-
23 sure adequate participation from the residents
24 of Puerto Rico, community leaders, municipali-
25 ties, and non-governmental organizations in the

1 design, planning, and oversight of the recon-
2 struction efforts;

3 (D) assist local agencies with the develop-
4 ment of a transparent process for the
5 prioritization and sequence in which recovery
6 projects will be funded; and

7 (E) coordinate with local agencies the defi-
8 nition and publication of meaningful metrics
9 about the status of disbursed funds, large infra-
10 structure projects and contracts, including
11 project scope, cost, timeline, and benchmarks.

12 (e) REPORT.—Not later than 180 days after the date
13 of the enactment of this section, and not later than every
14 180 days thereafter, the Office of the Reconstruction Co-
15 ordinator shall file with the House of Representatives
16 Committee on Natural Resources and the Senate Com-
17 mittee on Energy and Natural Resources, the Governor,
18 and the Legislature, and make publicly available, a report
19 describing the progress of the Office in carrying out its
20 duties under subsection (a).

21 [(f) FUNDING FOR OPERATION OF THE OFFICE OF
22 THE RECONSTRUCTION COORDINATOR.—The Office of the
23 Reconstruction Coordinator shall be funded by the admin-
24 istrative portion of the estimated [CDBG–DR disburse-
25 ments] for Puerto Rico.]

1 **SEC. 12. REVITALIZATION COORDINATOR FOR PUERTO**
2 **RICO ELECTRIC POWER AUTHORITY.**

3 (a) ESTABLISHMENT OF POSITION.—There is estab-
4 lished, within the Puerto Rico Electric Power Authority,
5 the position of the Revitalization Coordinator.

6 (b) APPOINTMENT.—

7 (1) IN GENERAL.—Not later than 60 days after
8 the date of enactment of this Act, the President, in
9 consultation with the Governor of Puerto Rico, shall
10 appoint the Revitalization Coordinator.

11 (2) QUALIFICATIONS.—The Revitalization Coor-
12 dinator shall—

13 (A) have substantial knowledge and exper-
14 tise in successfully managing public utilities;
15 and

16 (B) at the time of appointment—

17 (i) not provide goods or services to the
18 Government of Puerto Rico, or have pro-
19 vided such goods or services in the pre-
20 ceding 3 calendar years (and, as applica-
21 ble, not be the spouse, parent, child, or sib-
22 ling of a person who provides or has pro-
23 vided goods and services to the Govern-
24 ment of Puerto Rico in the preceding 3
25 calendar years); and

1 (ii) not be an officer or employee of
2 the Government of Puerto Rico, or have
3 been such an officer or employee in the
4 preceding 3 calendar years.

5 (c) DUTIES AND RESPONSIBILITIES.—

6 (1) DUTIES.—The Revitalization Coordinator
7 shall—

8 (A) exercise supervision, control, and over-
9 sight of the operations of the Puerto Rico Elec-
10 tric Power Authority; and

11 (B) direct the reconstruction of the electric
12 grid of Puerto Rico that is necessary as a result
13 of Hurricane Maria.

14 (2) RESPONSIBILITIES.—In carrying out para-
15 graph (1), the Revitalization Coordinator shall—

16 (A) establish processes for the transparent
17 processing of Federal funds for constructing a
18 reliable electric grid in Puerto Rico;

19 (B) design and implement strategic plans,
20 policies, and procedures to enhance the econ-
21 omy, efficiency, and effectiveness of the Puerto
22 Rico Electric Power Authority;

23 (C) prioritize the Puerto Rico Electric
24 Power Authority's transition to power genera-
25 tion using sources of renewable energy;

1 (D) design and supervise the implementa-
2 tion of programs and procedures to deter, pre-
3 vent, uncover, and report unethical and illegal
4 conduct by, within, and against the Puerto Rico
5 Electric Power Authority; and

6 (E) establish an independent Technical Ad-
7 visory Committee to improve collaboration
8 among key stakeholders, public participation,
9 and transparency in the design, planning, and
10 oversight of the reconstruction efforts.

11 (d) REPORTS.—Not later than 180 days after the
12 date of enactment of this Act, and every 180 days there-
13 after until the date described in subsection (e), the Revi-
14 talization Coordinator shall submit to the Committee on
15 Natural Resources of the House of Representatives, the
16 Committee on Energy and Natural Resources of the Sen-
17 ate, the Governor of Puerto Rico, and the Legislature of
18 Puerto Rico, and make publicly available, a report describ-
19 ing the activities of the Revitalization Coordinator in car-
20 rying out subsection (c).

21 (e) TERMINATION.—This section shall cease to have
22 effect on the date on which the Reconstruction Coordi-
23 nator determines that reconstruction described in sub-
24 section (c)(1)(B) is complete, and the position and au-

1 thorities of the Revitalization Coordinator shall terminate
2 on such date.

3 (f) DEFINITIONS.—In this section:

4 (1) PUERTO RICO ELECTRIC POWER AUTHOR-
5 ITY.—The term “Puerto Rico Electric Power Au-
6 thority” means the Puerto Rico Electric Power Au-
7 thority established by Puerto Rico Act 83–1941.

8 (2) RECONSTRUCTION COORDINATOR.—The
9 term “Reconstruction Coordinator” means the Re-
10 construction Coordinator appointed under section
11 11.

12 (3) REVITALIZATION COORDINATOR.—The term
13 “Revitalization Coordinator” means the Revitaliza-
14 tion Coordinator for the Puerto Rico Electric Power
15 Authority appointed under subsection (b).

16 **SEC. 13. SEVERABILITY CLAUSE.**

17 If any provision of this Act or an amendment made
18 by this Act, or the application of a provision or amend-
19 ment to any person or circumstance, is held to be invalid
20 for any reason in any court of competent jurisdiction, the
21 remainder of this Act and amendments made by this Act,
22 and the application of the provisions and amendment to
23 any other person or circumstance, shall not be affected.