

113TH CONGRESS
1ST SESSION

H. R. 807

To require that the Government prioritize all obligations on the debt held by the public in the event that the debt limit is reached.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 2013

Mr. McCLINTOCK (for himself, Mr. SCALISE, Mr. JORDAN, Mr. PRICE of Georgia, Mr. HENSARLING, Mr. GARRETT, Mr. COLE, Mr. YOUNG of Indiana, Mr. FRANKS of Arizona, Ms. FOXX, Mr. COLLINS of Georgia, Mr. MULVANEY, Mr. ROHRABACHER, Mr. LAMALFA, Mr. DUNCAN of South Carolina, Mr. BUCSHON, Mrs. BLACKBURN, Mr. CHAFFETZ, Mr. HUIZENGA of Michigan, Mr. LABRADOR, Mrs. LUMMIS, Mr. MILLER of Florida, Mr. BENTIVOLIO, and Mr. SCHWEIKERT) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To require that the Government prioritize all obligations on the debt held by the public in the event that the debt limit is reached.

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 “Full Faith and Credit
5 Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that:

1 (1) The Act of Congress establishing the Treas-
2 ury Department of 1789 states that the Secretary of
3 the Treasury shall prepare plans for improving and
4 managing the revenue of the United States Govern-
5 ment and for the support of the public credit.

6 (2) Section 321 of title 31, United States Code,
7 codifies the duty “to prepare plans for improving
8 and managing receipts of the United States Govern-
9 ment and managing the public debt”.

10 (3) In carrying out the statutory responsibilities
11 to “support of the public credit” and “managing the
12 public debt” the Secretary shall take all necessary
13 actions to ensure all obligations of the United States
14 Government with regard to debt held by the public
15 are fully discharged when due.

16 (4) Such actions may include the forgoing of
17 obligations not related to debt held by the public for
18 a period of time deemed necessary by the Secretary
19 as authorized under section 324 of title 31, United
20 States Code, which states that—

21 “(a) The Secretary of the Treasury may—

22 “(1) dispose of obligations—

23 “(A) acquired by the Secretary for the
24 United States Government; or

25 “(B) delivered by an executive agency; and

1 “(2) make arrangements to extend the maturity
2 of those obligations.

3 “(b) The Secretary may dispose or extend the matu-
4 rity of obligations under subsection (a) of this section in
5 the way, in amounts, at prices (for cash, obligations, prop-
6 erty, or a combination of cash, obligations, or property),
7 and on conditions the Secretary considers advisable and
8 in the public interest.”.

9 **SEC. 3. DUTY TO PROTECT THE FULL FAITH AND CREDIT**
10 **OF THE UNITED STATES GOVERNMENT.**

11 (a) **IN GENERAL.**—In the event that the debt of the
12 United States Government, as defined in section 3101 of
13 title 31, United States Code, reaches the statutory limit,
14 the authority of the Department of the Treasury provided
15 in section 3123 of title 31, United States Code, to pay
16 with legal tender the principal and interest on debt held
17 by the public shall take priority over all other obligations
18 incurred by the Government of the United States.

19 (b) **SPECIAL RULE FOR INSUFFICIENCY OF**
20 **FUNDS.**—Section 324 of title 31, United States Code, is
21 amended by redesignating subsection (c) as subsection (e),
22 and by inserting after subsection (b) the following:

23 “(c) If the Secretary expects that there will be insuffi-
24 cient funds available to dispose of all obligations consisting
25 of interest and principal of the debt held by the public

1 on the next calendar day on which such obligations are
2 due, then the Secretary shall extend the maturities of any
3 other obligations under section (a) and refuse to issue
4 warrants under section 321(a)(3) to the extent necessary
5 to provide such funds as the Secretary deems prudent to
6 dispose of obligations consisting of interest and principal
7 of the debt held by the public for no less than the next
8 30 calendar days.

9 “(d) To the extent receipts exceed those required to
10 meet the Secretary’s obligation under subsection (c), the
11 Secretary shall prioritize the disposal of obligations under
12 subsection (a) and issuance of warrants under section
13 321(a)(3) in that order the Secretary considers advisable
14 and in the public interest.”.

○