

118TH CONGRESS
1ST SESSION

S. 742

To establish limitations on the amount of debt issued by the United States which may be held by foreign governments, entities, and individuals.

IN THE SENATE OF THE UNITED STATES

MARCH 9, 2023

Ms. ERNST (for herself, Mr. BRAUN, Mr. CASSIDY, and Ms. LUMMIS) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To establish limitations on the amount of debt issued by the United States which may be held by foreign governments, entities, and individuals.

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 “National Debt is Na-
5 tional Security Act”.

1 **SEC. 2. LIMIT ON PUBLIC DEBT HELD BY FOREIGN GOV-**
 2 **ERNMENTS, ENTITIES, AND INDIVIDUALS.**

3 (a) IN GENERAL.—Subchapter I of chapter 31 of title
 4 31, United States Code, is amended by inserting after sec-
 5 tion 3113 the following:

6 **“§ 3114. Limit on public debt held by foreign govern-**
 7 **ments, entities, and individuals**

8 “(a) IN GENERAL.—

9 “(1) CUMULATIVE LIMIT.—Notwithstanding
 10 any other provision of this chapter, the amount of
 11 the national debt which is cumulatively held by for-
 12 eign governments, entities organized or incorporated
 13 under the laws of a foreign county, and citizens of
 14 foreign countries shall not exceed an amount equal
 15 to one-fourth of the national debt.

16 “(2) COUNTRY-SPECIFIC LIMIT.—Notwith-
 17 standing any other provision of this chapter, with re-
 18 spect to any foreign country, the amount of the na-
 19 tional debt which is cumulatively held by the govern-
 20 ment of such country, entities organized or incor-
 21 porated under the laws of such county, and citizens
 22 of such country shall not exceed an amount equal to
 23 5 percent of the national debt.

24 “(b) DETERMINATION.—The Secretary of the Treas-
 25 ury, in coordination with the Director of the Office of
 26 Management and Budget, shall issue guidance regarding

1 implementation of this section, including calculation of the
2 amount of the national debt held by foreign governments,
3 entities organized or incorporated under the laws of a for-
4 eign county, and citizens of foreign countries.

5 “(c) PRESIDENTIAL WAIVER.—

6 “(1) IN GENERAL.—The President may waive
7 the application of paragraph (1) or (2) of subsection
8 (a) if the President determines and, pursuant to
9 paragraph (2), so reports that the important na-
10 tional interest of the United States requires the ex-
11 ercise of such waiver authority.

12 “(2) CONGRESSIONAL NOTIFICATION.—Not
13 later than the date of the exercise of a waiver under
14 paragraph (1), the President shall notify the Com-
15 mittee on Ways and Means of the House of Rep-
16 resentatives and the Committee on Finance of the
17 Senate of the waiver or the intention to exercise the
18 waiver, together with a detailed justification thereof.

19 “(d) NATIONAL DEBT.—For purposes of this section,
20 the term ‘national debt’ means the face amount of obliga-
21 tions issued under this chapter and the face amount of
22 obligations whose principal and interest are guaranteed by
23 the United States Government (except guaranteed obliga-
24 tions held by the Secretary of the Treasury).”.

1 (b) CLERICAL AMENDMENT.—The table of sections
2 of subchapter I of chapter 31 of title 31, United States
3 Code, is amended by inserting after the item relating to
4 section 3113 the following:

“3114. Limit on public debt held by foreign governments, entities, and individuals.”.

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