

103^D CONGRESS
2^D SESSION

S. 1988

To authorize the transfer of a certain loan contract to the Upper Yampa Water Conservancy Project, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 25 (legislative day, FEBRUARY 22), 1994

Mr. BROWN (for himself and Mr. CAMPBELL) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To authorize the transfer of a certain loan contract to the Upper Yampa Water Conservancy Project, 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 “Stagecoach Reservoir
5 Project Act of 1993”.

6 **SEC. 2. SALE OF THE STAGECOACH RESERVOIR PROJECT**

7 **LOAN.**

8 (a) AGREEMENT.—

1 (1) IN GENERAL.—As soon as practicable after
2 the date of enactment of this Act, the Secretary of
3 the Interior shall conduct appropriate investigations
4 regarding, and is authorized to sell, or accept pre-
5 payment on, the loan contract described in para-
6 graph (2) to the Upper Yampa Water Conservancy
7 District in Colorado (referred to in this Act as the
8 “District”) for the Stagecoach Reservoir Project.

9 (2) LOAN CONTRACT.—The loan contract de-
10 scribed in paragraph (1) is numbered 7-07-40-
11 R0480 and was entered into pursuant to the Small
12 Reclamation Projects Act of 1956 (43 U.S.C. 422a
13 et seq.).

14 (b) PAYMENT.—Any agreement negotiated pursuant
15 to subsection (a) shall realize an amount to the Federal
16 Government calculated by discounting the remaining pay-
17 ments due on the loans by the interest rate determined
18 pursuant to subsection (c).

19 (c) INTEREST RATE.—

20 (1) IN GENERAL.—The Secretary shall deter-
21 mine the interest rate in accordance with the guide-
22 lines set forth in Circular A-129 issued by the Of-
23 fice of Management and Budget concerning loan
24 sales and prepayment of loans.

1 (2) DETERMINATION.—In determining the in-
2 terest rate, the Secretary—

3 (A) shall not equate an appropriate
4 amount of prepayment with the price of the
5 loan if it were to be sold on the open market
6 to a third party; and

7 (B) shall, in following the guidelines set
8 forth in Circular A-129 regarding an allowance
9 for administrative expenses and possible losses,
10 make such an allowance from the perspective of
11 the Federal Government as lender and not from
12 the perspective of a third party purchasing the
13 loan on the open market.

14 (3) ADJUSTMENT.—If the borrower or pur-
15 chaser of the loan has access to tax-exempt financ-
16 ing, including tax-exempt bonds, tax-exempt cash re-
17 serves, and cash and loans of any kind from any tax-
18 exempt entity, to finance the transaction, and if the
19 Office of Management and Budget grants the Sec-
20 retary the right to conduct such a transaction, then
21 the interest rate by which the Secretary discounts
22 the remaining payments due on the loan shall be ad-
23 justed by an amount that compensates the Federal
24 Government for the direct or indirect loss of future
25 tax revenues.

1 (4) LIMITATION.—Notwithstanding any other
2 provision of law, the interest rate shall not exceed a
3 composite interest rate consisting of the current
4 market yield on Treasury securities of comparable
5 maturities.

6 **SEC. 3. TERMINATION AND CONVEYANCE OF RIGHTS.**

7 Upon receipt of the payment specified in section
8 2(b)—

9 (1) the obligation of the District under the loan
10 contract described in section 2(a)(2) shall terminate;

11 (2) the Secretary of the Interior shall convey all
12 right and interest of the United States in the Stage-
13 coach Reservoir Project to the District; and

14 (3) the District shall absolve the United States,
15 and its officers and agents, of any liability associ-
16 ated with the Stagecoach Reservoir Project.

17 **SEC. 4. TERMINATION OF AUTHORITY.**

18 (a) IN GENERAL.—Subject to subsection (b), the au-
19 thority granted by this Act to sell loans shall terminate
20 2 years after the date of enactment of this Act.

21 (b) TIME TO RESPOND TO OFFER.—The borrower
22 shall have not less than 60 days to respond to any prepay-
23 ment offer made by the Secretary.

○