To realign functional responsibilities between the Federal Government and the government of the District of Columbia, to address funding mechanisms and sources between the Federal Government and the government of the District of Columbia, to address the financial condition of the District of Columbia government in both the short and long-term, to provide mechanisms for improving the economy of the District of Columbia, to improve the ability of the District of Columbia government to match its resources with its responsibilities, to further improve the efficiency of the District of Columbia government, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 1997

Mr. Davis of Virginia (for himself, Ms. Norton, Mrs. Morella, Mr. Horn, Ms. Ros-Lehtinen, Mr. Allen, Mr. Wolf, Mr. Moran of Virginia, Mr. Hoyer, and Mr. Wynn) introduced the following bill; which was referred to the Committee on Government Reform and Oversight, and in addition to the Committees on Ways and Means, Commerce, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

A BILL

To realign functional responsibilities between the Federal Government and the government of the District of Columbia, to address funding mechanisms and sources between the Federal Government and the government of the District of Columbia, to address the financial condition of the District of Columbia government in both the short and long-term, to provide mechanisms for im-
proving the economy of the District of Columbia, to improve the ability of the District of Columbia government to match its resources with its responsibilities, to further improve the efficiency of the District of Columbia government, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “National Capital Revitalization and Self-Government Im-
provement Act of 1997”.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—DISTRICT OF COLUMBIA RETIREMENT FUNDS

Sec. 101. Short title.

Subtitle A—General Provisions

Sec. 111. Obligation of Federal government to make payments for pension li-
abilities.

Sec. 112. Findings and declaration of policy.

Sec. 113. Definitions.

Subtitle B—Freezing of Existing Program

Sec. 121. Freeze of service under the retirement program.

Sec. 122. Disability benefits after the service freeze.

Sec. 123. Death benefits after the service freeze.

Subtitle C—Retirement Trust

Sec. 131. Creation of Retirement Trust.

Sec. 132. Transfer of assets and obligations.

Sec. 133. Allocation of assets.

Sec. 134. Treatment of Retirement Trust.

Sec. 135. Selection of Trustee.

Sec. 136. Powers and duties of the Secretary.

Sec. 137. Payments after depletion of Retirement Trust assets.

Sec. 138. Federal information sharing.

Sec. 139. Responsibilities and powers of the Trustee.
Subtitle D—District Government

Sec. 141. Interim administration.
Sec. 142. Records transfer.
Sec. 143. Final reconciliation.
Sec. 144. Replacement plan.

Subtitle E—The Actuarial Board

Sec. 151. Establishment of the actuarial board.
Sec. 152. General duties of the actuarial board.

Subtitle F—Federal Supplemental Fund

Sec. 162. Assets of the Federal Supplemental Fund.
Sec. 163. Payments from the Federal Supplemental Fund.
Sec. 164. Determination of costs under the Federal Supplemental Fund.
Sec. 165. Payments into the Federal Supplemental Fund.
Sec. 166. Investment of assets of Federal Supplemental Fund.

Subtitle G—Judges Retirement Program

Sec. 171. Reference to new Federal program.

Subtitle II—Enforcement

Sec. 181. Judicial review.
Sec. 182. Jurisdiction and venue.
Sec. 183. Limitations of actions.
Sec. 184. Misappropriation.

Subtitle I—Miscellaneous

Sec. 191. Severability of provisions.
Sec. 192. Full faith and credit.
Sec. 193. Other laws.
Sec. 194. Comptroller general.

TITLE II—ASSISTANCE UNDER MEDICAID PROGRAM

Sec. 201. Findings.
Sec. 202. Increase in Federal Medical Assistance Percentage under medicaid.

TITLE III—CRIMINAL JUSTICE

Subtitle A—Corrections

Sec. 301. Bureau of prisons.
Sec. 302. Corrections trustee.
Sec. 303. Authority of trustee and bureau of prisons.
Sec. 304. Priority placement for employees of the District of Columbia.
Sec. 305. Amendments related to persons with a mental disease or defect.
Sec. 306. Litigation authority of corrections trustee.
Sec. 307. Permitting expenditure of funds to carry out certain sewer agreement.

Subtitle B—Compliance With Truth-in-Sentencing
Sec. 311. Requiring compliance with truth-in-sentencing guidelines.
Sec. 312. Requiring enactment of legislation maximizing effectiveness of Drug Court.
Sec. 313. Truth in Sentencing Compliance Commission.
Sec. 314. Truth in Sentencing Monitoring Agency.
Sec. 315. Certain claims not litigable.
Sec. 316. Evaluation.
Sec. 317. Continuing responsibility to ensure compliance with this act.

Subtitle C—Offender Supervision and Parole

Sec. 331. Parole.
Sec. 332. Pretrial Services, Defense Services, Parole, Adult Probation and Offender Supervision Trustee.
Sec. 333. Offender Supervision, Defender and Courts Services Agency.
Sec. 334. Authorization of appropriations.

Subtitle D—District of Columbia Courts

PART 1—TRANSFER OF ADMINISTRATION AND FINANCING OF COURTS TO FEDERAL GOVERNMENT

Sec. 341. Authorization of appropriations.
Sec. 342. Administration of courts under District of Columbia Code.
Sec. 343. Budgeting and financing requirements for courts under Home Rule Act.
Sec. 344. Auditing of accounts of court system.
Sec. 345. Miscellaneous budgeting and financing requirements for courts under District law.
Sec. 346. Other provisions relating to administration of District of Columbia courts.

PART 2—JUDICIAL RETIREMENT PROGRAM

Sec. 351. Judicial Retirement and Survivors Annuity Fund.
Sec. 352. Termination of current fund and program.
Sec. 353. Conforming amendments.

PART 3—MISCELLANEOUS CONFORMING AND ADMINISTRATIVE PROVISIONS

Sec. 361. Treatment of courts under miscellaneous District laws.
Sec. 362. Representation of indigents in criminal cases.

Subtitle E—Pretrial Services Agency and Public Defender Service

Sec. 371. Amendments affecting Pretrial Services Agency.

Subtitle F—Miscellaneous Provisions

Sec. 381. Technical assistance and research.
Sec. 382. Exemption from personnel and budget ceilings for trustees and related agencies.

TITLE IV—PRIVATIZATION OF TAX COLLECTION AND ADMINISTRATION

Sec. 401. Findings.
Sec. 402. Authorizing Chief Financial Officer to privatize tax administration and collection.

TITLE V—FINANCING OF DISTRICT OF COLUMBIA DEBT

Sec. 501. Findings.
Sec. 502. Authorization for intermediate-term advances of funds by the Secretary of the Treasury to liquidate the accumulated general fund deficit of the District of Columbia.
Sec. 503. Conforming amendments.
Sec. 504. Technical corrections.
Sec. 505. Authorization for issuance of general obligation bonds by the District of Columbia to finance or refund its accumulated general fund deficit.

TITLE VI—REVENUE BONDS

Sec. 601. Short title; findings.
Sec. 602. Amendments to Home Rule Charter provision governing revenue bonds.

TITLE VII—DISTRICT OF COLUMBIA ECONOMIC DEVELOPMENT CORPORATION

Subtitle A—General Provisions

Sec. 701. Short title.
Sec. 702. Findings.
Sec. 703. Purposes.
Sec. 704. Definitions.

Subtitle B—District of Columbia Economic Development Corporation Charter

Sec. 711. Establishment.
Sec. 712. Status of Corporation.
Sec. 713. Board of directors.
Sec. 714. Officers and employees.
Sec. 715. Political activity.
Sec. 716. Reports, plans, and evaluations.
Sec. 717. Gifts; procurement of goods and services; and disposition of property.

Subtitle C—Operations of the Corporation

Sec. 721. General powers.
Sec. 722. Economic development plans.
Sec. 723. Financial assistance.
Sec. 724. Eminent domain.
Sec. 725. Regulatory relief powers.

Subtitle D—Capitalization and Finance

Sec. 731. Authorization of appropriations.
Sec. 732. Project revenue obligations issued by Corporation.
Sec. 733. Deposit and investment of funds.
Sec. 734. No taxing power.
Subtitle E—Miscellaneous Provisions

Sec. 741. Legal actions involving Corporation.
Sec. 742. Judicial review of financial assistance determinations and rules.
Sec. 743. Relationship to other laws.
Sec. 744. Relationship to rest of District government.

Subtitle F—Sunset Provisions

Sec. 751. Suspension of new financial assistance.
Sec. 752. Termination of affairs.
Sec. 753. Dissolution of Corporation.

TITLE VIII—DISTRICT OF COLUMBIA GOVERNMENT BUDGET; EFFECTIVE DATE

Sec. 801. Elimination of the annual Federal payment to the District of Columbia.
Sec. 803. Permitting expedited submission and approval of consensus budget and financial plan.
Sec. 804. Increase in maximum amount of permitted District borrowing.

TITLE IX—MISCELLANEOUS PROVISIONS

Subtitle A—Regulatory Reform in the District of Columbia

Sec. 901. Review and revision of regulations and permit and application processes.
Sec. 902. Repeal of Clean Air Compliance Fee Act of 1994.
Sec. 903. Repeal of Federal charter of Group Hospitalization and Medical Services, Inc.
Sec. 904. Exemption of certain contracts from Council review.

Subtitle B—Other Miscellaneous Provisions

Sec. 912. Cooperative agreements between Federal agencies and Metropolitan Police Department.
Sec. 913. Permitting garnishment of wages of officers and employees of District of Columbia government.
Sec. 914. Permitting excess appropriations by Water and Sewer Authority for capital projects.
Sec. 915. Requiring certain Federal officials to provide notice before carrying out activities affecting real property located in District of Columbia.
Sec. 916. Short title of Home Rule Act.

Subtitle C—Effective Date; General Provisions

Sec. 921. Effective date.
Sec. 922. Technical assistance.
Sec. 923. Liability.
TITLE I—DISTRICT OF 
COLUMBIA RETIREMENT FUNDS

SEC. 101. SHORT TITLE.

This title may be cited as the “District of Columbia Retirement Protection Act of 1997”.

Subtitle A—General Provisions

SEC. 111. OBLIGATION OF FEDERAL GOVERNMENT TO 
MAKE PAYMENTS FOR PENSION LIABILITIES.

(a) IN GENERAL.—The Federal Government shall make payments in accordance with the provisions of this title to finance all liabilities associated with the pension plans for police officers, firefighters, and teachers of the District of Columbia, including the unfunded liability which was transferred by Congress to the District of Columbia government under the District of Columbia Retirement Reform Act of 1979.

(b) NO REVERSION OF LIABILITY TO DISTRICT.—At no point after the effective date of this title may the responsibility or any part thereof assigned to the Federal Government under subsection (a) revert to the District of Columbia.

SEC. 112. FINDINGS AND DECLARATION OF POLICY.

(a) The Congress finds that—

(1) the retirement programs for the police officers and firefighters, teachers and judges of the Dis-
District of Columbia had significant unfunded liabilities totaling approximately $1,900,000,000 when the Federal government transferred those programs to the District of Columbia, and those liabilities have since increased to nearly $4,800,000,000, an increase which is almost entirely attributable to the accumulation of interest on the value which existed at the time of transfer;

(2) the District of Columbia has fully met its financial obligations under the District of Columbia Retirement Reform Act of 1979 (Public Law 96–122);

(3) the District of Columbia Retirement Board has fulfilled all of its obligations and fiduciary responsibilities and its members and staff are thanked and congratulated for their service;

(4) the growth of the unfunded liabilities of the four pension funds listed above did not occur because of any action taken or any failure to act that lay within the power of the District of Columbia government or the Retirement Board;

(5) an unfunded pension liability of nearly $5,000,000,000 would be beyond the resources of any municipal government to fully fund;
(6) the presence of the unfunded pension liability is having and will continue to have a negative impact on the District of Columbia’s credit rating as it is a legal obligation and the total unfunded liability exceeds the total General Obligation debt of the District, and the costs associated with this liability are a contributing cause of the District’s ongoing financial crisis;

(7) the obligations of the District associated with these pension programs in fiscal year 1997 represents nearly 10 percent of the District’s revenue;

(8) the annual Federal contribution toward these costs under the District of Columbia Retirement Reform Act has remained $52,000,000;

(9) if the unfunded pension liability situation is not resolved, in 2004 the District of Columbia would be responsible for annual costs exceeding $800,000,000, a figure which would be impossible to meet without catastrophic impact on the District government’s resources and programs;

(10) the financial resources of the District of Columbia are not adequate to discharge the unfunded liabilities of the retirement programs; and
(11) the level of benefits and funding of the current retirement programs were authorized by various Acts of Congress.

(b) It is the policy of this title—

(1) to relieve the District of Columbia government of the responsibility for the unfunded liabilities transferred to it by the Federal government;

(2) to assume the moral and legal responsibility for paying the benefits (including all unfunded liabilities which existed as of the day prior to introduction of this legislation) for the retirement plans of teachers, police, and firefighters;

(3) to provide for a responsible Federal system for payment of benefits accrued prior to the date of introduction of this legislation; and

(4) to require the establishment of replacement plans by the District of Columbia government for the current retirement plans for teachers, and police and firefighters.

SEC. 113. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

(1) The term “Actuarial Board” means the Department of the Treasury Retirement Board of Actuaries established under subtitle E.

(3) The term “contract” means the contract under section 135 between the Secretary and the Trustee.

(4) The term “District Government” means, as appropriate, the District government as defined by section 305(5) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 or the District of Columbia Retirement Board as defined in section 102(5) of the Reform Act.

(5) The term “employee” means a teacher, or a member of the Metropolitan Police Force or the Fire Department of the District of Columbia as defined in the retirement program.

(6) The term “employee contributions” means amounts deducted and withheld from the salaries of teachers and members of the Metropolitan Police Force and Fire Department of the District of Columbia and paid to the Retirement Fund (and, in the case of teachers, amounts of additional deposits paid to the Retirement Fund), pursuant to the retirement program.


(9) The term “freeze date” means the date on which legislation to enact this title is introduced in the House of Representatives.

(10) The term “person” means an individual, partnership, joint venture, corporation, mutual company, joint-stock company, trust, estate, unincorporated organization, association, or employee organization.

(11) The term “Reform Act” means the District of Columbia Retirement Reform Act (Public Law 96–122).

(12) The term “replacement plan” means the plan described in section 144.

(13) The term “replacement plan adoption date” means the date upon which upon which the legislation establishing the replacement plan becomes effective, or the first day after the expiration of the 1-year period which begins on the date of the enactment of this Act, whichever occurs first.

(14) The term “Retirement Fund” means the District of Columbia Police Officers and Fire Fighters Retirement Fund and the District of Columbia
Teachers Retirement Fund, as defined in the Reform Act.

(15) The term “Retirement Program” means any of the retirement programs for teachers and members of the Metropolitan Police Force and Fire Department, as described in section 102(7) of the Reform Act as in effect on the day before the freeze date.

(16) The term “Retirement Trust” means the District of Columbia Retirement Trust Fund created under section 131.

(17) The term “Secretary” means the Secretary of the Treasury or the Secretary’s designee.

(19) The term “Trustee” means the person or persons designated by the Secretary under section 135.

Subtitle B—Freezing of Existing Program

SEC. 121. FREEZE OF SERVICE UNDER THE RETIREMENT PROGRAM.

Service after the freeze date shall not be credited under the retirement program for purposes of determining the amount of benefits an employee has accrued. Such service shall continue to be credited for all other purposes.
SEC. 122. DISABILITY BENEFITS AFTER THE SERVICE FREEZE.

In the case of a disability retirement in which disability retirement benefits commence after the freeze date, the only benefit payable from the Retirement Trust or the Federal Supplemental Fund with respect to disability is the deferred retirement benefit or normal retirement benefit the employee would receive if the employee left service on the day before disability retirement benefits commence.

SEC. 123. DEATH BENEFITS AFTER THE SERVICE FREEZE.

In the case of a benefit under the retirement program that is payable on the death of an employee or former employee, and that is not determined by the length of service of the employee or former employee, the benefit payable from the Retirement Trust or the Federal Supplemental Fund shall be limited to the percentage of the entire benefit represented by a fraction, the numerator of which is the number of months of the employee’s service prior to the freeze date, and the denominator of which is the total number of months of the employee’s service.

Subtitle C—Retirement Trust

SEC. 131. CREATION OF RETIREMENT TRUST.

There is established on the books of the Treasury the District of Columbia Retirement Trust Fund, which shall be administered by the Trustee. The assets of the Retirement Trust shall be used for the purpose of paying bene-
fits under this title, the reasonable and necessary expenses
of administering the Retirement Trust as determined pur-
suant to the contract in section 135(b), and for such other
purposes as are specified in this title.

SEC. 132. TRANSFER OF ASSETS AND OBLIGATIONS.

(a) Except as provided in subsection (b) and in sec-
tion 133, all obligations of the retirement program as of
the freeze date and all assets of the Retirement Fund as
of the replacement plan adoption date shall be transferred
to the Retirement Trust as of the replacement plan adop-
tion date.

(b) Subsection (a) shall not apply to any employee
contributions made after the freeze date, nor to any inter-
est thereon (computed at a rate and in a manner deter-
mined by the Secretary).

(c) The assets of the Retirement Trust are hereby
made available for investment in private securities and all
other investments deemed appropriate by the Secretary,
and for the payments of benefits and necessary adminis-
trative expenses.

SEC. 133. ALLOCATION OF ASSETS.

(a) Except for the assets designated under subsection
(b) and the contributions under section 132(b), all assets
of the Retirement Fund shall be transferred to the Retire-
ment Trust in accordance with the direction of the Sec-
retary. The District Government shall promptly take all steps, and execute all documents, that the Secretary deems necessary to effect the transfer.

(b) The Secretary shall designate assets with a value of $1.275 billion that shall not be transferred under subsection (a). The Secretary’s designation and valuation of the assets shall be final and binding.

SEC. 134. TREATMENT OF RETIREMENT TRUST.

(a) For purposes of the Code and ERISA—

(1) the Retirement Trust shall be treated as a trust described in section 401(a) of the Code which is exempt from taxation under section 501(a) of the Code;

(2) any transfer to, or distribution from, the Retirement Trust shall be treated in the same manner as a transfer to or distribution from a trust described in section 401(a) of the Code; and

(3) the system of benefits under the Retirement Trust shall be treated as a governmental plan under section 414(d) of the Code and sections 3(32) and 4021(b)(2) of ERISA.

(b) The Code shall apply to the Retirement Trust only to the extent the Secretary determines that application of the Code is consistent with the administration of this title.
SEC. 135. SELECTION OF TRUSTEE.

(a) As soon as practicable after enactment of this title, the Secretary shall select a Trustee to carry out the responsibilities and duties specified in this title and defined by the contract.

(b) The Secretary shall enter into a contract with the Trustee to carry out the purposes of this title. The contract shall provide for the management, investment, control and auditing of Retirement Trust assets, the payment of benefits under this title from the Retirement Trust and such other matters as the Secretary deems appropriate.

SEC. 136. POWERS AND DUTIES OF THE SECRETARY.

(a) The Secretary is authorized to issue regulations to implement, interpret, administer and carry out the purposes of this title, and, in the Secretary's discretion, those regulations may have retroactive effect.

(b) The Secretary shall enforce the provisions of this title and the contract, and shall monitor the administration of the Retirement Trust.

(c) The Secretary is authorized to requisition from the Retirement Fund such sums as are necessary to administer the Retirement Trust and Actuarial Board until assets are transferred to the Retirement Trust. After assets are transferred to the Retirement Trust, such administrative payments shall be made from the Retirement Trust pursuant to subsection (d).
(d) All payments for necessary administrative expenses of the Retirement Trust shall be set forth in an annual budget, which is subject to the certification and approval of the Secretary.

SEC. 137. PAYMENTS AFTER DEPLETION OF RETIREMENT TRUST ASSETS.

(a) Not later than 18 months before the time that assets remaining in the Retirement Trust are projected to be insufficient to pay benefits and necessary administrative expenses when due, the Secretary shall so advise the President and the Congress.

(b) Before all available assets of the Retirement Trust have been depleted, the Secretary shall determine whether payment of benefits and necessary administrative expenses under this title shall be made by—

(1) continuation of the Retirement Trust using payments from the Federal Supplemental Fund; or

(2) discontinuance of the Retirement Trust, and

(A) direct payment by the Secretary from the Federal Supplemental Fund; or

(B) payment from the Federal Supplemental Fund through another department or agency of the United States.
(c) If the Secretary determines that the Retirement Trust shall be discontinued after it has been depleted of assets, the Secretary shall appoint a successor to the Trustee to administer the payment of benefits under this title, and said appointee shall have the powers given to the Trustee in this subtitle and subtitle D.

(d) The Secretary shall make appropriate arrangements to implement the determinations made in this subsection.

(e) The arrangements for payments of benefits after the Retirement Trust has been depleted of assets shall be subject to the same treatment as similar arrangements under section 134.

SEC. 138. FEDERAL INFORMATION SHARING.

(a) Except with respect to taxpayer returns and return information subject to section 6103 of the Internal Revenue Code of 1986, the Secretary may—

(1) secure directly from any department or agency of the United States information necessary to enable the Secretary to verify or confirm benefit determinations under this title; and

(2) by regulation authorize the Trustee to review such information for purposes of administering this title and the contract.
(b) The Internal Revenue Code of 1986 is amended as follows:

(1) In section 6103(l), as amended by section 1206(a) of the Taxpayer Bill of Rights 2, by adding at the end the following new paragraph:

“(16) DISCLOSURE OF RETURN INFORMATION FOR PURPOSES OF ADMINISTERING THE DISTRICT OF COLUMBIA RETIREMENT PROTECTION ACT OF 1997.—

“(A) IN GENERAL.—Upon written request available return information (including such information disclosed to the Social Security Administration under paragraph (1) or (5) of this subsection), relating to the amount of wage income (as defined in section 3121(a) or 3401(a)), the name, address, and identifying number assigned under section 6109, of payors of wage income, taxpayer identity (as defined in subsection 6103(b)(6)), and the occupational status reflected on any return filed by, or with respect to, any individual with respect to whom eligibility for, or the correct amount of, benefits under the District of Columbia Retirement Protection Act of 1997, is sought to be determined, shall be disclosed by the Commissioner of Social
Security, or to the extent not available from the Social Security Administration, by the Secretary, to any duly authorized officer or employee of the Department of the Treasury, or a Trustee or any designated officer or employee of a Trustee (as defined in the District of Columbia Retirement Protection Act of 1997), or any actuary engaged by a Trustee under the terms of the District of Columbia Retirement Protection Act of 1997, whose official duties require such disclosure, solely for the purpose of, and to the extent necessary in, determining an individual's eligibility for, or the correct amount of, benefits under the District of Columbia Retirement Protection Act of 1997.

“(B) Disclosure for use in judicial or administrative proceedings return.—Information disclosed to any person under this paragraph may be disclosed in a judicial or administrative proceeding relating to the determination of an individual's eligibility for, or the correct amount of, benefits under the District of Columbia Retirement Protection Act of 1997.”
(2) In section 6103(a)(3), by striking “(6) or (12)” and inserting “(6), (12), or (16)”;  

(3) In section 6103(i)(7)(B)(i), by inserting after “(other than an agency referred to in subpara-

graph (A))” and before the word “for” the words “or by a Trustee as defined in the District of Co-

lumbia Retirement Protection Act of 1997,”.  

(4) In section 6103(p)(3)(A), by striking “or (15)” and inserting “(15), or (16)”.  

(5) In section 6103(p)(4) in the matter preced-

ing subparagraph (A), by striking “or (12)” and in-

serting “(12), or (16), or any other person described in subsection (l)(16)).”  

(6) In section 6103(p)(4)(F)(i), by striking “or (9),” and inserting “(9), or (16), or any other per-

son described in subsection (1)(16))”.  

(7) In section 6103(p)(4)(F) in the matter fol-

owing clause (iii)—  

(A) by inserting after “any such agency, body or commission” and before the words “for the General Accounting Office” the words “including an agency or any other person described in subsection (l)(16),”;

(B) by striking “such agency, body, or commission” and inserting “such agency, body,
or commission, including an agency or any other person described in subsection (l)(16),’’;

(C) by striking ‘‘or (12)(B)’’ and inserting ‘‘, (12)(B), or (16)’’;

(D) by inserting after the words ‘‘any agent,’’ and before the words ‘‘this paragraph shall’’ the words ‘‘or any person including an agent described in subsection (l)(16),’’;

(E) by inserting after the words ‘‘such agent’’ and before ‘‘(except that’’ the words ‘‘or other person’’; and

(F) by inserting after the words ‘‘an agent,’’ and before the words ‘‘any report’’ the words ‘‘or any person including an agent described in subsection (l)(16),’’.

(8) In section 7213(a)(2), by striking ‘‘or (15),’’ and inserting ‘‘(15), or (16)’’.

(c) The Secretary may issue regulations governing the confidentiality of the information obtained pursuant to subsections (a) and (b).

SEC. 139. RESPONSIBILITIES AND POWERS OF THE TRUSTEE.

(a) The Trustee shall perform its obligations under this title and the contract.
(b)(1) In accordance with procedures approved by the Secretary, the Trustee shall provide to any participant or beneficiary whose claim for benefits under this title has been denied in whole or in part—

(A) written notice of such denial, setting forth the specific reasons for the denial in a manner calculated to be understood by the average plan participant; and

(B) reasonable opportunity for review of the benefit determination.

(2) Any factual determination made by the Trustee shall be presumed correct unless rebutted by clear and convincing evidence. The Trustee’s interpretation and construction of the benefit provisions of the retirement program and this title shall be entitled to great deference.

(c) The Trustee may monitor and review the benefit eligibility of persons receiving benefits under this title. Notwithstanding any other provision of law, the Trustee is authorized to correct any errors in benefit determinations, and is further authorized to recoup or recover any benefit overpayments.

(d) The Trustee shall engage an enrolled actuary (as defined in section 7701(a)(35) of the Code) who is a member of the American Academy of Actuaries who shall per-
form an annual actuarial valuation (in a manner and form
determined by the Secretary) of the Retirement Trust and
the Federal Supplemental Fund for obligations assumed
by the Federal Government under this title for benefits
and necessary administrative expenses under the retire-
ment program. The valuation shall use methods and as-
sumptions approved by the Actuarial Board under section
164. An annual report by the enrolled actuary shall be
provided to the Secretary, the Trustee and the Actuarial
Board. Each report shall project when assets in the Re-
tirement Trust will be insufficient to pay benefits and nec-
essary administrative expenses when due.

(e) The Trustee shall report to the Secretary, in a
form and manner and at such intervals as the Secretary
may prescribe, on any matters or transactions relating to
the Retirement Trust, including financial matters, as the
Secretary may require.

Subtitle D—District Government

SEC. 141. INTERIM ADMINISTRATION.

(a) After the enactment of this title the District Gov-
ernment shall continue to discharge its duties and respon-
sibilities under the retirement program and Retirement
Fund, as modified by subtitle B, until such time as the
District Government is notified by the Secretary that the
Secretary has directed the Trustee to commence such duties and responsibilities.

(b) The District Government’s reasonable and necessary expenses incurred pursuant to its responsibilities under subsection (a) shall be reimbursed from the Retirement Trust.

c) The District Government shall reimburse the Retirement Fund for any benefits paid inconsistent with subtitle B from the Retirement Fund between the freeze date and the replacement plan adoption date.

SEC. 142. RECORDS TRANSFER.

Within 30 days after the Secretary or the Trustee requests, the District Government shall furnish copies of all records, documents, information, or data the Secretary or the Trustee deems necessary to carry out their responsibilities under this title and the contract. Upon request, the Secretary or the Trustee shall be granted direct access to such information systems, records, documents, information or data as will enable them to carry out their responsibilities under this title or the contract. The District Government shall reimburse the Retirement Trust for all costs, including benefit costs, that are attributable to errors or omissions in the transferred records that are identified within 3 years after such records are transferred.
SEC. 143. FINAL RECONCILIATION.

As soon as practicable after the replacement plan adoption date, the District Government shall furnish the Trustee a final reconciliation of accounts in connection with the transfer of assets and obligations to the Retirement Trust. The allocation of assets under section 133 shall be adjusted in accordance with this reconciliation.

SEC. 144. REPLACEMENT PLAN.

(a) No later than one year from the date of enactment of this title, or such later time as the Secretary may prescribe, the District Government shall adopt a replacement plan to be effective as of the freeze date.

(b) If the District Government fails to adopt a replacement plan within the period prescribed in subsection (a), the retirement program applicable to police, firefighters, and teachers hired on or after October 1, 1996 (as provided under the laws of the District of Columbia in effect as of June 1, 1997), including all requirements of the program regarding benefits, contributions, and cost-of-living adjustments, shall apply with respect to all police, firefighters, and teachers employed by the District as of the expiration of the period prescribed in subsection (a).

Subtitle E—The Actuarial Board

SEC. 151. ESTABLISHMENT OF THE ACTUARIAL BOARD.

(a) There is established in the Department of the Treasury a Department of the Treasury Retirement Board
of Actuaries. The Actuarial Board shall consist of three members, who shall be appointed by the Secretary from among enrolled actuaries who are members of the American Academy of Actuaries.

(b)(1) Except as provided in paragraph (2), the members of the Actuarial Board shall serve for a term of six years, except that a member of the Actuarial Board appointed to fill a vacancy occurring before the end of the term for which a predecessor was appointed shall only serve until the end of such term. A member may serve after the end of the term until a successor has taken office. A member of the Actuarial Board may be removed by the Secretary for misconduct or failure to perform the functions of the Actuarial Board, and for no other reason.

(2) Of the members of the Actuarial Board who are first appointed under this subsection, one each shall be appointed for terms ending 2, 4, and 6 years, respectively, after the date of appointment, as designated by the Secretary at the time of appointment.

(c) A member of the Actuarial Board who is not otherwise an employee of the United States is entitled to receive pay at the daily equivalent of the annual rate of basic pay of the highest rate of basic pay then currently being paid under the General Schedule of subchapter III of chapter 53 of title 5, United States Code, for each day
the member is engaged in the performance of the duties
of the Actuarial Board and is entitled to travel expenses,
including a per diem allowance, in accordance with section
5703 of title 5, United States Code.

SEC. 152. GENERAL DUTIES OF THE ACTUARIAL BOARD.

The Actuarial Board shall review the actuarial valuation
reports produced by the enrolled actuary engaged
by the Trustee, and report to the Secretary and Congress
annually on the actuarial status of the Retirement Trust
and the Federal Supplemental Fund and shall furnish its
advice and opinion on matters referred to it by the Sec-
retary.

Subtitle F—Federal Supplemental Fund

SEC. 161. ESTABLISHMENT OF THE FEDERAL SUPPLEMENTAL FUND.

There is established on the books of the Treasury the
Federal Supplemental District of Columbia Pension Fund,
which shall be administered by the Secretary. The Federal
Supplemental Fund shall be used for the accumulation of
funds in order to finance obligations of the Federal Gov-
ernment for benefits and necessary administrative ex-
penses under the provisions of this title.
SEC. 162. ASSETS OF THE FEDERAL SUPPLEMENTAL FUND.

There shall be deposited into the Federal Supplemental Fund the following, which shall constitute the assets of the Federal Supplemental Fund:

(1) Amounts paid into the Federal Supplemental Fund under the provisions of this title.

(2) Any amount appropriated to the Federal Supplemental Fund.

(3) Any return on investment of the assets of the Federal Supplemental Fund.

SEC. 163. PAYMENTS FROM THE FEDERAL SUPPLEMENTAL FUND.

The assets of the Federal Supplemental Fund are hereby made available for the payments of benefits and, to the extent and in such amounts as are provided in advance in appropriations acts, necessary administrative expenses upon the depletion of the assets of the Retirement Trust, except that in making payment for such benefits from the Fund, the Secretary may not provide for more than one cost-of-living adjustment during a year to any annuity paid from such Fund.

SEC. 164. DETERMINATION OF COSTS UNDER THE FEDERAL SUPPLEMENTAL FUND.

(a) Not later than six months after the Actuarial Board is first appointed, the Actuarial Board shall determine the amount that is the present value as of the freeze...
date of future benefits payable from the Federal Supplemental Fund, which shall be the original unfunded liability of the Federal Supplemental Fund. The Actuarial Board shall determine an amortization schedule for the liquidation of the original unfunded liability over a 30-year period.

(b)(1) The Actuarial Board shall determine on an annual basis an amortization methodology and schedule for the amortization of the change in unfunded liability of the Federal Supplemental Fund due to the following:

(A) A change in benefits.

(B) A net experience gain or loss.

(C) A change in actuarial assumptions.

(D) A change in actuarial methods.

(2) The Actuarial Board shall determine on an annual basis the amount of the necessary administrative expenses of the Federal Supplemental Fund. This determination is subject to the review and approval of the Secretary.

(e) All determinations under this section shall be made using methods and assumptions approved by the Actuarial Board (including assumptions of interest rates and inflation) and in accordance with generally accepted actuarial principles and practices.
(d) The Secretary shall provide for the keeping of such records as are necessary for determining the actuarial status of the Federal Supplemental Fund.

SEC. 165. PAYMENTS INTO THE FEDERAL SUPPLEMENTAL FUND.

(a) The Actuarial Board annually shall determine and certify to the Secretary the sum of the amount in section 164(a), the normal cost under section 164(b)(1), and the amount of amortization payments under section 164(b)(2). The sum of such amounts may not be less than zero. To this sum shall be added the amount of necessary administrative expenses in section 164(b)(3).

(b) At the end of each applicable fiscal year the Secretary shall promptly pay into the Federal Supplemental Fund from the General Fund of the Treasury the amount certified under subsection (a).

(c) The first applicable fiscal year under subsection (b) is the first fiscal year that ends more than six months after the replacement plan adoption date.

SEC. 166. INVESTMENT OF ASSETS OF FEDERAL SUPPLEMENTAL FUND.

The Secretary shall invest such portion of the Federal Supplemental Fund as is not in the judgment of the Secretary required to meet current withdrawals. Such investments shall be in public debt securities with maturities
suitable to the needs of the Federal Supplemental Fund,
as determined by the Secretary, and bearing interest at
rates determined by the Secretary, taking into consider-
ation current market yields on outstanding marketable ob-
ligations of the United States of comparable maturities.
The income on such investments shall be credited to and
form a part of the Federal Supplemental Fund.

Subtitle G—Judges Retirement
Program

SEC. 171. REFERENCE TO NEW FEDERAL PROGRAM.
For provisions describing the retirement program for
judges and judicial personnel of the District of Columbia,
see part 2 of subtitle D of title III.

Subtitle H—Enforcement

SEC. 181. JUDICIAL REVIEW.
(a) A civil action may be brought—

(1) by a participant or beneficiary to enforce or
clarify rights to benefits from the Retirement Trust
or Federal Supplemental Fund under this title;

(2) by the Trustee—

(A) to enforce any claim arising (in whole
or in part) under this title or the contract; or

(B) to recover benefits improperly paid
from the Retirement Trust or Federal Supple-
mental Fund or to clarify a participant’s or
beneficiary’s rights to benefits from the Retirement Trust or Federal Supplemental Fund; and (3) by the Secretary to enforce any provision of this title or the contract.

(b) The Retirement Trust may sue and be sued as an entity.

(e) This subtitle shall be the exclusive means for bringing actions against the Retirement Trust, the Trustee or the Secretary under this title.

SEC. 182. JURISDICTION AND VENUE.

(a) The United States District Court for the District of Columbia shall have exclusive jurisdiction and venue, regardless of the amount in controversy, of—

(1) civil actions brought by participants or beneficiaries pursuant to this title, and

(2) any other action otherwise arising (in whole or part) under this title or the contract.

(b) Notwithstanding any other provision of law, any order of the United States District Court for the District of Columbia issued pursuant to an action described in subsection (a) that concerns the validity or enforceability of any provision of this title or seeks injunctive relief against the Secretary or Trustee under this title shall be reviewable only pursuant to a notice of appeal to the Unit-
ed States Court of Appeals for the District of Columbia Circuit.

(c) Notwithstanding any other provision of law, re-
view by the Supreme Court of the United States of a deci-
sion of the Court of Appeals that is issued pursuant to
subsection (b) may be had only if the petition for relief
is filed within 20 calendar days after the entry of such
decision.

(d) No order of any court granting declaratory or in-
junctive relief against the Secretary or the Trustee shall
take effect during the pendency of the action before such
court, during the time an appeal may be taken, or (if an
appeal is taken or petition for certiorari filed) during the
period before the court has entered its final order dispos-
ing of the action.

SEC. 183. LIMITATIONS OF ACTIONS.

(a) Any civil action by a participant or beneficiary
for benefits under this title shall be commenced within 180
days of a final benefit determination.

(b) Any civil action for breach of the contract or vio-
lation of this title shall be commenced within the later of—

(1) six years after the last action that con-
stituted a breach of the contract or violation of this
title or, in the case of an omission, six years after
the last date on which the breach or violation could
have been cured; or

(2) three years after the earliest date on which
the plaintiff knew or could have reasonably been ex-
pected to have known of the cause of action.

(c) Notwithstanding subsection (b), any action
against the Secretary arising (in whole or part) under this
title or the contract shall be commenced within one year
of the events giving rise to the cause of action.

SEC. 184. MISAPPROPRIATION.

The provisions of section 664 of title 18, United
States Code, shall apply to the Retirement Trust and the
Federal Supplemental Fund.

Subtitle I—Miscellaneous

SEC. 191. SEVERABILITY OF PROVISIONS.

If any provision of this title, or the application of
such provision to any person or circumstances, shall be
held invalid, the remainder of this title, or the application
of such provision to persons or circumstances other than
those as to which it is held invalid, shall not be affected
thereby.

SEC. 192. FULL FAITH AND CREDIT.

Federal obligations for benefits under this title are
backed by the full faith and credit of the United States.
SEC. 193. OTHER LAWS.

(a) Nothing in this title shall be deemed to alter or amend in any way the provisions of existing law (including the Reform Act) relating to the program of annuities, other retirement benefits, or medical benefits for members and officers, retired members and officers, and survivors thereof, of the United States Park Police force, the United States Secret Service, or the United States Secret Service Uniformed Division.

(b) This title supersedes any provision of the Reform Act inconsistent with this title and the regulations thereunder.

(c) Notwithstanding section 144 of the Reform Act, no Federal payment is authorized to be appropriated to the Retirement Fund after fiscal year 1997.

SEC. 194. COMPTROLLER GENERAL.

(a) The Comptroller General of the United States is authorized to conduct evaluations of the administration of this title to ensure that the Retirement Trust and Federal Supplemental Fund are being properly administered and shall report the findings of such evaluations to the Secretary and the Congress.

(b) For the purpose of evaluations and reviews under subsection (a) the Comptroller General, subject to section 6103 of the Code, shall have access to and the right to copy any books, accounts, records, correspondence or
other pertinent documents that are in the possession of
the Secretary or the Trustee, or any contractor or sub-
contractor of the Secretary or the Trustee.

TITLE II—ASSISTANCE UNDER
MEDICAID PROGRAM

SEC. 201. FINDINGS.

Congress finds the following:

(1) The District of Columbia has a high Medicaid eligibility rate.

(2) As an urban jurisdiction with a high poverty rate and a segment of very high income population, the District of Columbia per capita income provides a misleading basis on which to set medical assistance rates, as the District lacks the rural and suburban populations that all states have and which tend to offset high urban Medicaid eligible populations.

(3) The current medical assistance rate of 50 percent unfairly treats the District of Columbia as if it were a state when it does not possess the requisite attributes of the states under the formula used to determine assistance rates.

(4) The size and growth of the Medicaid program severely impacts the District government’s fiscal and financial situation, threatening both the fis-
cal stability of the District government and the wel-
fare of District residents.

(5) The District of Columbia has historically
underperformed its duties and responsibilities to ad-
minister its Medicaid program efficiently and effec-
tively.

(6) The District of Columbia must significantly
improve its management and administration of the
Medicaid program.

(7) If the District of Columbia government has
designed a management improvement program and
is successfully implementing it to the best of its abil-
ity as certified by the Secretary of Health and
Human Services, the District should be eligible for
an increased medical assistance rate.

SEC. 202. INCREASE IN FEDERAL MEDICAL ASSISTANCE
PERCENTAGE UNDER MEDICAID.

(a) In General.—Section 1905 of the Social Secu-
urity Act (42 U.S.C. 1396d) is amended by adding at
the end the following new subsection:

“(t)(1) Notwithstanding subsection (b), the Federal
medical assistance percentage applied under this title for
medical assistance provided by the District of Columbia
shall be increased to 70 percent for calendar quarters in
any fiscal year for which there is in effect a certification
by the Secretary that the District of Columbia has developed and is implementing satisfactorily a plan to accomplish each of the following goals:

“(A) To have in effect an effective system for the identification and collection of amounts owed by third parties for medical care and services furnished under the State plan under this title (in this subsection referred to as the ‘DC medicaid plan’).

“(B) To ensure the timely audit and settlement of cost reports of institutional providers (including hospitals, nursing facilities, and intermediate care facilities for the mentally retarded) under the DC medicaid plan, including prompt elimination of the backlog of such audits and settlements.

“(C) To develop and implement, directly or under contract, a comprehensive health care management information system for the DC medicaid plan that—

“(i) standardizes data base development and management,

“(ii) integrates health care delivery with a public health data system,

“(iii) has the capacity to do all of the following:
“(I) To assist with eligibility verification.

“(II) To create utilization and financial profiles of providers.

“(III) To identify services (including preventive services) received by beneficiaries.

“(IV) To monitor the claims processing and other operations of fiscal agents.

“(V) To monitor the quality of care provided under managed care contracts.

“(VI) To coordinate information management with other public health programs and functions of the District of Columbia.

“(D) To develop a comprehensive behavioral managed health care system with respect to medical assistance under the DC medicaid plan for mental health services, substance abuse treatment services, and other behavioral services which is integrated with other substance abuse and mental health grant programs of the District of Columbia, and which includes the development of a pilot project for better evaluation of inpatient acute psychiatric patient admissions and the use (through managed care contracts or otherwise) of a comprehensive risk-based
system for managed care of behavioral health which covers all eligible populations and services.

“(2) Upon first issuing a certification under paragraph (1) that the District of Columbia has developed and is implementing satisfactorily a plan described in such paragraph, the Secretary shall submit a report to Congress describing the process by which the Secretary made the certification (including the specific assurances made by the District of Columbia), and shall thereafter submit a report to Congress on a semiannual basis describing the actions taken by the District of Columbia to comply with each of the requirements of the plan.”.

(b) Effective Date.—The amendments made by subsection (a) shall apply to medical assistance in calendar quarters beginning on or after the later of—

(1) October 1, 1997; or

(2) the first day of the first calendar quarter beginning after the date on which the Secretary of Health and Human Services first issues a certification under section 1905(t)(1) of the Social Security Act (as added by subsection (a)).
TITLE III—CRIMINAL JUSTICE
Subtitle A—Corrections

SEC. 301. BUREAU OF PRISONS.

(a) Felons Sentenced Pursuant to the Truth-In-Sentencing Requirements.—Not later than October 1, 2001, any person who has been convicted of a felony offense pursuant to the District of Columbia Code or the truth-in-sentencing system as described in section 311 shall be designated by the Bureau of Prisons to a penal or correctional facility operated or contracted for by the Bureau of Prisons, for such term of imprisonment as the court may direct. Such persons shall be subject to any law or regulation applicable to persons committed for violations of laws of the United States consistent with the sentence imposed.

(b) Felons Sentenced Pursuant to the D.C. Code.—Notwithstanding any other provision of law, not later than December 31, 2003, the Lorton Correctional Complex shall be closed and the felony population sentenced pursuant to the District of Columbia Code residing at the Lorton Correctional Complex shall be transferred to a penal or correctional facility operated or contracted for by the Bureau of Prisons. The Bureau of Prisons shall be responsible for the custody, care, subsistence, education, treatment and training of such persons.
(c) FACILITIES.—To ensure that proper and adequate facilities and personnel are available, the Bureau of Prisons:

(1) Shall administer existing contracts with private or public entities to house the sentenced felony population.

(2) Shall privatize all minimum security facilities and not less than least 1 medium security facility with a minimum of 1000 beds.

(3) May contract with private or public entities to design, build, or operate new facilities that meet standards set by the American Correctional Association, except that no facility may be built on the grounds of the Lorton Reservation.

(4) May build new facilities at a site selected by the Bureau of Prisons, except that no facility may be built on the grounds of the Lorton Reservation.

(d) NATIONAL CAPITAL PLANNING.—Notwithstanding any other provision of law, the requirements of sections 71 through 74 of title 40, United States Code (relating to national capital planning) shall not apply to any actions taken by the Bureau of Prisons or its agents or employees.

(e) DEPARTMENT OF CORRECTIONS AUTHORITY.—

The District of Columbia Department of Corrections shall
remain responsible for the custody, care, subsistence, education, treatment, and training of any person convicted of a felony offense pursuant to the District of Columbia Code and housed at the Lorton Correctional Complex until December 31, 2003, or the date on which the last inmate housed at the Lorton Correctional Complex comes under authority of the Bureau of Prisons, whichever is earlier.

(f) Lorton Correctional Complex.—Notwithstanding any other provision of law, to the extent the Bureau of Prisons assumes functions of the Department of Corrections under this title, the Department is no longer responsible for such functions and the provisions of “An Act to create a Department of Corrections in the District of Columbia”, approved June 27, 1946 (D.C. Code 24–441, 442) that apply with respect to such functions are no longer applicable. Any property on which the Lorton Correctional Complex is located shall be transferred to the Department of the Interior.

SEC. 302. CORRECTIONS TRUSTEE.

(a) Appointment and Removal of Trustee.—

(1) Appointment.—The Attorney General, in consultation with the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority (hereafter in this title referred to as the “D.C. Control Board”) and the Mayor of
the District of Columbia, shall appoint a Corrections
Trustee, who shall be an independent officer of the
government of the District of Columbia, to oversee
operations of the District of Columbia Department
of Corrections until the Bureau of Prisons has des-
ignated all felony offenders sentenced under the Dis-
trict of Columbia Code to a penal or correctional fa-
cility operated or contracted for by the Bureau of
Prisons under section 301.

(2) REMOVAL.—The Corrections Trustee may
be removed by the Mayor with the concurrence of
the Attorney General. The Attorney General shall
have the authority to remove the Corrections Trust-
ee for misfeasance or malfeasance in office. At the
request of the Corrections Trustee, the District of
Columbia Financial Responsibility and Management
Assistance Authority may exercise any of its powers
and authorities on behalf of the Corrections Trustee.

(b) DUTIES OF TRUSTEE.—Beginning on the date of
appointment and continuing until the felony population
sentenced pursuant to the District of Columbia Code re-
siding at the Lorton Correctional Complex is transferred
to a penal or correctional facility operated or contracted
for by the Bureau of Prisons, the Corrections Trustee
shall carry out the following responsibilities (notwithstanding any law of the District of Columbia to the contrary):

(1) Exercise financial oversight over the District of Columbia Department of Corrections and allocate funds as enacted in law or as otherwise allocated, including funds for short term improvements which are necessary for the safety and security of staff, inmates and the community.

(2) Purchase any necessary goods or services on behalf of the District of Columbia Department of Corrections consistent with Federal procurement regulations as they apply to the Bureau of Prisons.

(3) In consultation with the Bureau of Prisons, implement a personnel system.

(c) FUNDING.—

(1) IN GENERAL.—Funds available for the Corrections Trustee, staff and all necessary and appropriate operations shall be made available to the extent provided in appropriations acts to the Corrections Trustee. Funding requests shall be proposed by the Corrections Trustee to the President and Congress for each Fiscal Year. To the extent authorized by law, the Federal Government shall provide funds for the incarceration of the felony population sentenced pursuant to the District of Columbia Code
through the Corrections Trustee to the District of
Columbia Department of Corrections.

(2) REIMBURSEMENT TO BUREAU OF PRIS-
ONS.—Upon receipt of Federal funds, the Correc-
tions Trustee shall immediately provide an advance
reimbursement to the Bureau of Prisons of all funds
identified by the Congress for construction of new
prisons and major renovations, which shall remain
available until expended. The Bureau of Prisons
shall be responsible and accountable for determining
how these funds shall be used for renovation and
construction, including type, security level, and loca-
tion of new facilities.

(3) ACCOUNTABILITY AND REPORTS.—The Dis-
trict of Columbia Department of Corrections and the
Bureau of Prisons shall maintain accountability for
funds reimbursed from the Corrections Trustee, and
shall provide expense reports by project at the re-
quest of the Corrections Trustee.

(d) COMPENSATION AND DETAILEES.—The Correc-
tions Trustee shall be compensated at a rate not to exceed
the basic pay payable for Level IV of the Executive Sched-
ule. The Corrections Trustee may appoint and fix the pay
of additional staff without regard to the provisions of the
District of Columbia Code governing appointments and
salaries, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates. Upon request of the Corrections Trustee, the head of any Federal department or agency may, on a reimbursable or nonreimbursable basis, provide services and detail any personnel of that department or agency to the Corrections Trustee to assist in carrying out his duties.

(c) PROCUREMENT AND JUDICIAL REVIEW.—The provisions of the District of Columbia Code governing procurement shall not apply to the Corrections Trustee. The Corrections Trustee may seek judicial enforcement of his authority to carry out his duties.

(f) PRESERVATION OF RETIREMENT AND CERTAIN OTHER RIGHTS OF FEDERAL EMPLOYEES WHO BECOME EMPLOYED BY THE CORRECTIONS TRUSTEE.—

(1) IN GENERAL.—A Federal employee who, within 3 days after separating from the Federal Government, is appointed Corrections Trustee or becomes employed by the Corrections Trustee—

(A) may elect, for purposes of the retirement system in which that individual last par-
ticipated before so separating, to have such in-
dividual’s period of service with the Corrections
Trustee treated in the same way as if per-
dermed in the position within the Federal Gov-
ernment from which separated, subject to the
requisite employee deductions and agency con-
tributions being currently deposited in the ap-
propriate fund; and

(B) if, after serving with the Corrections
Trustee, such employee becomes reemployed by
the Federal Government, he shall be entitled to
credit for the full period of such individual’s
service with the Corrections Trustee, for pur-
poses of determining the applicable leave ac-
crual rate.

(2) Retirement.—

(A) Contributions.—For purposes of
subsection (A) of paragraph (1)—

(i) the employee deductions referred
to in such paragraph shall be made from
basic pay for service with the Corrections
Trustee, and shall be computed using the
same percentage as would then apply if the
individual were instead serving in the posi-
tion within the Federal Government from
which separated; and

(ii) the agency contributions referred
to in such paragraph shall be made by the
Corrections Trustee.

(B) DOUBLE COVERAGE NOT PER-
MITTED.—An individual who makes an election
under paragraph (1)(A) shall be ineligible, while
such election remains in effect, to participate in
any retirement system for employees of the gov-
ernment of the District of Columbia.

(3) REGULATIONS.—The Office of Personnel
Management shall prescribe such regulations as may
be necessary to carry out this subsection. Regula-
tions to carry out paragraph (1)(A) shall be pre-
scribed in consultation with the office or agency of
the government of the District of Columbia having
jurisdiction over any retirement system referred to
in paragraph (2)(B).

SEC. 303. AUTHORITY OF TRUSTEE AND BUREAU OF PRIS-
ONS.

(a) MEMORANDUM OF UNDERSTANDING.—The Cor-
rections Trustee may enter into a Memorandum of Under-
standing with the Bureau of Prisons to allow the Correc-
tions Trustee to enter into contracts with public or private
entities to lease beds or facilities for a period of time that may extend longer than the trusteeship. To the extent that such contracts affect incarcerated felony offenders, the Bureau of Prisons shall assume administration of the contracts when the Bureau of Prisons gains authority over incarcerated felony offenders sentenced pursuant to the District of Columbia Code.

(b) **Separation of Prisoners.**—The Corrections Trustee and the Bureau of Prisons may house the felony population sentenced pursuant to the District of Columbia Code in any facility that meets the requirements of the American Correctional Association. The Corrections Trustee and the Bureau of Prisons may construct or cause to be constructed any such facility at sites determined by the Bureau of Prisons or the Corrections Trustee, but in no case at the Lorton Reservation.

(c) **Reduction and Elimination of Lorton Correctional Complex.**—The Corrections Trustee and the Bureau of Prisons shall have a mission to reduce and empty the Lorton Correctional Complex through all means authorized, as soon as possible.

**SEC. 304. Priority Placement for Employees of the District of Columbia.**

(a) **Establishment.**—As soon as practicable after appointment, the Corrections Trustee shall establish a pri-
ority placement program to facilitate employment placement for employees of the District of Columbia who are scheduled to be separated from service due to the assumption of authority by the Corrections Trustee.

(b) PROVISIONS.—The priority placement program shall include provisions under which a vacant position shall not be filled by the appointment or transfer of any individual from outside of the District of Columbia corrections system if there is available any individual within the system who meets all qualification and suitability requirements of the Bureau of Prisons.

SEC. 305. AMENDMENTS RELATED TO PERSONS WITH A MENTAL DISEASE OR DEFECT.

Title 18, United States Code, is amended as follows:

(1) Section 4246 is amended—

(A) in subsection (a) by inserting “in the custody of the Bureau of Prisons” after “certifies that a person”; and

(B) by adding at the end the following new subsection:

“(h) DEFINITION.—As used in this chapter the term “State” includes the District of Columbia.”.

(2) Section 4247(a) is amended—

(A) in paragraph (1)(D) by striking “and” after the semi-colon;
(B) in paragraph (2) by striking the period
and inserting “; and”; and

(C) by adding at the end the following new
paragraph:
“(3) ‘State’ includes the District of Columbia.”.

(3) Section 4247(j) of title 18, United States
Code, is amended by striking “This chapter does”
and inserting “Sections 4241, 4242, 4243, and 4244
do’.

SEC. 306. LITIGATION AUTHORITY OF CORRECTIONS
TRUSTEE.

(a) CORPORATION COUNSEL.—Subject to subsection
(b), the Corporation Counsel of the District of Columbia
shall provide litigation services to the Corrections Trustee,
except that the Trustee may instead elect, either generally
or in relation to particular cases or classes of cases, to
hire necessary staff and personnel or enter into contracts
for the provision of litigation services at the Trustee’s ex-
pense.

(b) ATTORNEY GENERAL.—

(1) IN GENERAL.—Notwithstanding subsection
(a), with respect to any litigation involving the Cor-
rections Trustee, the Attorney General may—

(A) direct the litigation on behalf of the
Trustee; and
(B) provide on a reimbursable or non-reim-
bursable basis litigation services for the Trustee
at the Trustee's request or on the Attorney
General's own initiative.

(2) APPROVAL OF SETTLEMENT.—With respect
to any litigation involving the Corrections Trustee,
the Trustee may not agree to any settlement involv-
ing any form of equitable relief without the approval
of the Attorney General. The Trustee shall provide
to the Attorney General such notice and reports con-
cerning litigation as the Attorney General may di-
rect.

(3) DISCRETION.—Any decision to exercise any
authority under this subsection shall be in the sole
discretion of the Attorney General and shall not be
reviewable in any court.

SEC. 307. PERMITTING EXPENDITURE OF FUNDS TO CARRY
OUT CERTAIN SEWER AGREEMENT.

Notwithstanding the fourth sentence of section 446
of the District of Columbia Self-Government and Govern-
mental Reorganization Act, the District of Columbia is au-
thorized to obligate or expend such funds as may be nec-
essary during a fiscal year (beginning with fiscal year
1997) to carry out the Sewage Delivery System and Ca-
pacity Purchase Agreement between Fairfax County and
the District of Columbia with respect to Project Number K00301, without regard to the amount appropriated for such purpose in the budget of the District of Columbia for the fiscal year.

Subtitle B—Compliance With Truth-in-Sentencing

SEC. 311. REQUIRING COMPLIANCE WITH TRUTH-IN-SENTENCING GUIDELINES.

(a) IN GENERAL.—In accordance with the procedures described in subsection (b), any person convicted of a felony offense under a law applicable exclusively to the District of Columbia shall be sentenced in accordance with a sentencing system which meets the truth-in-sentencing requirements applicable to a State receiving a truth-in-sentencing incentive grant under section 20104 of the Violent Crime Control and Law Enforcement Act of 1994.

(b) PROCEDURES FOR ADOPTION OF SYSTEM.—If the District of Columbia does not enact the sentencing system described in subsection (a) by October 1, 1997, as determined by the head of the agency responsible for administering the program of grants referred to in subsection (a)—

(1) the District of Columbia Truth in Sentencing Compliance Commission (in accordance with sec-
tion 313) shall develop such a sentencing system;
and
(2) the system developed shall apply with re-
spect to persons convicted of a felony after the sys-
tem is developed.

SEC. 312. REQUIRING ENACTMENT OF LEGISLATION MAXI-
MIZING EFFECTIVENESS OF DRUG COURT.

(a) IN GENERAL.—In accordance with the procedures
described in subsection (b), there shall be enacted for the
District of Columbia provisions designed to maximize the
effectiveness of the drug court of the Superior Court of
the District of Columbia.

(b) PROCEDURES FOR ADOPTION OF SYSTEM.—If
the District of Columbia does not enact the provisions de-
scribed in subsection (a) by October 1, 1997, as deter-
mined by the Chief Judge of the Superior Court of the
District of Columbia not later than October 31, 1997, the
Chief Judge shall so notify the President, Congress, and
the District government.

(c) REVIEW OF ENACTED PROVISIONS.—

(1) IN GENERAL.—If the District of Columbia
enacts the provisions described in subsection (a) by
October 1, 1997, the Chief Judge of the Superior
Court of the District of Columbia shall review the ef-
ficacy of such provisions during the first 1-year
period for which such provisions are in effect. Not later than 30 days after the expiration of such 1-year period, the Chief Judge shall submit a report to the President, Congress, and the District government which includes the Chief Judge’s assessment of the effectiveness of the provisions.

(2) **Recommendations by Chief Judge.**—If the Chief Judge finds in the report submitted under paragraph (1) that the provisions enacted by the District of Columbia have not maximized the effectiveness of the Drug Court of the Superior Court of the District of Columbia, the Chief Judge shall submit a report to the President, Congress, and the District government which includes such recommendations for revisions to such provisions as the Chief Judge considers appropriate.

**SEC. 313. TRUTH IN SENTENCING COMPLIANCE COMMISSION.**

(a) **Establishment.**—

(1) **In general.**—There is established as an independent agency of the government of the District of Columbia the District of Columbia Truth in Sentencing Compliance Commission (hereafter in this section referred to as the “Commission”) which
shall be composed of 7 voting members and 2 non-voting members.

(2) No establishment if Council adopts system.—If the District of Columbia enacts a sentencing system which meets the requirements of section 311(a) by October 1, 1997, the Commission shall not be established and this section shall not take effect.

(b) Membership.—

(1) Voting members.—Not later than 30 days after the enactment of this title, the seven voting members of the Commission shall be appointed as follows:

(A) The Attorney General, or a designee of the Attorney General appointed by the Attorney General.

(B) Two judges of the District of Columbia Superior Court shall be appointed by the Chief Judge of the Court. In a case in which the Chief Judge does not appoint two judges within 30 days, the Chief Judge and the second most senior judge shall serve on the Commission.

(C) One member of the District of Columbia Council shall be appointed by the chairperson of the Council. In a case in which the
chairperson of the Council does not appoint a representative within 30 days, the chairperson or chairperson pro tempore of the Council shall serve on the Commission.

(D) The director of the Department of Corrections of the District of Columbia, or other senior official of the District of Columbia government with official responsibilities for criminal justice matters shall be appointed by the Mayor of the District of Columbia.

(E) One representative of the District of Columbia Public Defender Service shall be appointed by the Director of such Service. In a case in which the Director of the Public Defender Service does not appoint a representative within 30 days, the Director shall serve on the Commission.

(F) One representative of the United States Attorney for the District of Columbia shall be appointed by the United States Attorney. In a case in which the United States Attorney for the District of Columbia does not appoint a representative within 30 days, the United States Attorney shall serve on the Commission.
(2) NONVOTING MEMBERS.—Not later than 30 days after the enactment of this title, the 2 nonvoting ex-officio members of the Commission shall be appointed as follows:

(A) One representative of the Federal Bureau of Prisons shall be appointed by the Director of the Federal Bureau of Prisons. In a case in which the Director of the Federal Bureau of Prisons does not appoint a representative within 30 days, the Director shall serve on the Commission.

(B) One representative of the Office of Corporation Counsel of the District of Columbia shall be appointed by the Corporation Counsel of the District of Columbia. In a case in which the Corporation Counsel of the District of Columbia does not appoint a representative within 30 days, the Corporation Counsel shall serve on the Commission.

(3) CHAIRPERSON.—The Attorney General, or the Attorney General’s designee, shall be the chairperson of the Commission and shall have the duty to convene meetings of the Commission to ensure that it fulfills its responsibilities.

(4) TERMS.—
(A) In general.—Each member shall be appointed for the life of the Commission.

(B) Removal.—A member shall be subject to removal only for neglect of duty, malfeasance in office, or other good cause shown.

(C) Vacancy.—Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(5) Compensation.—Members of the Commission may not receive additional pay, allowances, or benefits by reason of their service on the Commission. Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(e) Duties.—

(1) Adoption of sentencing system.—

(A) In general.—Not later than 18 months after the date of enactment of this Act, the Commission shall develop and adopt a sentencing system which meets the requirements of section 311(a). In developing the sentencing system, the Commission is authorized to disregard any provisions in the District of Columbia Code relating to the maximum and mini-
mum prison terms applicable to offenses under
the Code as are necessary to accomplish its du-
ties, and shall not be reviewable in any court.
An affirmative vote of at least six members of
the Commission is necessary to adopt the sen-
tencing system.

(B) Report upon failure to adopt
system.—If, within 18 months after the date
of enactment of this Act, the Commission fails
to adopt a sentencing system which meets the
requirements of section 311(a)—

(i) the Commission shall submit a re-
port to the President, Congress, and the
District government describing its activi-
ties under this section and containing such
recommendations as the Commission con-
siders appropriate; and

(ii) upon the submission of such re-
port, the Commission shall immediately
terminate.

(2) Transmission to council and con-
gress.—The Commission shall transmit to Congress
and the District government the system adopted
under this subsection, including a listing of rec-
ommended amendments or repeals to the District of
Columbia Code.

(d) EXECUTIVE DIRECTOR.—

(1) APPOINTMENT.—The Commission may ap-
point an Executive Director who shall conduct or su-
pervise the general affairs of the Commission. Such
person shall report to the chairperson.

(2) SALARY.—

(A) FULL-TIME FEDERAL EMPLOYEE.—If
the Executive Director is a full-time Federal
employee, he or she shall receive no additional
compensation. The Executive Director and any
additional personnel shall receive travel ex-
penses, including per diem in lieu of subsist-
ence, in accordance with sections 5702 and
5703 of title 5, United States Code.

(B) NON FULL-TIME FEDERAL EM-
PLOYEE.—If the Executive Director is not a
full-time Federal employee, he or she shall re-
ceive compensation at a rate determined by the
Commission not exceeding Level VI of the Sen-
ior Executive Service Schedule (5 U.S.C. 5382).

(e) STAFF.—

(1) APPOINTMENT.—With the approval of the
chairperson, the Executive Director may appoint ad-
ditional personnel, without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service, or of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(2) Salary of Other Personnel.—

(A) Full-time Federal Employee.—If a person appointed by the Executive Director is a full-time Federal employee, he or she shall receive no additional compensation. The Executive Director and any additional personnel shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(B) Non Full-time Federal Employee.—If a person appointed by the Executive Director is a not a full-time Federal employee, the Executive Director, with the approval of the Commission, shall fix the compensation of such additional personnel. Such compensation shall not exceed the annual maximum rate of pay for a position above GS-15 of the General Schedule (5 U.S.C. 5108).
(f) Use of Federal or District Employees.— Upon request of the Chairperson, the head of any Federal or District of Columbia department or agency may detail, on a reimbursable or non reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties. Such personnel shall be considered Federal employees for pay and retirement purposes.

(g) Powers.—

(1) Hearings.— The Commission shall hold public hearings, review appropriate sentencing guideline models, consult with sentencing reform experts, and solicit written comments from interested members of the public, at such times as the Commission deems necessary or appropriate.

(2) Data Collection.— The Superior Court of the District of Columbia, the District of Columbia Department of Corrections, and any other Federal agency or District of Columbia agency shall provide to the Commission any data necessary to enable it to carry out this Act.

(3) Other Ancillary Powers.— The Commission is authorized—

(A) to conduct periodic training programs of instruction in sentencing techniques for judi-
cial and other personnel, and other persons con-
nected with the sentencing process;

(B) to hold hearings and call witnesses
that might assist the Commission in the exer-
cise of its powers;

(C) to perform such other functions as
may be necessary to carry out the purposes of
this section; and

(D) except as otherwise provided, to con-
duct business, exercise powers, and fulfill duties
by the vote of a majority of the members
present at any meeting.

(4) Prohibition of Capital Punishment Au-
thority.—The Commission shall not have authority
to provide for capital punishment under any law ap-
licable exclusively to the District of Columbia.

(h) Reports to Congress.—The Commission shall
transmit to Congress a copy of the sentencing system it
adopts.

(i) Litigation Authority.—

(1) Corporation Counsel.—Subject to para-
graph (2), the Corporation Counsel of the District of
Columbia shall provide litigation services to the
Commission, except that the Commission may in-
stead elect, either generally or in relation to particu-
lar cases or classes of cases, to hire necessary staff
and personnel or enter into contracts for the provi-
sion of litigation services at the Commission’s ex-
 pense.

(2) ATTORNEY GENERAL.—

(A) IN GENERAL.—Notwithstanding para-
graph (1), with respect to any litigation involv-
ing the Commission, the Attorney General
may—

(i) direct the litigation on behalf of
the Commission; and

(ii) provide on a reimbursable or non-
reimbursable basis litigation services for
the Commission at the Commission’s re-
quest or on the Attorney General’s own
initiative.

(B) APPROVAL OF SETTLEMENT.—With
respect to any litigation involving the Commis-
sion, the Commission may not agree to any set-
tlement involving any form of equitable relief
without the approval of the Attorney General.
The Commission shall provide to the Attorney
General such notice and reports concerning liti-
gation as the Attorney General may direct.
(C) DISCRETION.—Any decision to exercise any authority under this paragraph shall be in the sole discretion of the Attorney General and shall not be reviewable in any court.

(j) TERMINATION.—

(1) SENTENCING SYSTEM ADOPTED.—If, within 18 months after the date of enactment of this Act, the Commission adopts a sentencing system that meets the requirements of section 311(a), the Commission shall terminate 90 days after such adoption.

(2) SENTENCING SYSTEM NOT ADOPTED.—If, within 18 months after the date of enactment of this Act, the Commission fails to adopt a sentencing system that meets the requirements of section 311(a), the Commission shall immediately terminate.

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Commission through the State Justice Institute such sums as may be necessary to carry out its purposes. Such sums as are appropriated shall remain available until expended.

SEC. 314. TRUTH IN SENTENCING MONITORING AGENCY.

(a) ESTABLISHMENT.—Upon the establishment of a sentencing system for the District of Columbia which meets the requirements of section 311(a), there is established in the Department of Justice the District of Colum-
bia Truth in Sentencing Monitoring Agency (hereafter in this section referred to as the “Agency”) which shall be composed of 3 voting members and 2 nonvoting members.

(b) Membership.—

(1) Voting Members.—The Agency shall consist of three voting members, including a chairperson, appointed by the President by and with the consent of the Senate, who have knowledge with respect to criminal justice matters, including the truth-in-sentencing requirements applicable to a State receiving a truth-in-sentencing incentive grant under section 20104 of the Violent Crime Control and Law Enforcement Act of 1994.

(2) Nonvoting Members.—The Agency shall be composed of 2 nonvoting ex-officio members as follows:

(A) The United States Attorney for the District of Columbia, or a designee of the United States Attorney.

(B) The Director of the District of Columbia Public Defender Service, or a designee of the Director.

(3) Terms.—
(A) IN GENERAL.—Except as provided in subparagraph (B), each member of the Agency shall be appointed for a term of 6 years.

(B) APPOINTMENT FOR INITIAL TERM.—
As designated by the President at the time of appointment for the initial term—

(i) 1 member shall be appointed for a term of 2 years;

(ii) 1 members shall be appointed for a term of 4 years; and

(iii) 1 members shall be appointed for a term of 6 years.

(4) COMPENSATION.—Members of the Agency may not receive additional pay, allowances, or benefits by reason of their service to the Agency. Each member of the Agency shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(c) MONITORING OF SENTENCING PRACTICES.—

(1) IN GENERAL.—The Agency shall monitor sentencing practices of the District of Columbia.

(2) TRANSMISSION OF CERTAIN COUNCIL ACTS TO AGENCY.—Any Act of the Council transmitted to Congress pursuant to section 602(c)(2) of the Dis-
trict of Columbia Self-Government and Governmental Reorganization Act shall be transmitted simultaneously to the Agency for review.

(3) Review to determine continued compliance.—If the Agency finds that an Act of the Council transmitted under paragraph (2) or a change in the truth-in-sentencing requirements applicable to a State receiving a truth-in-sentencing incentive grant under section 20104 of the Violent Crime Control and Law Enforcement Act of 1994 would cause the sentencing system of the District of Columbia to fail to meet the requirements described in section 311(a), the Agency shall submit such finding to the President, Congress, and the District government.

(d) Powers.—

(1) Hearings.—The Agency shall hold public hearings, review appropriate sentencing guideline models, consult with sentencing reform experts, and solicit written comments from interested members of the public, at such times as the Agency deems necessary or appropriate.

(2) Data collection.—

(A) In general.—The Superior Court of the District of Columbia, the District of Colum-
bia Department of Corrections, and any other
Federal agency or District of Columbia agency
shall provide to the Agency any data necessary
to enable it to carry out this Act.

(B) OFFENDERS SENTENCED IN SUPERIOR
COURT.—The Superior Court shall submit to
the Agency, in connection with offenders sen-
tenced in the Superior Court, such information
as is determined to be relevant to the sentenc-
ing system. The Agency shall provide to the At-
torney General such data as are requested for
planning, statistical analysis or projecting fu-
ture prison population levels.

(3) OTHER ANCILLARY POWERS.—The Agency
is authorized—

(A) to conduct periodic training programs
of instruction in sentencing techniques for judi-
cial and other personnel, and other persons con-
ected with the sentencing process;

(B) to hold hearings and call witnesses
that might assist the Agency in the exercise of
its powers;

(C) to perform such other functions as
may be necessary to carry out the purposes of
this section; and
(D) except as otherwise provided, to conduct business, exercise powers, and fulfill duties by the vote of a majority of the members present at any meeting.

(e) Reports to Congress.—Beginning one year after its initial establishment, the Agency shall transmit an annual report of its activities to Congress. The Agency shall also provide Congress with a copy of any additions to or amendments of the guidelines adopted by the Agency.

(f) Authorization of Appropriations.—There are authorized to be appropriated to the Agency through the State Justice Institute such sums as may be necessary to carry out its purposes. Such sums as are appropriated shall remain available until expended.

SEC. 315. CERTAIN CLAIMS NOT LITIGABLE.

Nothing in this Act shall be construed to create a right of any person to challenge in any court a sentence imposed in a criminal case prosecuted under a law applicable exclusively to the District of Columbia on the grounds that such sentence is or is not similar to that of comparable offenders convicted of comparable offenses under the United States Code or that in any other respect the sentencing system adopted under this title does not meet the requirements of section 311(a).
SEC. 316. EVALUATION.

Four years after any sentencing system enacted under this title takes effect, the National Institute of Justice shall evaluate the sentencing system to determine the success of the sentencing system in accomplishing its purposes.

SEC. 317. CONTINUING RESPONSIBILITY TO ENSURE COMPLIANCE WITH THIS ACT.

(a) ATTORNEY GENERAL.—The Attorney General shall, after the date of enactment of this Act, inform the Council of the District of Columbia, the Congress, and the Agency of—

(1) changes in the laws of the United States and the District of Columbia, including changes in sentencing guidelines, commentary, and policy statements; and

(2) any results of the four-year evaluation described in section 316 that require, or may require, amendment of the statutes or sentencing guidelines of the District of Columbia.

(b) COUNCIL.—The Council shall develop legislation that ensures that the requirements of this Act are met.

(c) AGENCY.—The Agency shall promulgate guidelines that ensure that the requirements of this Act are met.
Subtitle C—Offender Supervision and Parole

SEC. 331. PAROLE.

(a) Paroling Jurisdiction.—

(1) Jurisdiction of Parole Commission to Deny Parole or Impose Conditions.—Not later than one year after date of the enactment of this Act, the United States Parole Commission shall assume the jurisdiction and authority of the Board of Parole of the District of Columbia to grant and deny parole, and to impose conditions upon an order of parole, in the case of any imprisoned felon who is eligible for parole or reparole under the District of Columbia Code. The Parole Commission shall have exclusive authority to amend or supplement any regulation interpreting or implementing the parole laws of the District of Columbia with respect to felons, provided that the Commission adheres to the rule-making procedures set forth in section 4218 of title 18, United States Code.

(2) Jurisdiction of Parole Commission to Revoke Parole or Modify Conditions.—On the date in which the District of Columbia Offender Supervision, Defender, and Courts Services Agency is established under section 333, the United States Pa-
role Commission shall assume any remaining powers, duties, and jurisdiction of the Board of Parole of the District of Columbia, including jurisdiction to revoke parole and to modify the conditions of parole, with respect to felons.

(3) JURISDICTION OF SUPERIOR COURT.—On the date in which the District of Columbia Offender Supervision, Defender, and Courts Services Agency is established under section 333, the Superior Court of the District of Columbia shall assume the jurisdiction and authority of the Board of Parole of the District of Columbia to grant, deny, and revoke parole, and to impose and modify conditions of parole, with respect to misdemeanants.

(b) ABOLITION OF THE BOARD OF PAROLE.—On the date in which the District of Columbia Offender Supervision, Defender, and Courts Services Agency is established under section 333, the Board of Parole established in the District of Columbia Board of Parole Amendment Act of 1987 shall be abolished.

(c) RULEMAKING AND LEGISLATIVE RESPONSIBILITY FOR PAROLE MATTERS.—The Parole Commission shall exercise the authority vested in it by this section pursuant to the parole laws and regulations of the District of Columbia regarding, except that the Council of the District
of Columbia and the Board of Parole of the District of Columbia may not revise any such laws or regulations (as in effect on the date of the enactment of this Act) without the concurrence of the Attorney General.

(d) **Increase in the Authorized Number of United States Parole Commissioners.**—Section 2(c) of the Parole Commission Phaseout Act of 1996 (Public Law 104–232) is amended to read as follows:

“(e) The United States Parole Commission shall have no more than five members.”

**SEC. 332. PRETRIAL SERVICES, DEFENSE SERVICES, PAROLE, ADULT PROBATION AND OFFENDER SUPERVISION TRUSTEE.**

(a) **Appointment and Removal.**—

(1) **Appointment.**—The Attorney General, in consultation with the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority (hereafter in this section referred to as the “D.C. Control Board”) and the Mayor of the District of Columbia, shall appoint a Pretrial Services, Defense Services, Parole, Adult Probation and Offender Supervisions Trustee, who shall be an independent officer of the government of the District of Columbia, to effectuate the reorganization and transition of functions and funding re-
lating to pretrial services, defense services, parole, adult probation and offender supervision.

(2) REMOVAL.—The Trustee may be removed by the Mayor with the concurrence of the Attorney General. The Attorney General shall have the authority to remove the Trustee for misfeasance or malfeasance in office. At the request of the Trustee, the District of Columbia Financial Responsibility and Management Assistance Authority may exercise any of its powers and authorities on behalf of the Trustee.

(b) AUTHORITY.—Beginning on the date of appointment, and continuing until the District of Columbia Offender Supervision, Defender, and Courts Services Agency is established under section 332, the Trustee shall—

(1) have the authority to exercise all powers and functions authorized for the Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency;

(2) have the authority to direct the actions of all agencies of the District of Columbia whose functions will be assumed by or within the District of Columbia Offender Supervision, Defender and Courts Services Agency, and of the Board of Parole of the District of Columbia, including the authority
to discharge or replace any officers or employees of these agencies;

(3) exercise financial oversight over all agencies of the District of Columbia whose functions will be assumed by or within the District of Columbia Offender Supervision, Defender and Courts Services Agency, and over the Board of Parole of the District of Columbia, and allocate funds to these agencies as appropriated by Congress and allocated by the President;

(4) receive and transmit to the District of Columbia Pretrial Services Agency all funds appropriated for such agency; and

(5) receive and transmit to the District of Columbia Public Defender Service all funds appropriated for such agency.

(c) COMPENSATION.—The Trustee shall be compensated at a rate not to exceed the basic pay payable for Level IV of the Executive Schedule. The Trustee may appoint and fix the pay of additional staff without regard to the provisions of the District of Columbia Code governing appointments and salaries, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of Chapter
53 of title 5, United States Code, relating to classification
and General Schedule pay rates. Upon request of the
Trustee, the head of any Federal department or agency
may, on a reimbursable or non-reimbursable basis, provide
services and/or detail any personnel of that department
or agency to the Trusteeship to assist in carrying out its
duties.

(d) PROCUREMENT AND JUDICIAL REVIEW.—The
provisions of the District of Columbia Code governing pro-
curement shall not apply to the Trustee. The Trustee may
enter into such contracts as the Trustee considers appro-
riate to carry out the Trustee’s duties. The Trustee may
seek judicial enforcement of the Trustee’s authority to
carry out the Trustee’s duties.

(e) PRESERVATION OF RETIREMENT AND CERTAIN
OTHER RIGHTS OF FEDERAL EMPLOYEE WHO BECOMES
THE TRUSTEE.—

(1) IN GENERAL.—A Federal employee who,
within 3 days after separating from the Federal
Government, is appointed Trustee, or becomes em-
ployed by the Trustee—

(A) may elect, for purposes of the retire-
ment system in which that individual last par-
ticipated before so separating, to have such in-
dividual’s period of service with the Trustee

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treated in the same way as if performed in the
position within the Federal Government from
which separated, subject to the requisite em-
ployee deductions and agency contributions
being currently deposited in the appropriate
fund; and

(B) if, after serving as or with the Trustee,
such employee becomes reemployed by the Fed-
eral Government, he shall be entitled to credit
for the full period of such individual’s service as
Trustee, for purposes of determining the appli-
cable leave accrual rate.

(2) RETIREMENT.—

(A) CONTRIBUTIONS.—For purposes of
subparagraph (A) of paragraph (1)—

(i) the employee deductions referred
to in such paragraph shall be made from
basic pay for service as or with the Trust-
lee, and shall be computed using the same
percentage as would then apply if the indi-
vidual were instead serving in the position
within the Federal Government from which
separated; and
(ii) the agency contributions referred to in such paragraph shall be made by the
Trustee.

(B) Double coverage not permitted.—An individual who makes an election under paragraph (1)(A) shall be ineligible, while such election remains in effect, to participate in any retirement system for employees of the government of the District of Columbia.

(3) Regulations.—The Office of Personnel Management shall prescribe such regulations as may be necessary to carry out this subsection. Regulations to carry out paragraph (1)(A) shall be prescribed in consultation with the office or agency of the government of the District of Columbia having jurisdiction over any retirement system referred to in subsection (2) (B).

(f) Funding.—Funds available for operation of the Trustee shall be made available to the extent provided in appropriations acts to the Trustee, through the State Justice Institute. Funding requests shall be proposed by the Trustee to the President and Congress for each Fiscal Year.

(g) Litigation Authority.—
(1) CORPORATION COUNSEL.—Subject to para-

graph (2), the Corporation Counsel of the District of

Columbia shall provide litigation services to the

Trustee, except that the Trustee may instead elect,

either generally or in relation to particular cases or

classes of cases, to hire necessary staff and person-

nel or enter into contracts for the provision of litiga-

tion services at the Trustee's expense.

(2) ATTORNEY GENERAL.—

(A) IN GENERAL.—Notwithstanding para-

graph (2), with respect to any litigation involv-

ing the Trustee, the Attorney General may—

(i) direct the litigation on behalf of

the Trustee; and

(ii) provide on a reimbursable or non-

reimbursable basis litigation services for

the Trustee at the Trustee's request or on

the Attorney General's own initiative.

(B) APPROVAL OF SETTLEMENT.—With

respect to any litigation involving the Trustee,

the Trustee may not agree to any settlement in-

volving any form of equitable relief without the

approval of the Attorney General. The Trustee

shall provide to the Attorney General such no-
tice and reports concerning litigation as the At-
torney General may direct.

(C) DISCRETION.—Any decision to exercise
any authority under this paragraph shall be in
the sole discretion of the Attorney General and
shall not be reviewable in any court.

(h) CERTIFICATION.—The District of Columbia Of-
fender Supervision, Defender, and Courts Services Agency
shall assume its duties pursuant to section 333 when,
within the period beginning one year after the date of the
enactment of this title and ending three years after the
date of the enactment of this title, the Trustee certifies
to the Attorney General and the Attorney General concurs
that the Agency can carry out the functions described in
section 333 and the United States Parole Commission can
carry out the functions described in section 331.

SEC. 333. OFFENDER SUPERVISION, DEFENDER AND
COURTS SERVICES AGENCY.

(a) ESTABLISHMENT.—There is established within
the executive branch of the Federal Government the Dis-
trict of Columbia Offender Supervision, Defender, and
Courts Services Agency (hereafter in this section referred
to as the “Agency”) which shall assume its duties not less
than one year or more than three years after the enact-
ment of this Act.
(b) Director.—

(1) Appointment and Compensation.—The Agency shall be headed by a Director appointed by the President, by and with the advice and consent of the Senate, for a term of six years. The Director shall be compensated at the rate prescribed for Level IV of the Executive Schedule, and may be removed from office prior to the expiration of term only for neglect of duty, malfeasance in office, or other good cause shown.

(2) Powers and Duties of Director.—The Director shall—

(A) submit annual appropriation requests for the Agency to the Office of Management and Budget;

(B) determine, in consultation with the Chief Judge of the United States District Court for the District of Columbia, the Chief Judge of the Superior Court of the District of Columbia, and the Chairman of the United States Parole Commission, uniform supervision and reporting practices for the Agency;

(C) hire and supervise supervision officers and support staff for the Agency;
(D) direct the use of funds made available to the Agency;

(E) enter into such contracts, leases, and cooperative agreements as may be necessary for the performance of the Agency’s functions, including contracts for substance abuse and other treatment and rehabilitative programs;

(F) develop and operate intermediate sanctions programs for sentenced offenders; and

(G) arrange for the supervision of District of Columbia paroled offenders in jurisdictions outside the District of Columbia.

(c) FUNCTIONS.—

(1) IN GENERAL.—The Agency shall provide supervision, through qualified supervision officers, for offenders on probation, parole, and supervised release pursuant to the District of Columbia Code. The Agency shall carry out its responsibilities on behalf of the court or agency having jurisdiction over the offender being supervised.

(2) SUPERVISION OF RELEASED OFFENDERS.—The Agency shall supervise any offender who is released from imprisonment for any term of supervised release imposed by the Superior Court of the District of Columbia. Such offender shall be subject to
the authority of the United States Parole Commission until completion of the term of supervised release. The United States Parole Commission shall have and exercise the same authority as is vested in the United States district courts by paragraphs (d) through (i) of section 3583 of title 18, United States Code, except that—

(A) the procedures followed by the Commission in exercising such authority shall be those set forth in chapter 311 of title 18, United States Code; and

(B) an extension of a term of supervised release under subsection (e)(2) of section 3583 may only be ordered by the Superior Court upon motion from the Commission.

(3) Supervision of Probationers.—The Agency shall supervise all offenders placed on probation by the Superior Court of the District of Columbia. The Agency shall carry out the conditions of release imposed by the Superior Court, and shall make such reports to the Superior Court with respect to an individual on probation as the Superior Court may require.

(4) Supervision of District of Columbia Parolees.—The Agency shall supervise all individ-
uals on parole pursuant to the District of Columbia Code. The Agency shall carry out the conditions of release imposed by the United States Parole Commission or, with respect to a misdemeanor, by the Superior Court of the District of Columbia, and shall make such reports to the Commission or Court with respect to an individual on parole supervision as the Commission or Court may require.

(d) Authority of Officers.—The supervision officers of the Agency shall have and exercise the same powers and authority as are granted by law to United States Probation and Pretrial Officers.

(e) Pretrial Services Agency and Public Defender Service.—


(2) Submission on Behalf of Pretrial Services.—The Director of the Agency shall sub-
mit, on behalf of the District of Columbia Pretrial Services Agency and with the approval of the Director of the Pretrial Services Agency, an annual appropriation request to the Office of Management and Budget. Such request shall be separate from the request submitted for the Agency.

(3) Submission on behalf of public defender service.—The Director of the Agency shall submit, on behalf of the District of Columbia Public Defender Service and with the approval of the Director of the Public Defender Service, an annual appropriation request to the Office of Management and Budget. Such request shall be separate from that submitted for the Agency.

SEC. 334. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated through the State Justice Institute in each fiscal year such sums as may be necessary for the following:

(1) District of Columbia Pretrial Services Agency.

(2) District of Columbia Public Defender Service.

(3) Supervision of offenders on probation, parole, or supervised release for offenses under the District of Columbia Code.
(4) Operation of the parole system for offenders convicted of offenses under the District of Columbia Code.

(5) Operation of the Trusteeship described in section 335.

Subtitle D—District of Columbia Courts

PART 1—TRANSFER OF ADMINISTRATION AND FINANCING OF COURTS TO FEDERAL GOVERNMENT

SEC. 341. AUTHORIZATION OF APPROPRIATIONS.

(a) Authorizations.—There are authorized to be appropriated through the State Justice Institute in each fiscal year such sums as may be necessary for the following:

(1) The Superior Court of the District of Columbia.

(2) The District of Columbia Court of Appeals.

(3) The Executive Office for the District of Columbia Courts.

(4) The District of Columbia court system.

(b) Submission to OMB.—The Executive Office of the District of Columbia Courts shall include in its submissions to the Office of Management and Budget and the Congress, the budget and appropriations requests of
the Superior Court for the District of Columbia, the District of Columbia Court of Appeals, and the District of Columbia court system.

SEC. 342. ADMINISTRATION OF COURTS UNDER DISTRICT OF COLUMBIA CODE.

(a) Submission of Annual Budget Requests by Joint Committee on Judicial Administration.—Section 11–1701(b)(4), District of Columbia Code, is amended to read as follows:

“(4) Submission of the annual budget requests of the District of Columbia Court of Appeals and the Superior Court through the Executive Officer of the District of Columbia Courts as the integrated budget of the District of Columbia court system, except that such requests may be modified upon the concurrence of four of the five members of the Joint Committee.”.

(b) Audit of Accounts of Courts.—Section 11–1723(a)(3), District of Columbia Code, is amended to read as follows:

“(3) The Fiscal Officer shall be responsible for the approval of vouchers and the internal auditing of the accounts of the courts and shall arrange for an annual independent audit of the accounts of the courts.”.
(c) **Appointment and Removal of Court Personnel.**—Section 11–1725(b) of the District of Columbia Code is amended to read as follows:

“(b) The Executive Officer shall appoint, and may remove, the Director of Social Services, the clerks of the courts, the Auditor-Master, and all other nonjudicial personnel for the courts (other than the Register of Wills and personal law clerks and secretaries of the judges) as may be necessary, subject to—

“(1) regulations approved by the Joint Committee; and

“(2) the approval of the chief judge of the court to which the personnel are or will be assigned.

“Appointments and removals of court personnel shall not be subject to the laws, rules, and limitations applicable to District of Columbia employees.”.

(d) **Procurement of Equipment and Supplies.**—Section 11–1742(b), District of Columbia Code, is amended to read as follows:

“(b) The Executive Officer shall be responsible for the procurement of necessary equipment, supplies, and services for the courts and shall have power, subject to applicable law, to reimburse the District of Columbia government for services provided and to contract for such equipment, supplies, and services as may be necessary.”.
(c) **Budget and Expenditures.**—

(1) **In General.**—Section 11–1743, District of Columbia Code, is amended to read as follows:

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§ 11–743. Annual Budget and Expenditures.

(a) The Joint Committee shall prepare and submit through the Executive Officer of the District of Columbia Courts annual estimates of the expenditures and appropriations necessary for the maintenance and operations of the District of Columbia court system. All such estimates shall be included in the budget without revision by the President but subject to the President’s recommendations.

(b) The District of Columbia Courts may make such expenditures as may be necessary to execute efficiently the functions vested in the Courts.

(c) All expenditures of the Courts shall be allowed and paid upon presentation of itemized vouchers signed by the certifying officer designated by the Joint Committee. All such expenditures shall be paid out of moneys appropriated for purposes of the Courts.”.
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(2) **Clerical Amendment.**—The item relating to section 11–1743 in the table of sections for subchapter III of chapter 17 of title 11, District of Columbia Code, is amended to read as follows:

“11–1743. Annual budget and expenditures.”.
SEC. 343. BUDGETING AND FINANCING REQUIREMENTS FOR COURTS UNDER HOME RULE ACT.

(a) Budget of Courts.—Section 445 of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, Title 11 App.) is amended to read as follows:

"Sec. 445. The District of Columbia courts shall prepare and annually submit through the Executive Office of the District of Columbia Courts to the Office of Management and Budget, for inclusion in the annual budget, annual estimates of the expenditures and appropriations necessary for the maintenance and operation of the District of Columbia court system. The courts shall submit as part of their budgets both a multiyear plan and a multiyear capital improvements plan and shall submit a statement presenting qualitative and quantitative descriptions of court activities and the status of efforts to comply with reports of the Comptroller General of the United States."

(b) Financial Duties of the Mayor.—Section 448(a)(6) of such Act (DC Code, sec. 47–310(a)(6)) is amended to read as follows:

"(6) supervise and be responsible for the levying and collection of all taxes, special assessments, license fees, and other revenues of the District, as required by law, and receive all moneys receivable by the District from the Federal Government or from..."
any agency or instrumentality of the District, except that this paragraph shall not apply to moneys from the District of Columbia Courts.”.

(c) Funds of the District.—Section 450 of such Act (DC Code, sec. 47–130), is amended to read as follows:

“SEC. 450. The General Fund of the District shall be composed of those District revenues which on the effective date of this title are paid into the Treasury of the United States and credited either to the General Fund of the District or its miscellaneous receipts, but shall not include any revenues which are applied by law to any special fund existing on the date of enactment of this title. The Council may from time to time establish such additional special funds as may be necessary for the efficient operation of the government of the District. All money received by any agency, officer, or employee of the District in its or his official capacity shall belong to the District government and shall be paid promptly to the Mayor for deposit in the appropriate fund, except that all money received by the District of Columbia Courts shall be deposited in the Treasury of the United States.”.

(d) Reductions in Budgets of Independent Agencies.—Section 453(c) of such Act (DC Code, sec. 47–304.1(c)) is amended to read as follows:
“(c) Subsection (a) shall not apply to amounts appropriated or otherwise made available to the Council or to the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.”.

(e) TREATMENT OF COURT FEES IN CALCULATION OF LIMITS ON DISTRICT BORROWING.—Section 603 of such Act (DC Code, sec. 47–313) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in the first sentence, by striking “less court fees, any fees” and inserting “less any fees”; and

(ii) in the second sentence, by striking “section 2501 , title 47 of the District of Columbia Code, as amended” and inserting “title VI of the District of Columbia Revenue Act of 1939”;

(B) in paragraph (3)(A), by striking “less court fees, any fees” and inserting “less any fees”; and

(2) in subsection (e), by striking the last sentence (relating to budget estimates of the District of Columbia courts).
SEC. 344. AUDITING OF ACCOUNTS OF COURT SYSTEM.

(a) Powers of District of Columbia Auditor.—Section 455 of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47–117) is amended by adding at the end the following new subsection:

“(g) This section shall not apply to the District of Columbia Courts or the accounts and operations thereof.”

(b) Submission of GAO Audit Reports to Mayor and Council.—Section 715(b) of title 31, United States Code (DC Code, sec. 47–118.1(b)), is amended by striking “and the Mayor” and inserting “and (other than the audit reports of the District of Columbia Courts) the Mayor”.

(c) Independent Annual Audit.—Section 4 of Public Law 94–399 (DC Code, sec. 47–119) is amended by adding at the end the following new subsection:

“(d) This section shall not apply to the District of Columbia Courts or the financial operations thereof.”

SEC. 345. MISCELLANEOUS BUDGETING AND FINANCING REQUIREMENTS FOR COURTS UNDER DISTRICT LAW.

(a) Deposit of Public Funds.—Section 2(21) of the District of Columbia Depository Act of 1977 (DC Code, sec. 47–341(21)) is amended by striking “a court, agency” and inserting “an agency”.

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(b) Reprogramming of Budget Amounts.—Section 4(h) of D.C. Law 3–100 (DC Code, sec. 47–363(h)) is amended by striking “the District of Columbia courts.”.

(c) Control of Grant Funds.—(1) Section 3(1) of D.C. Law 3–104 (DC Code, sec. 47–382(1)) is amended to read as follows:

“(1) ‘Agency’ means the highest organizational structure of the District at which budgeting data is aggregated, but shall not include the District of Columbia Courts.”

(2) Section 4(b) of D.C. Law 3–104 (DC Code, sec. 47–383(b)) is amended to read as follows:

“(b) The Trustees of the University of the District of Columbia, the Board of Education, and the D.C. General Hospital Commission shall submit to the Mayor two copies of the application and completed approval form, as an advisory notice, concurrent with submitting the application and completed approval form to a grant-making agency in accordance with rules and regulations issued pursuant to subsection (c) of this section.”.

SEC. 346. OTHER PROVISIONS RELATING TO ADMINISTRATION OF DISTRICT OF COLUMBIA COURTS.

(a) Juror Fees.—Section 11–1912(a), District of Columbia Code, is amended to read as follows:
“(a) Notwithstanding section 602(a) of the District of Columbia Self-Government and Governmental Reorganization Act, grand and petit jurors serving in the Superior Court shall receive fees and expenses at rates established by the Board of Judges of the Superior Court”, except that such fees and expenses may not exceed the respective rates paid to such jurors in the Federal system.”.

(b) **Compensation of Nonjudicial Personnel Tied to Compensation for Federal Employees.**—

Section 11–1726, District of Columbia Code, is amended—

(1) by striking “without” and inserting “with”; and

(2) by striking “and District of Columbia Governments” and inserting “Government”.

**PART 2—JUDICIAL RETIREMENT PROGRAM**

**SEC. 351. JUDICIAL RETIREMENT AND SURVIVORS ANNUITY FUND.**

(a) **Establishment of Fund.**—Section 11–1570, District of Columbia Code, is amended to read as follows:

“§11–1570. The District of Columbia Judicial Retirement and Survivors Annuity Fund.

“(a) There is established in the Treasury a fund known as the District of Columbia Judicial Retirement
and Survivors Annuity Fund, which shall consist of the following assets:

“(1) Amounts deposited by, or deducted and withheld from the salary and retired pay of, a judge under section 1563 or 1567 of this title, which shall be credited to an individual account of the judge.

“(2) Amounts transferred from the District of Columbia Judges’ Retirement Fund under section 124(c)(1) of the District of Columbia Retirement Reform Act.

“(3) Any return on investment of the assets of the fund.

“(b) Amounts in the fund are available for the payment of judges’ retirement salaries, annuities, refunds, and allowances under this subchapter.

“(c) The chief judges of the District of Columbia Court of Appeals and Superior Court of the District of Columbia shall submit to the President an annual estimate of the expenditures and appropriations necessary for the maintenance and operation of the fund, and such supplemental and deficiency estimates as may be required from time to time for the same purposes, according to law.

“(d)(1) The chief judge may cause periodic examinations of the retirement fund to be made by an actuary,
who may be an actuary employed by another department of the Government temporarily assigned for the purpose.

“(2)(A) Subject to the availability of appropriations, there shall be deposited in the Treasury to the credit of the retirement fund, not later than the close of each fiscal year, such amounts as may be required to reduce to zero the unfunded liability (if any) of the fund. Such deposits shall be taken from sums available for that fiscal year for the payment of the expenses of the Court.

“(B) For purposes of subparagraph (A) of this paragraph, the term ‘unfunded liability’, with respect to any fiscal year, means the amount estimated by the chief judges to be equal to the excess (as of the close of that fiscal year) of—

“(i) the present value of all benefits payable from the fund (determined on an annual basis is accordance with section 9503 of title 31, United States Code), over

“(ii) the sum of—

“(I) the present values of future deductions under sections 11–1563 and 11–1567; and

“(II) the balance in the fund as of the close of the fiscal year.
“(C) Amounts deposited in the retirement fund under this paragraph shall not be credited to the account of any individual.

“(e) The Secretary of the Treasury shall invest from time to time in interest-bearing securities of the United States, such portions of the fund as in such Secretary’s judgment may not be immediately required for payment from the fund.

“(f) None of the moneys mentioned in this subchapter (including moneys in the District of Columbia Judges’ Retirement Fund) shall be assignable, either in law or in equity, or be subject to execution, levy, attachment, garnishment, or other legal process.”.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter III of chapter 15 of title 11, District of Columbia Code, is amended by amending the item relating to section 11–1570 to read as follows:

“11–1570. The District of Columbia Judicial Retirement and Survivors Annuity Fund.”.

SEC. 352. TERMINATION OF CURRENT FUND AND PROGRAM.

(a) TERMINATION OF JUDGES’ RETIREMENT FUND.—Section 124 of the District of Columbia Retirement Reform Act (DC Code, sec. 1–714) is amended by striking subsection (c) and inserting the following:
“(c)(1) Notwithstanding any other provision of this Act or the amendments made by this Act, upon the date provided for the transfer of assets of the Retirement Fund described in title I of the National Capital Revitalization and Self-Government Improvement Act of 1997, the assets of the District of Columbia Judges’ Retirement Fund established under subsection (a) shall be transferred to the District of Columbia Judicial Retirement and Survivors Annuity Fund under section 11±1570, District of Columbia Code, and no amounts shall be deposited into the District of Columbia Judges’ Retirement Fund after the date on which the assets are so transferred.

“(2) The District of Columbia Judges’ Retirement Fund established under subsection (a) shall be continued in the Treasury and appropriated for the purposes provided in this Act until such time as all amounts in such Fund have been expended or transferred to the District of Columbia Judicial Retirement and Survivors Annuity Fund pursuant to paragraph (1). Thereafter any payments of retirement salaries, annuities, refunds, and allowances for judicial personnel of the District of Columbia shall be paid from the District of Columbia Judicial Retirement and Survivors Annuity Fund in accordance with subchapter III of chapter 15 of title 11, District of Columbia Code.”.
(b) Removal of Judges From Retirement Board.—Section 121(b)(1)(A) of the District of Co-
mbia Retirement Reform Act (DC Code, sec. 1–
711(b)(1)(A)) is amended—

(1) in the matter preceding clause (i), by strik-
ing “13” and inserting “11”;

(2) by striking clause (vii); and

(3) by redesignating clauses (viii) and (ix) as
clauses (vii) and (viii).

SEC. 353. CONFORMING AMENDMENTS.

(a) Transfer of Authority Over Fund to Sec-
retary of Treasury.—Title 11, District of Columbia
Code, is amended as follows:

(1) In sections 11–1561(8)(C), 11–1562(c),
11–1563(b), 11–1563(c), 11–1564(d)(6), 11–
1564(d)(7), 11–1566(a), and 11–1570(c), by strik-
ing “Commissioner [Mayor]” each place it appears
and inserting “Secretary of the Treasury”.

(2) In sections 11–1566(b)(2), 11–1567(a), 11–
1567(b), by striking “Mayor” each place it appears
and inserting “Secretary of the Treasury”.

(3) In sections 11–1564(d)(2)(A) and 11–
1568.1(1)(B), by striking “Mayor of the District of
Columbia” each place it appears and inserting “Sec-
retary of the Treasury”.

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(4) In section 11–1563(a), by striking “paid to the Custodian of Retirement Funds (as defined in section 102(6) of the District of Columbia Retirement Reform Act)” and inserting “paid to the Secretary of the Treasury”.

(b) Definition of Fund.—Section 11–1561(4), District of Columbia Code, is amended to read as follows:

“(4) The term ‘fund’ means the District of Columbia Judicial Retirement and Survivors Annuity Fund established by sections 11–1570.”.

(c) Treatment of Federal Service of Judges.—Section 11–1564(d)(4), District of Columbia Code, is amended by striking “Judges’ Retirement Fund established by section 124(a) of the District of Columbia Retirement Reform Act” and inserting “Judicial Retirement and Survivors Annuity Fund under section 11–1570”.

PART 3—MISCELLANEOUS CONFORMING AND ADMINISTRATIVE PROVISIONS

SEC. 361. TREATMENT OF COURTS UNDER MISCELLANEOUS DISTRICT LAWS.

(a) Financial Responsibility and Management Assistance Act.—Paragraph (5) of section 305 of the District of Columbia Financial Responsibility and Man-
agement Assistance Act of 1995 (DC Code, sec. 47–393(5)) is amended to read as follows:

“(5) The term ‘District government’ means the government of the District of Columbia, including any department, agency or instrumentality of the government of the District of Columbia; any independent agency of the District of Columbia established under part F of title IV of the District of Columbia Self-Government and Governmental Reorganization Act or any other agency, board, or commission established by the Mayor or the Council; the Council of the District of Columbia; and any other agency, public authority, or public benefit corporation which has the authority to receive monies directly or indirectly from the District of Columbia (other than monies received from the sale of goods, the provision of services, or the loaning of funds to the District of Columbia), except that such term does not include the Authority.”.

(b) MERIT PERSONNEL ACT.—(1) Section 201 of the District of Columbia Comprehensive Merit Personnel Act of 1978 (DC Code, sec. 1–602.1) is amended—

(A) by striking “(a) Except as provided in subsection (b) or unless” and inserting “Unless”; and

(B) by striking subsection (b).
(2) Section 301(13) of the District of Columbia Comprehensive Merit Personnel Act of 1978 (DC Code, sec. 1–603.1(13)) is amended by striking “, the Superior Court of the District of Columbia, and the District of Columbia Court of Appeals shall be considered independent agencies” and inserting “shall be considered an independent agency”.

SEC. 362. REPRESENTATION OF INDIGENTS IN CRIMINAL CASES.

(a) BUDGET.—Section 11–2607, District of Columbia Code, is amended to read as follows:

“§ 11–2607. Preparation of Budget.

“The joint committee shall prepare and include in its annual budget requests for the District of Columbia court system estimates of the expenditures and appropriations necessary for furnishing representation by private attorneys to persons entitled to representation in accordance with section 2601 of this title.”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 11–2608 of the District of Columbia Code is amended to read as follows:


“There are authorized to be appropriated through the State Justice Institute to the District of Columbia Public Defender Service such sums as may be necessary to pay
for representation by private attorneys and related services under this chapter. When so specified in appropriation Acts, such appropriations shall remain available until expended.”.

(d) Repeal Authority of Council.—

(1) IN GENERAL.—Section 11–2609, District of Columbia Code, is repealed.

(2) Clerical Amendment.—The table of sections for chapter 26 of title 11, District of Columbia Code, is amended by striking the item relating to section 11–2609.

Subtitle E—Pretrial Services Agency and Public Defender Service

SEC. 371. AMENDMENTS AFFECTING PRETRIAL SERVICES AGENCY.

(a) In General.—Sections 23–1304 through 23–1308 of the District of Columbia Code are amended to read as follows:

“§ 23–1304. Executive committee; composition; appointment and qualifications of Director. “(a) The agency shall be advised by an executive committee of seven members, of which four members shall constitute a quorum. The Executive Committee shall be composed of the following persons or their designees: the Chief Judge of the United States Court of Appeals for
the District of Columbia Circuit, the Chief Judge of the
United States District Court for the District of Columbia,
the Chief Judge of the District of Columbia Court of Ap-
peals, the Chief Judge of the Superior Court of the Dis-
trict of Columbia, the United States Attorney for the Dis-
trict of Columbia, the Director of the District of Columbia
Public Defender Service, and the Director of the District
of Columbia Offender Supervision, Defender and Courts
Services Agency.

“(b) The Chief Judge of the United States Court of
Appeals for the District of Columbia Circuit and the Chief
Judge of the United States District Court for the District
of Columbia, in consultation with the other members of
the executive committee, shall appoint a Director of the
agency who shall be a member of the bar of the District
of Columbia.

§ 23–1305. Duties of director; compensation.

“(a) The Director of the agency shall be responsible
for the supervision and execution of the duties of the agen-
cy. The Director shall be compensated as a member of
the Senior Executive Service pursuant to subchapter VIII
of chapter 53 of title 5, United States Code.
§ 23–1306. Chief assistant and other agency personnel; compensation.

“The Director shall employ a chief assistant who shall be compensated as a member of the Senior Executive Service pursuant to section 5382 of title 5, United States Code. The Director shall employ such agency personnel as may be necessary properly to conduct the business of the agency. All employees other than the chief assistant shall receive compensation that is comparable to levels of compensation established for Federal pretrial services agencies.

§ 23–1307. Annual reports.

“(a) The Director shall each year submit to the executive committee and to the Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency a report as to the Pretrial Services Agency’s administration of its responsibilities for the previous fiscal year. The Director shall include in the report a statement of financial condition, revenues, and expenses for the past fiscal year.

§ 23–1308. Appropriation; budget.

“There are authorized to be appropriated through the State Justice Institute in each fiscal year such sums as may be necessary to carry out the provisions of this subchapter. Funds appropriated by Congress for the District of Columbia Pretrial Services Agency shall be received by

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the Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency, and shall be disbursed by that Director to and on behalf of the District of Columbia Pretrial Services Agency. The District of Columbia Pretrial Services Agency shall submit to the Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency at the time and in the form prescribed by that Director, reports of its activities and financial position and its proposed budget.”.

(b) Clerical Amendment.—The table of sections for subchapter I of chapter 13 of title 23, District of Columbia Code, is amended by striking the items relating to sections 23–1304 through 23–1308 and inserting the following:

``23–1304. Executive committee; composition; appointment and qualifications of Director.
``23–1305. Duties of director; compensation.
``23–1306. Chief assistant and other agency personnel; compensation.
``23–1307. Annual reports.
``23–1308. Appropriation; budget.

SEC. 372. AMENDMENTS AFFECTING PUBLIC DEFENDER SERVICE.

(a) Board of Trustees.—Section 303(a) of the District of Columbia Court Reform and Criminal Procedure Act of 1970 (DC Code, sec. 1–2703(a)) is amended to read as follows:

“(a) The Service shall be advised on matters of general policy by a Board of Trustees.”.
(b) APPOINTMENT OF DIRECTOR AND DEPUTY DIRECTOR.—Section 304 of such Act (DC Code, sec. 1–2704) is amended to read as follows:

"SEC. 304. DIRECTOR AND DEPUTY DIRECTOR; APPOINTMENT; DUTIES; MEMBERSHIP IN BAR REQUIRED.

The Chief Judge of the United States Court of Appeals for the District of Columbia Circuit and the Chief Judge of the United States District Court for the District of Columbia, in consultation with the persons described in subparagraphs (B) through (D) of section 303(b)(1) and the Board of Trustees, shall appoint a Director and Deputy Director of the Service. The Director shall be responsible for the supervision and execution of the duties of the Service. The Deputy Director shall assist the Director and shall perform such duties as the Director may prescribe. The Director and Deputy Director shall be members of the bar of the District of Columbia. The Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency shall fix the compensation of the Director and the Deputy Director, but the compensation of the Director shall not exceed the compensation received by the United States Attorney for the District of Columbia.".
(c) **Annual Report and Audit.**—Section 306 of such Act (DC Code, sec. 1–2706) is amended—

(1) in subsection (a)—

(A) by striking “Board of Trustees” and inserting “Director”, and

(B) by striking “and to the Mayor of the District of Columbia” and inserting “to the Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency, and to the Office of Management and Budget”; and

(2) in subsection (b)—

(A) by striking “Board of Trustees” and inserting “Director”; and

(B) by striking “and to the Mayor of the Administrative Office of the United States Courts” and inserting “the Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency”.

(d) **Appropriations.**—Section 307 of such Act (DC Code, sec. 1–2707) is amended—

(1) by amending subsection (a) to read as follows:

“(a) There are authorized to be appropriated through the State Justice Institute in each fiscal year such sums
as may be necessary to carry out the provisions of this chapter. Funds appropriated by Congress for the District of Columbia Public Defender Service shall be received by the Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency, and shall be disbursed by that Director to and on behalf of the Service. The Service shall submit to the Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency, at the time and in the form prescribed by that Director, reports of its activities and financial position and its proposed budget.”; and

(2) in subsection (b), by striking “Upon approval of the Board of Trustees, the” and inserting “The”.

Subtitle F—Miscellaneous Provisions

SEC. 381. TECHNICAL ASSISTANCE AND RESEARCH.

There are authorized to be appropriated to the National Institute of Justice in each fiscal year (beginning with fiscal year 1998) such sums as may be necessary for the following activities:

(1) Research and demonstration projects, evaluations, and technical assistance to assess and analyze the crime problem in the District of Columbia, and to improve the ability of the criminal justice and
other systems and entities in the District of Columbia to prevent, solve, and punish crimes.

(2) The establishment of a locally-based corporation or institute in the District of Columbia supporting research and demonstration projects relating to the prevention, solution, or punishment of crimes in the District of Columbia, including the provision of related technical assistance.

SEC. 382. EXEMPTION FROM PERSONNEL AND BUDGET CEILINGS FOR TRUSTEES AND RELATED AGENCIES.

The Trustees described in sections 301 and 335 of this title, and the activities of the agencies over which the Trustees exercise financial oversight pursuant to those sections, shall not be subject to the personnel or budget limitations which otherwise apply to the District of Columbia or its agencies.

TITLE IV—PRIVATIZATION OF TAX COLLECTION AND ADMINISTRATION

SEC. 401. FINDINGS.

Congress finds as follows:

(1) The District of Columbia government has historically had a poor record of determining and
collecting all revenue it is due under its revenue code.

(2) The impact on the District’s financial condition of poor administration and collection is significant and has contributed both to the size of its accumulated operating deficit and to the difficulty in balancing the budget going forward.

(3) More complete collection of taxes would not only increase District of Columbia revenues, but would give residents and businesses a sense of equity and that all were paying their fair share.

(4) Once District tax processing and collection is competently managed it will be possible for the District government to accurately assess the true value of its many taxes and determine that some may be reduced or eliminated without a significant negative impact on revenues.

(5) Any reduction or elimination of non-productive or counterproductive taxes or taxes which cost more to administer than they produce in revenue would significantly improve the negative atmosphere surrounding the District of Columbia tax system and its enforcement.
SEC. 402. AUTHORIZING CHIEF FINANCIAL OFFICER TO PRIVATIZE TAX ADMINISTRATION AND COLLECTION.

The Chief Financial Officer of the District of Columbia may enter into contracts with a private entity for the administration and collection of taxes of the District of Columbia.

TITLE V—FINANCING OF DISTRICT OF COLUMBIA ACCUMULATED DEFICIT

SEC. 501. FINDINGS.

Congress finds as follows:


(2) Between 1991 and the end of fiscal year 1997 the District of Columbia government is expected to accumulate an operating deficit in excess of $500,000,000.

(3) Requiring the District of Columbia budget for fiscal year 1998 to be balanced will ensure that no further addition is made to the accumulated operating deficit.

(4) In every other example of an American city in financial crisis, a vital and necessary component of recovery was to finance the accumulated operating deficit.
(5) Carrying forward an accumulated operating deficit of more than $500,000,000 has a significant negative impact on the District of Columbia’s cash flow and financial condition and on its ability to improve its credit rating.

(6) It is not feasible to carry forward such a debt with an expectation of paying it off gradually from future budget surpluses.

(7) Financing the accumulated deficit would improve the District’s cash management position and allow more normal cash management techniques.

SEC. 502. AUTHORIZATION FOR INTERMEDIATE-TERM ADVANCES OF FUNDS BY THE SECRETARY OF THE TREASURY TO LIQUIDATE THE ACCUMULATED GENERAL FUND DEFICIT OF THE DISTRICT OF COLUMBIA.

Title VI of the District of Columbia Revenue Act of 1939 (DC Code, sec. 47–3401 et seq.) is amended—

(1) by redesignating sections 602 through 605 as sections 603 through 606, respectively; and

(2) by inserting after section 601 the following:
SEC. 602. INTERMEDIATE-TERM ADVANCES FOR LIQUIDATION OF DEFICIT.

“(a) In general.—If the conditions in subsection (b) are satisfied, the Secretary shall make an advance of funds from time to time, out of any money in the Treasury not otherwise appropriated and to the extent provided in advance in annual appropriations Acts, for the purpose of assisting the District government in liquidating the outstanding accumulated operating deficit of the general fund of the District government existing as of September 30, 1997.

“(b) Conditions to making any intermediate-term advance.—The Secretary shall make an advance under this section if—

“(1) the Mayor delivers to the Secretary the following instruments, in form and substance satisfactory to the Secretary—

“(A) a financing agreement in which the Mayor agrees to procedures for requisitioning advances;

“(B) a requisition for an advance under this section; and

“(C) a promissory note evidencing the District government’s obligation to reimburse the Treasury for the requisitioned advance, which note may be a general obligation bond issued
under section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act by the District government to the Secretary if the Secretary determines that such a bond is satisfactory;

“(2) the date on which the requisitioned advance is requested to be made is not later than 3 years from the date of enactment of the National Capital Revitalization and Self-Government Improvement Act of 1997;

“(3) the District government delivers to the Secretary—

“(A) evidence demonstrating to the satisfaction of the Secretary that, at the time of the Mayor’s requisition for an advance, the District government is effectively unable to obtain credit in the public credit markets or elsewhere in sufficient amounts and on sufficiently reasonable terms to meet the District government’s need for financing to accomplish the purpose described in subsection (a); and

“(B) a schedule setting out the anticipated timing and amounts of requisitions for advances under this section;
“(4) the Authority certifies to the Secretary that—

“(A) there is an approved financial plan and budget in effect under the District of Columbia Financial Responsibility and Management Assistance Act of 1995 for the fiscal year in which the requisition is to be made;

“(B) at the time that the Mayor’s requisition for an advance is delivered to the Secretary, the District government is in compliance with the approved financial plan and budget;

“(C) both the receipt of funds from such advance and the reimbursement of Treasury for such advance are consistent with the approved financial plan and budget for the year;

“(D) such advance will not adversely affect the financial stability of the District government; and

“(E) at the time that the Mayor’s requisition for an advance is delivered to the Secretary, the District government is effectively unable to obtain credit in the public credit markets or elsewhere in sufficient amounts and on sufficiently reasonable terms to meet the Dis-
District government’s need for financing to accomplish the purpose described in subsection (a);

“(5) the Inspector General of the District of Columbia certifies to the Secretary the information described in subparagraphs (A) through (D) of paragraph (4), and in making this certification, the Inspector General may rely upon an audit conducted by an outside auditor engaged by the Inspector General under section 208(a)(4) of the District of Columbia Procurement Practices Act of 1985 if, after reasonable inquiry, the Inspector General concurs in the findings of such audit;

“(6) the Secretary determines that—

“(A) there is reasonable assurance of reimbursement for the requisitioned advance; and

“(B) the debt owed by the District government to the Treasury on account of the requisitioned advance will not be subordinate to any other debt owed by the District or to any other claims against the District; and

“(7) the Secretary receives from such persons as the Secretary determines to be appropriate such additional certifications and opinions relating to such matters as the Secretary determines to be appropriate.
“(c) Amount of Any Intermediate-Term Advance.—

“(1) In general.—Except as provided in paragraph (3), if the conditions in paragraph (2) are satisfied, each advance made under this section shall be in the amount designated by the Mayor in the Mayor’s requisition for such advance.

“(2) Conditions applicable to designated amount.—Paragraph (1) applies if—

“(A) the Mayor certifies that the amount designated in the Mayor’s requisition for such advance is needed to accomplish the purpose described in subsection (a) within 30 days of the time that the Mayor’s requisition is delivered to the Secretary; and

“(B) the Authority concurs in the Mayor’s certification under subparagraph (A).

“(3) Maximum amount.—Notwithstanding paragraph (1), the aggregate amount of all advances made under this section shall not be greater than $500,000,000.

“(d) Maturity of Any Intermediate-Term Advance.—

“(1) In general.—Except as provided in paragraphs (2) and (3), each advance made under this
section shall mature on the date designated by the
Mayor in the Mayor’s requisition for such advance.

“(2) Latest permissible maturity date.—
Notwithstanding paragraph (1), the maturity date
for any advance made under this section shall not be
later than 15 years from the date on which the first
advance under this section is made.

“(4) Secretary’s right to require early
reimbursement.—Notwithstanding paragraph (1),
if the Secretary determines, at any time while any
advance made under this section has not been fully
reimbursed, that the District is able to obtain credit
in the public credit markets or elsewhere in suffi-
cient amounts and on sufficiently reasonable terms,
in the judgment of the Secretary, to refinance all or
a portion of the unpaid balance of such advance in
the public credit markets or elsewhere without ad-
versely affecting the financial stability of the District
government, the Secretary may require reimburse-
ment for all or a portion of the unpaid balance of
such advance at any time after the Secretary makes
the determination.

“(e) Interest rate.—Each advance made under
this section shall bear interest at an annual rate equal to
a rate determined by the Secretary at the time that the
Secretary makes such advance taking into consideration
the prevailing yield on outstanding marketable obligations
of the United States with remaining periods to maturity
comparable to the repayment schedule of such advance,
plus ½ of 1 percent.

“(f) OTHER TERMS AND CONDITIONS.—Each ad-
vanee made under this section shall be on such other terms
and conditions, including repayment schedule, as the Sec-
retary determines to be appropriate.

“(g) DEPOSIT OF ADVANCES.—As provided in section
204(b) of the District of Columbia Financial Responsibil-
ity and Management Assistance Act of 1995, advances
made under this section for the account of the District
government shall be deposited by the Secretary into an
escrow account held by the Authority.”.

SEC. 503. CONFORMING AMENDMENTS.

(a) AMENDMENT TO SECTION 601.—Section 601 of
the District of Columbia Revenue Act of 1939 (DC Code,
sec. 47–3401) is amended—

(1) in subsection (c)(2)(B)(i)(IV), by striking
“602(b)” and inserting “603(b)”; and

(2) in subsection (d)(2)(B)(iii), by striking
“602(b)” and inserting “603(b)”.

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(b) Amendment to Section 604.—Section 604 of the District of Columbia Revenue Act of 1939 (DC Code, sec. 47–3401.3) is amended—

(1) in subsection (a)(2)(A)(i), by striking “602” and inserting “603”; and

(2) in subsection (a)(2)(B)(i), by striking “602” and inserting “603”.

SEC. 504. TECHNICAL CORRECTIONS.

Section 601 of the District of Columbia Revenue Act of 1939 (DC Code, sec. 47–3401) is amended—

(1) in subsection (a)(3)(D), by striking “September 30, 1995” and inserting “September 30, 1996”;

(2) in subsection (b)(2)(E), by striking “September 30, 1996” and inserting “September 30, 1997”;

(3) in subsection (c)(2)(B)(i), by striking “October 1, 1995” and inserting “September 30, 1995”;


(5) in subsection (d)(2)(B)(ii)—

(A) by striking “September 30, 1995” and inserting “October 1, 1995”; and
(B) by striking “September 30, 1997” and inserting “October 1, 1997”; and


SEC. 505. AUTHORIZATION FOR ISSUANCE OF GENERAL OBLIGATION BONDS BY THE DISTRICT OF COLUMBIA TO FINANCE OR REFUND ITS ACCUMULATED GENERAL FUND DEFICIT.

Section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47–321(a)) is amended—

(1) in paragraph (1), by inserting “to finance or refund the outstanding accumulated operating deficit of the general fund of the District of $500,000,000, existing as of September 30, 1997,” after “existing as of September 30, 1990,”; and

(2) in paragraph (2), by inserting “existing as of September 30, 1990” after “operating deficit”.

TITLE VI—REVENUE BONDS

SEC. 601. SHORT TITLE; FINDINGS.

(a) Short Title.—This title may be cited as the “District of Columbia Revenue Bond Financing Authority Improvements Act of 1997”.

(b) Findings.—Congress finds as follows:
(A) The District of Columbia revenue bond authority was written in 1973 and contained many restrictions not imposed on states or by states on other local governments.

(B) The types and uses of revenue bonds have changed significantly in states and localities since 1973.

(C) The District of Columbia has never been able to use all of its annual allocation of revenue bond authority under its current restrictions.

(D) The District of Columbia has suffered a lack of economic development due in part to restrictions on its use of revenue bonds.

(E) The District of Columbia is at a competitive disadvantage with its neighbors because of the antiquated and restricted nature of its revenue bond authority.

SEC. 602. AMENDMENTS TO HOME RULE CHARTER PROVISION GOVERNING REVENUE BONDS.

(a) USES OF REVENUE BONDS.—The first sentence of section 490(a)(1) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47–334(a)(1)) is amended to read as follows: “The Council may by act or by resolution authorize the issuance
of taxable and tax-exempt revenue bonds, notes, or other obligations (including refunding bonds, notes, or other obligations) to borrow money on behalf of any qualified applicant to finance, refinance, or reimburse, or to assist in the financing, refinancing, or reimbursing of or for, undertakings in the areas of housing, health facilities, transit and utility facilities, sports, convention, tourism hospitality, and entertainment facilities, recreation facilities, facilities to house and equip operations of the District government or any District instrumentality, public infrastructure development and redevelopment, elementary, secondary, and college and university facilities, educational programs which provide loans for the payment of educational expenses for and on behalf of students, facilities for generating, treating, and distributing water and disposing of wastewater, pollution control facilities, solid and hazardous waste facilities, parking facilities, manufacturing facilities, industrial and commercial development, any of the capital expenditures that the District is authorized to make, and any other property or project for the use of others that will, as determined by the Council, contribute to the health, education, safety, or welfare of, or the creation or the preservation of jobs for, residents of the District, or to economic development in the District, and any facilities or property, real or personal, used in connection
with or supplementing any of the foregoing, and any costs related to the issuance, carrying, security, or liquidity or credit enhancement of or for such bonds, notes, or other obligations, including capitalized interest and reserves, and the costs of bond or loan insurance, letters of credit, and guaranteed investment, forward purchase, remarketing, auction, and swap agreements.”.

(b) Uses of Revenues to Pay or Secure Bonds.—The second sentence of section 490(a)(3) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47–334(a)(3)) is amended to read as follows: “Subject to subsection (c), any act or resolution of the Council authorizing the issuance of revenue bonds, notes, or other obligations may provide for (A) the payment of such bonds, notes, or other obligations from any available revenues, including enterprise fund revenues, assets, or property; and (B) the securing of such bond, note, or other obligation by the mortgage of real property and the creation of a security interest in available revenues, including enterprise fund revenues, assets, or other property.”.

(c) Authorization to Delegate Authority.—

(1) In general.—Section 490(a) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47–
334(a)) is amended by adding at the end the following new paragraph:

“(6)(A) The Council may by act delegate to any duly created District instrumentality the authority of the Council under this section to issue taxable or tax-exempt revenue bonds, notes, or other obligations for the purposes specified in this section. For purposes of this paragraph, the Council shall specify for what undertakings revenue bonds, notes, or other obligations may be issued under each delegation made pursuant to this subsection. Any such District instrumentality may exercise the authority and powers incident thereto delegated to it by the Council as described in the first sentence of this paragraph (whether such delegation is made before or after the date of enactment of this subsection) only in accordance with this subsection and shall be consistent with this section and the terms of the delegation. The enumeration of any power in this Act shall not be construed as a limitation upon such general powers.

“(B) Revenue bonds, notes, or other obligations issued by any District instrumentality under a delegation of authority described in subparagraph (A) shall be issued by resolution of that instrumentality,
and any such resolution shall not be considered to be an act of the Council.

“(C) Nothing in this paragraph shall be construed as restricting, impairing, or superseding the authority otherwise vested by law in independent instrumentalities of the District government.”.

(2) CONFORMING AMENDMENTS.—Section 490 of such Act (DC Code, sec. 47–334), as amended by the District of Columbia Water and Sewer Authority Act of 1996, is amended by striking subsections (g) and (h).

(d) REVENUE BONDS EXCLUDED FROM CERTAIN LIMITATIONS.—Section 490(f) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47–334(f)) is amended to read as follows:

“(f)(1) The fourth sentence of section 446 shall not apply to—

“(A) any amount (including the amount of any accrued interest or premium) obligated or expended from the proceeds of the sale of any revenue bond, note, or other obligation issued under this section;

“(B) any amount obligated or expended for the payment of the principal of, interest on, or
any premium for any revenue bond, note, or other obligation issued under this section; and

“(C) any amount obligated or expended to secure any revenue bond, note, or other obligation issued under this section.

“(2) The amount of any revenue bonds, notes, or other obligations issued by the District or any duly created and authorized District instrumentality under this section shall not be taken into account in determining whether the amount of funds borrowed by the District during a fiscal year as general obligation bonds or Treasury capital project loans exceeds the limitation on that amount provided in section 603(b).”.

(e) DEFINITIONS.—Section 490 of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47–334), as amended by subsection (c)(2), is amended by adding at the end the following new subsection:

“(g) For purposes of this section:

“(1) The term ‘revenue bonds, notes, or other obligations’ means special fund bonds, notes, or other obligations (including refunding bonds, notes, or other obligations) issued by the District or by a duly created and authorized District instrumentality

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to borrow money on behalf of qualified applicants to
finance, refinance, or reimburse, or to assist in the
financing, refinancing, or reimbursing of or for, the
undertakings referred to in subsection (a)(1), the
principal of and interest, if any, on which are to be
paid and secured in the manner described in this
section, and which are special obligations and to
which the full faith and credit of the District of Co-
lumbia is not pledged.

“(2) The term ‘District instrumentality’ means
any agency or instrumentality (including any inde-
pendent agency or instrumentality), authority, com-
mission, board, department, division, office, or body
of the District government established by it or by
the laws of the United States of America (whether
established before or after the date of enactment of
this subsection).

“(3) The term ‘available revenues’ means gross
revenues and receipts, other than general fund tax
receipts, lawfully available for the purpose and not
otherwise exclusively committed to another purpose,
including enterprise funds, grants, subsidies, con-
tributions, and proceeds of revenue bonds, notes, or
other obligations issued under this section.
“(4) The term ‘enterprise fund’ means a fund or account for operations that are financed or operated in a manner similar to private business enterprises, or established so that separate determinations may more readily be made periodically of revenues earned, expenses incurred, or net income for management control, accountability, capital maintenance, public policy, or other purposes.”.

SEC. 603. CLARIFICATION OF TREATMENT OF REVENUE BONDS UNDER FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE ACT.

Section 204 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (DC Code, sec. 47–392.4) is amended by adding at the end the following new subsection:

“(g) Revenue Bonds Not Treated as Borrowing.—For purposes of this section, the issuance of any revenue bond, note, or other obligation under section 490 of the District of Columbia Self-Government and Governmental Reorganization Act shall not be considered to be a borrowing of funds by the District.”.
TITLE VII—DISTRICT OF COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
Subtitle A—General Provisions

SEC. 701. SHORT TITLE.

This title may be cited as the “District of Columbia Economic Development Corporation Act of 1997”.

SEC. 702. FINDINGS.

Congress finds the following:

(1) There is a substantial need in the District of Columbia for economic development to provide and maintain employment and tax revenues, and the District of Columbia faces unique barriers to accomplishing and realizing economic development from its own resources.

(2) The District of Columbia has a unique status under the Constitution in that it is the seat of the Federal Government, but it is not a State or a political subdivision of a State.

(3) The government of the District of Columbia is uniquely disadvantaged, when compared to other cities which are political subdivisions of a State, in its ability to accomplish and realize economic development because it does not have any State government to perform the functions of coordinating, sup-
porting, and promoting economic development that
State governments commonly perform for other
cities.

(4) The government of the District of Columbia
is uniquely disadvantaged, when compared to other
cities, in its ability to finance economic development
from local tax revenues because Federal law pre-
vents the District of Columbia government from as-
sessing and collecting certain local taxes.

(5) No other jurisdiction has all these disadvan-
tages, the cumulative effect of which is greater than
the sum of the effects of the individual factors.

(6) The Federal Government is a beneficiary of
a substantial number of recurring and nonrecurring
unreimbursed services provided by the government
of the District of Columbia.

(7) It is in the national interest that the Fed-
eral government assist the District of Columbia in
maintaining itself as a safe, clean, and beautiful city
worthy of the seat of the Federal Government of a
Great Nation, a goal that will be realized only
through the development of a sound local economic
base in the District of Columbia.

SEC. 703. PURPOSES.

The purposes of this title are—
(1) to expand overall levels of economic output, income, and employment in the District of Columbia;

(2) to improve employment and business opportunities in distressed neighborhoods and for low-income residents throughout the District of Columbia;

(3) to enhance the capacity of public and private organizations to facilitate the expansion of employment and business opportunities;

(4) to increase the rate of private sector investment in the District of Columbia;

(5) to develop comprehensive strategies for the economic development of the District of Columbia as a whole and for particular areas, neighborhoods, transportation corridors, and economic sectors of the District of Columbia, and to identify projects and activities to fulfill the strategies;

(6) to assist the implementation of, or implement, projects throughout the District of Columbia (including a new or expanded convention center and infrastructure projects) that can yield substantial economic benefits for its residents;

(7) to enhance the institutional capacity of the government of the District of Columbia to accomplish and realize economic development; and
(8) to ameliorate the consequences of the limited tax base and taxing authority of the District of Columbia, as described in section 702.

SEC. 704. DEFINITIONS.

For purposes of this title:

(1) APPOINTED BOARD MEMBER.—The term “appointed Board member” or “appointed Board members” means a Board member or Board members appointed under section 713(b)(1)(A).

(2) BOARD.—The term “Board” means the board of directors of the Corporation.

(3) CHAIR.—The term “Chair” means the chairperson of the Board.

(4) CORPORATION.—The term “Corporation” means the District of Columbia Economic Development Corporation, including any subsidiary established by the Corporation (other than for purposes of subtitle B).

(5) DISTRESSED AREA.—The term “distressed area” means any population census tract having a poverty rate of at least 15 percent.

(6) DISTRICT GOVERNMENT.—The term “District government” means the government of the District of Columbia, including—
(A) any department, agency, or instrumentality of the government of the District of Columbia;

(B) any independent agency of the District of Columbia established under part F of title IV of the District of Columbia Self-Government and Governmental Reorganization Act;

(C) any other agency, board, or commission established by the Mayor or the Council;

(D) the courts of the District of Columbia;

(E) the Council; and

(F) any other agency, public authority, or public benefit corporation that has the authority to receive monies directly or indirectly from the District of Columbia (other than monies received from the sale of goods, the provision of services, or the loaning of funds to the District of Columbia),

except that such term does not include the Corporation.

(7) Economic Development Project.—The term “economic development project” means any project—

(A) that is to be used or occupied by any person;
(B) that is located or is to be located within the District of Columbia;

(C) that the Corporation determines will tend to—

(i) create or retain jobs for residents of the District of Columbia;

(ii) maintain or increase the tax base of the economy of the District of Columbia;

(iii) maintain, expand, or diversify industry in the District of Columbia;

(iv) promote the export of products or services beyond the boundaries of the District of Columbia; or

(v) otherwise contribute to, support, or enhance existing activities that are important to the economic base of the District of Columbia; and

(D)(i) that is unable to obtain conventional financing in sufficient amounts and on sufficiently reasonable terms in the sole judgment of the Corporation; or

(ii) whose ability, in the judgment of the Corporation, to start, continue to operate, expand, or maintain operations or relocate to the
District of Columbia is dependent upon financial assistance.

(8) **EX OFFICIO BOARD MEMBER.**—The term “ex officio Board member” or “ex officio Board members” means the Board member or Board members described in section 713(b)(1)(B).

(9) **FINANCIAL ASSISTANCE.**—The term “financial assistance” means any of the following provided to persons for the purchase, acquisition, construction, expansion, continued operation, reconstruction, rehabilitation, repair, or placing into operation of an economic development project:

(A) Any loan, extension of credit, equity investment, grant, fixed contribution to a loan loss or debt service reserve fund, or any other similar form of financing or refinancing, but excluding any loan guarantee, insurance of payment of principal and interest, and any other similar form of credit support that provides recourse to the Corporation.

(B) Any exchange, lease, or conveyance of land;

(C) Any allocation of tax credits under section 1400D of the Internal Revenue Code of
1986 for qualified loans and qualified equity investments.

(D) Any loan made from the proceeds of an issuance by the Corporation of private activity bonds under section 1400F(b) of the Internal Revenue Code of 1986 qualifying for tax-exempt treatment under section 1400C of the Internal Revenue Code of 1986.

(E) Any loan made from the proceeds of an issuance by the Corporation of project revenue obligations under section 732.

(F) Any other assistance which the District government may authorize the Corporation to provide.

(10) Obligation.—The term “obligation” means any bond, note, or other payment obligation.

(11) Person.—The term “person” means any natural person, partnership, corporation, or joint venture, including affiliates.

(12) Project.—The term “project” means—

(A) any facility, plant, works, system, building, structure, utility, fixture, or other real property improvement, and infrastructure and site improvements relating thereto; and
(B) any machinery, equipment, furniture, fixture, or other personal property, and the land on which it is located or to be located, or which is reasonably necessary thereto.

(13) Return on Investment.—The term “return on investment” means any and all forms of principal or interest payments, dividends, stock distributions, equity participations, options, warrants, debentures, and any and all other forms of remuneration to the Corporation in return for any financial assistance provided or offered.

(14) Suspension Date.—The term “suspension date” means September 30, 2007.

(15) Targeted District Resident.—The term “targeted resident” means any individual—

(A)(i) whose principal place of abode

(I) is the District of Columbia; and

(II) is within a population census tract having a poverty rate of at least 15 percent; and

(ii) who has an annual income less than $28,500 (adjusted in calendar years after 1997 as provided in section 1400A(d)(5) of the Internal Revenue Code of 1986); or
(B)(i) whose principal place of abode is the
District of Columbia; and

(ii) who is a member of a targeted group
described in section 51 of the Internal Revenue

(16) TERMINATION DATE.—The term “termina-

nation date” means September 30, 2010.

Subtitle B—District of Columbia
Economic Development Corpor-

ation Charter

SEC. 711. ESTABLISHMENT.
Under Article I, section 8, clause 17 of the Constitu-
tion of the United States, there is established the District
of Columbia Economic Development Corporation (to be
known for purposes of the Revenue Reconciliation Act of
1997 as the “Economic Development Corporation”).

SEC. 712. STATUS OF CORPORATION.
Except as otherwise provided in this title, the Cor-
poration is established as a corporate body and instrumen-
tality of the government of the District of Columbia, and
is not established as, and is not to be considered, a depart-
ment, agency, establishment or instrumentality of the
United States.
SEC. 713. BOARD OF DIRECTORS.

(a) In General.—The powers of the Corporation shall be vested in, and the Corporation shall be administered by, the Board.

(b) Membership.—

(1) In General.—The Board shall consist of 9 voting members as follows:

(A) Appointed Board Members.—

(i) Presidential Appointments.—

Five members appointed by the President from among individuals who meet the general eligibility requirements described in subparagraph (C)—

(I) 4 of whom shall be individuals selected from organizations engaged in for-profit business activity, such as real estate development, retailing, manufacturing, construction, or financial services; and

(II) 1 of whom shall be an individual selected from a community-based organization.

(ii) District Appointment.—One member appointed by the Mayor, with the approval of the Council—
(I) from among individuals who meet the general eligibility requirements described in subparagraph (C); and

(II) who shall be an individual selected from either an organization engaged in for-profit business activity or a community-based organization.

(B) EX OFFICIO BOARD MEMBERS.—Three ex officio Board members designated as follows:

(i) An officer or employee of the Federal government designated by the President from among the Office of Management and Budget, the Department of the Treasury, the Department of Commerce, the Department of Housing and Urban Development, the Department of Labor, or the Small Business Administration.

(ii) The Mayor or an alternate designated by the Mayor from among senior officers of the District government.

(iii) The Chairman of the Council or an alternate designated by the Chairman from among other members of the Council.
or senior officers of the District govern-
ment.

(C) GENERAL ELIGIBILITY REQUIRE-
MENTS.—An individual is eligible to be ap-
pointed as a Board member under subpara-
graph (A) if that individual—

(i) has expertise in economic develop-
ment;

(ii) maintains a primary residence, or
has a primary place of business, in the
District of Columbia; and

(iii) is not an officer or employee of
the Federal Government or the District
government.

(2) CONSULTATION WITH CONGRESS.—In ap-
pointing the Board members under paragraph
(1)(A), the President shall consult with the Chair of
the Committee on Appropriations and the Chair of
the Committee on Governmental Reform and Over-
sight of the House of Representatives, the Chair of
the Committee on Appropriations and the Chair of
the Committee on Governmental Affairs of the Sen-
ate, and the Delegate to the House of Representa-
tives from the District of Columbia.
(3) Sense of the Congress regarding appointments.—It is the sense of the Congress that the President should appoint the first 6 Board members under paragraph (1)(A) as soon as practicable after the date of enactment of this title.

(c) Chair.—The President shall designate 1 of the Board members appointed by the President, at the time of that individual’s appointment, to serve as the Chair of the Board.

(d) Terms of Appointed Board Members.—

(1) Term.—Each of the appointed Board members shall be appointed to a term of 6 years.

(2) Removal for cause.—The President may remove any appointed Board member for inefficiency, neglect of duty, or malfeasance in office.

(3) Unexpired terms.—Any Board member appointed to fill a vacancy occurring before the end of the term to which the member’s predecessor was appointed shall be appointed only for the remainder of the term.

(4) Continuation of service.—Each appointed Board member may continue to serve after the expiration of the term of office to which the member was appointed until a successor has been appointed and qualified.
(5) **LIMITATION ON CONSECUTIVE TERMS.**—
The President may reappoint a Board member appointed under section 713(b)(1)(A), but no appointed Board member may consecutively serve more than 2 terms.

(6) **INITIAL TERMS STAGGERED.**—Notwithstanding paragraph (1)—

(A) of the first 5 Board members appointed under subsection (b)(1)(A)(i)—

(i) 2 shall be appointed for a term that expires 6 years after the date of appointment,

(ii) 2 shall be appointed for a term that expires 4 years after the date of appointment, and

(iii) 1 shall be appointed for a term that expires 2 years after the date of appointment; and

(B) the first Board member appointed under subsection (b)(1)(A)(ii) shall be appointed for a term that expires 2 years after the date of appointment.

(e) **TERMS OF EX OFFICIO BOARD MEMBERS.**—Each ex officio Board member shall serve at the pleasure of the
official who designated that member under subsection (b)(1)(B).

(f) Vacancies.—A vacancy on the Board shall be filled in the same manner in which the original appointment was made.

(g) QUORUM.—Five Board members shall constitute a quorum for the conduct of business.

(h) ADOPTION OF BYLAWS.—As soon as practicable after appointment of its members, the Board shall adopt bylaws, rules, and procedures for the governance of its affairs and the conduct of its business.

(i) MEETINGS.—The Board shall meet—

(1) at the times specified in the bylaws, which shall not be less than quarterly each year; and

(2) at other times at the call of the Chair.

(j) COMPENSATION.—

(1) No additional compensation.—The Board members shall serve without compensation for their membership on the Board.

(2) Reimbursement for appointed board members.—The appointed Board members may receive travel, per diem, and other actual, reasonable, and necessary expenses incurred in the performance of their official duties as Board members to the same extent as officers of the United States.
SEC. 714. OFFICERS AND EMPLOYEES.

(a) In General.—

(1) Establishment of Personnel System Required.—The Board shall establish a personnel system for the Corporation and adopt written rules and procedures relating to employment matters such as appointments, compensation, and adverse actions.

(2) Inapplicability of Certain Employment Laws.—

(A) Civil Service Laws.—Except as otherwise provided in this title, the provisions of title 5, United States Code, shall not apply to the officers and employees of the Corporation.

(B) District of Columbia Employment Laws.—Except as otherwise provided in this title, the provisions of the District of Columbia Code governing employment with the District government shall not apply to the officers and employees of the Corporation.

(b) Chief Executive Officer.—The Board shall appoint a Chief Executive Officer of the Corporation, who shall direct and supervise the general management and administrative affairs of the Corporation under terms and conditions prescribed by the Board.

(c) Other Officers and Employees.—The Chief Executive Officer—
(1) shall, with the approval of the Board, ap-
point a Chief Financial Officer and a General Coun-
sel; and

(2) may appoint additional officers and employ-
ees as the Chief Executive Officer determines appro-
priate.

(d) COMPENSATION.—

(1) CHIEF OFFICERS.—The Board shall fix, ad-
just, and administer the compensation (including
benefits) for the Chief Executive Officer, the Chief
Financial Officer, and the General Counsel.

(2) OTHER OFFICERS AND EMPLOYEES.—The
Chief Executive Officer shall fix, adjust, and admin-
ister the compensation (including benefits, except as
provided in subsection (e)(2)) for all other officers
and employees of the Corporation.

(3) REPORT REQUIRED.—The annual report de-
scribed in section 716(a) shall describe the com-
pensation structure for officers and employees of the
Corporation.

(e) EMPLOYEE BENEFITS.—

(1) IN GENERAL.—The Corporation shall be au-
thorized to establish and administer its own employ-
ment benefits programs for individuals who become
employed by the Corporation other than individuals
who make an election under paragraph (2)(A)(i).

(2) Former employees of the federal
government and rest of district govern-
ment.—

(A) In general.—Any employee of the
Federal Government or the District government
who becomes employed by the Corporation
(i) may elect

(I) if the individual is an em-
ployee of the Federal Government at
the time of the election, to be treated,
for the purposes of the programs list-
ed in subparagraph (B)(i), for as long
as that individual remains continu-
ously employed by the Corporation, as
if that individual had not separated
from service with the Federal Govern-
ment; and

(II) if the individual is an em-
ployee of the District government at
the time of the election, to be treated,
for the purposes of the programs re-
ferred to in subparagraph (B)(ii), for
as long as that individual remains
continuously employed by the Corporation, as if that individual had not
separated from service with the District government; and

(ii) shall, if that individual subsequently becomes reemployed by the Federal Government or the District government, as the case may be, be entitled to have that individual’s service with the Corporation treated, for purposes of determining the applicable leave accrual rate, as if it had been service with the Federal government or the District government, as the case may be.

(B) EFFECT OF ELECTION.—An election made by an individual under subparagraph (A)(i)

(i) if the individual is an employee of the Federal Government at the time of the election, shall qualify that individual and survivors of that individual for the treatment described in subparagraph (A)(i) for purposes of

(I) chapter 83 or 84 of title 5,

United States Code (relating to retire-
ment), as appropriate, including the Thrift Savings Plan;

(II) chapter 87 of title 5, United States Code (relating to life insurance); and

(III) chapter 89 of title 5 United States Code (relating to health insurance);

(ii) if the individual is an employee of the District government at the time of the election, shall qualify that individual and survivors of that individual for the treatment described in subparagraph (A)(i) for purposes of the corresponding programs offered by the District government; and

(iii) shall disqualify that individual, while the election remains in effect, from participating in any program offered by the Corporation corresponding to the programs referred to in clause (i).

(C) CONDITIONS FOR ELECTION.—An election made under subparagraph (A)(i) shall be ineffective unless

(i) it is made before the individual separates from service with the Federal
Government or the District government, as the case may be; and

(ii) the individual’s service with the Corporation commences within 3 days after so separating (not counting any holiday observed by the government of the District of Columbia).

(D) DEDUCTIONS AND EMPLOYER CONTRIBUTIONS.—If an individual makes an election under subparagraph (A)(i), the Corporation shall be responsible for making the same deductions from pay and the same employer contributions for

(i) the programs listed in subparagraph (B)(i) as would be required if the Corporation were an agency of the Federal government, if the individual is an employee of the Federal government at the time of the election; and

(ii) the corresponding programs referred to in subparagraph (B)(ii) as would be required if the Corporation were an agency of the District government, if the individual is an employee of the District government at the time of the election.
(E) Regulations.—Any regulations necessary to carry out this subsection shall be prescribed

(i) by the Director of the Office of Personnel Management, to the extent that any program administered by that office is involved;

(ii) by the Executive Director of the Thrift Savings Plan, to the extent that the Thrift Savings Plan is involved; and

(iii) by the head of the corresponding office or agency of the District government, to the extent that any corresponding program administered by that office or agency is involved.

(F) Definitions.—

(i) Corresponding Office or Agency.—For purposes of this paragraph, the term “corresponding office or agency of the District government” means the office or agency in the District government responsible for administering a corresponding program.

(ii) Corresponding Program.—For purposes of this paragraph, the term “cor-
responding program” or “corresponding programs” means any program or the programs offered by the District government corresponding to any program or the programs referred to in subparagraph (B)(i).

(f) No Political Test or Qualification.—No political test or qualification shall be used in selecting, appointing, promoting, or taking other personnel actions with respect to officers and employees of the Corporation.

(g) Assistance by Federal Agencies and Rest of the District Government.—

(1) In General.—Upon request of the Chair, the head of any department, agency, establishment, or instrumentality of the Federal Government or the District government may, to the extent practicable and feasible, and in the sole discretion of the head of the department, agency, establishment, or instrumentality, make any of the personnel and other resources of that department, agency, establishment, or instrumentality available to the Corporation on a reimbursable or nonreimbursable basis.

(2) Status of Detailed Personnel.—Any personnel detailed to the Corporation under paragraph (1) shall not be considered employees of the
Corporation, but rather shall remain employees of the government that detailed them.

**SEC. 715. POLITICAL ACTIVITY.**

The Corporation may not expend any funds to influence legislation (other than in connection with testimony by a Board member or an officer or employee of the Corporation before a committee of the Congress or the Council of the District of Columbia, or in responding to a written request from a Member of Congress or the Council or a committee of the Congress or the Council) or in connection with any political campaign on behalf of or in opposition to any candidate for public office.

**SEC. 716. REPORTS, PLANS, AND EVALUATIONS.**

(a) **Annual Report and Audit.**—

(1) **Annual Reports Required.**—The Corporation shall submit a report annually to the Mayor, the Council, the Authority (if the activities of the Authority are not suspended under section 109 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), the President, the Congress, and the public not later than April 1 of each year concerning its operations for the prior fiscal year.
(2) **Annual Audits Required.**—The annual report shall include a financial statement audited by an independent auditor.

(b) **Annual Performance Plan.**—

(1) **Annual Performance Plans Required.**—The Corporation shall prepare annually a performance plan for the operations of the Corporation during the 5-year period that begins on the date of the plan.

(2) **Plan Elements.**—Each performance plan shall establish—

(A) performance goals for the Corporation;

(B) performance benchmarks to be used in measuring or assessing the performance results of the Corporation; and

(C) a methodology for comparing the performance results of the Corporation with the established performance goals.—

(3) **Reports on Performance Results Required.**—The annual report described in subsection (a) shall include—

(A) a description of the performance plan established by the Corporation for the fiscal year being reported; and
(B) the performance results achieved by the Corporation in the fiscal year being reported compared with the performance goals established in the performance plan for that year.

(c) EVALUATION OF CHANGES MADE TO TAX LAWS.—

(1) EVALUATIONS REQUIRED.—The Corporation shall engage an independent consulting firm to perform, in the fiscal years ending September 30, 2001 and 2005, an evaluation of the efficacy of the provisions of subchapter W of chapter 1 of the Internal Revenue Code of 1986 as aids to the Corporation in carrying out the purposes of this title.

(2) REPORTS REQUIRED.—Not later than 30 days after the close of a fiscal year in which an evaluation is performed under paragraph (1), the Corporation shall submit a report to the Mayor, the Council, the Authority (if the activities of the Authority are not suspended under section 109 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), the President, and the Congress the conclusions of the evaluation.
SEC. 717. GIFTS; PROCUREMENT OF GOODS AND SERVICES; AND DISPOSITION OF PROPERTY.

(a) ADOPTION OF RULES.—The Corporation shall adopt written rules and procedures for

(1) the solicitation, acceptance, holding, administration, use, and disposition of gifts, grants, or subsidies of money by the Corporation;

(2) the procurement of goods and services by the Corporation; and

(3) the disposition of property by the Corporation.

(b) OBJECTIVE.—The rules and procedures adopted under subsection (a) shall be designed to ensure that any activity described in subsection (a)—

(1) will not reflect unfavorably upon the ability of the Corporation, or of any officer or employee of the Corporation, to carry out the functions and official duties of the Corporation in a fair and objective manner;

(2) will not compromise the integrity of the Corporation or any officer or employee of the Corporation; and

(3) in the case of any procurement of goods or services or any disposition of property, will produce the best value for the Corporation in the judgment of the Corporation.
Subtitle C—Operations of the Corporation

SEC. 721. GENERAL POWERS.

Notwithstanding any other provision of law, except as provided in this title or as may be enacted by the Congress expressly in limitation of the provisions of this paragraph, the Corporation shall have power—

(1) to have succession until dissolved as provided in section 753;

(2) to sue and be sued, and to complain and defend, in its own name;

(3) to adopt, amend, repeal, and enforce by-laws, rules, regulations, and procedures as it determines appropriate for the governance of its affairs and the conduct of its business;

(4) to adopt, alter, and use a corporate seal, which shall be judicially noticed;

(5) to make and perform contracts, agreements, and commitments with persons and governmental entities;

(6) subject to section 714, to appoint and employ officers, attorneys, and employees as it determines appropriate, to define their duties, and to fix, adjust, and administer their compensation (including benefits) as it determines appropriate;
(7) to engage experts, advisers, consultants, legal counsel, and agents (including fiscal agents) to aid the Corporation in carrying out the purposes of this title, and to fix and adjust their compensation;

(8) with the approval of the agency concerned, to make use of services, facilities, and property of any board, commission, independent establishment, or executive department or agency of the Federal government or the District government in carrying out the purposes of this title, and to pay for such use;

(9) to maintain an office at the place or places in the District of Columbia as it determines appropriate;

(10) to determine its necessary expenditures and the manner in which they shall be incurred, allowed, and paid;

(11) to settle, adjust, and compromise, and with or without consideration or benefit to the Corporation release or waive in whole or in part, in advance or otherwise, any claim, demand, or right of, by, or against the Corporation;

(12) to indemnify Board members and officers of the Corporation as it determines appropriate;
(13) to purchase insurance or self-insure against any loss in connection with its property and other assets, in such amounts and from such insurers as it determines appropriate;

(14) to solicit, apply for, accept, receive, hold, administer, use, and dispose of gifts, bequests, donations, grants, or subsidies of money, services, or property (real, personal, or mixed) from any source to aid the Corporation in carrying out the purposes of this title;

(15) to lease, purchase, or otherwise acquire, own, hold, or otherwise manage, clear, repair, improve, construct, or otherwise deal in and with any property (real, personal, or mixed), or any interest therein, wherever situated;

(16) to proceed with foreclosure action, to acquire property instead of foreclosure, and to take assignments of leases and rentals;

(17) to sell (at a public or private sale, with or without bidding), convey, mortgage, pledge, lease, exchange, and otherwise dispose of its property and assets, or any interest therein;

(18) subject to section 723, to make and perform contracts, agreements, and commitments for financial assistance;
(19) in connection with any application received, commitment made, or service provided in connection with, financial assistance, to charge and collect fees that the Corporation determines to be appropriate;

(20) subject to section 723, to establish subsidiary corporations consistent with the purposes of this title;

(21) subject to section 723, to establish revolving funds consistent with the purposes of this title;

(22) to establish advisory committees to aid the Corporation in carrying out the purposes of this title;

(23) subject to section 724, to exercise, in the name of the District of Columbia, the right of eminent domain to aid in carrying out the purposes of this title;

(24) subject to section 732, to issue project revenue obligations;

(25) to provide assistance to the District government through the provision of information, advice, guidelines, and suggestions for implementing or improving programs and services of the District government;
(26) to prepare, publish, and distribute, with or without charge, studies, reports, bulletins, and other materials as it determines appropriate;

(27) to exercise any other power usually possessed by public enterprises performing similar functions or private corporations organized under the business corporation law of the District of Columbia, in either case to the extent that the exercise of that power is not inconsistent with applicable Federal or District of Columbia law; and

(28) to take all actions and do all things that it determines necessary or convenient to carry out the functions of the Corporation under this title that are not inconsistent with applicable Federal or District of Columbia law.

SEC. 722. ECONOMIC DEVELOPMENT PLANS.

(a) EXISTING PLANS.—

(1) PRIORITY REVIEW.—The Corporation shall give priority in its operations to reviewing and evaluating existing economic development plans for the District of Columbia, including a new or expanded convention center and infrastructure projects.

(2) IMPLEMENTATION.—To the extent that the Corporation determines that the implementation of an existing economic development plan would carry
out the purposes of this title, the Corporation shall
go expedited consideration to the projects con-
templated by the plan when reviewing applications
for financial assistance under this title.
(b) Strategic Plan.—

(1) In General.—When the Corporation has
completed reviewing and evaluating existing eco-
nomic development plans, the Corporation shall es-
tablish a comprehensive strategic plan for carrying
out the purposes of this title.

(2) Duty to Consult.—In establishing its
comprehensive strategic plan, the Corporation shall
consult with the executive and legislative branches of
the District government and, as to matters related
to transportation infrastructure, the Secretary of
Transportation to maximize the benefit to the Dis-
trict of Columbia and the region of projects assisted
by the Corporation or supported by the District gov-
ernment or the Secretary of Transportation.

SEC. 723. Financial Assistance.

(a) Authority to Provide Assistance.—

(1) In General.—The Corporation may pro-
vide financial assistance for economic development
projects directly or in participation with any one or
more other financial institution, fund, person, or
other source of financing, private or public, including any department, agency, establishment, or instrumentality of the District government, and may enter into any contract, agreement, or commitment it determines appropriate in connection with providing financial assistance.

(2) Voting Requirement.—Any provision by the Corporation of financial assistance for an economic development project shall require the affirmative vote of a majority of the Board members present and voting.

(b) Limitations on Financial Assistance.—

(1) Total Financial Assistance.—Except as provided in paragraph (3), the total amount of financial assistance provided or committed under this section shall not at any time exceed the total amount of the capital of the Corporation and all of its subsidiaries and the total value of the land of the Corporation and all of its subsidiaries.

(2) Individual Financial Assistance.—

(A) In General.—Except as provided in paragraph (3), the total amount of financial assistance provided or committed directly or indirectly under this section—
(i) for any 1 economic development project; or

(ii) to any 1 person, including the person’s affiliates,

shall not at any time exceed 15 percent of the total amount of the capital of the Corporation and all of its subsidiaries and the total value of the land of the Corporation and all of its subsidiaries.

(B) Waiver.—

(i) Waiver of limitation permitted.—The Corporation, by a vote of not less than 6 Board members, may waive the limitation in subparagraph (A).

(ii) Report of waiver required.—If the Corporation waives the limitation in subparagraph (A), the Corporation shall communicate promptly the reasons for doing so to the Mayor, the Council, the Authority (if the activities of the Authority are not suspended under section 109 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), the President, and the Congress.
(3) EXCEPTIONS.—The limitations in paragraphs (1) and (2)(A) shall not apply to financial assistance in the form of—

(A) any allocation of tax credits under section 1400D of the Internal Revenue Code of 1986 for qualified loans and qualified equity investments;

(B) any loan made from the proceeds of an issuance by the Corporation of private activity bonds under section 1400F(b) of the Internal Revenue Code of 1986 qualifying for tax-exempt treatment under section 1400C of the Internal Revenue Code of 1986; or

(C) any loan made from the proceeds of an issuance by the Corporation of project revenue obligations bonds under section 732.

(c) ESTABLISHMENT OF SUBSIDIARIES AND REVOLVING FUNDS.—

(1) SUBSIDIARIES.—

(A) IN GENERAL.—In order to make the most effective use its resources, the Corporation may establish from time to time 1 or more for-profit or not-for-profit corporate subsidiaries for or in connection with providing the different types of financial assistance authorized by this
title. The Corporation shall establish a subsidi-
ary pursuant to this paragraph for the purposes
of promoting the development of infrastructure
along the New York Avenue corridor, except
that such a subsidiary may not approve any
projects for purposes of subchapter W of chap-
ter 1 of the Internal Revenue Code of 1986,
and shall fund its activities through dedicated
infrastructure funds which are made available
to the subsidiary from a source other than the
Corporation.

(B) LIMITATION.—No subsidiary of the
Corporation shall have any power that the Cor-
poration does not have.

(C) BOARD APPROVAL FOR PROVISION OF
FINANCIAL ASSISTANCE BY SUBSIDIARIES.—
Any provision by any subsidiary of the Corpora-
tion of financial assistance for an economic de-
development project shall require the approval of
the Board of the Corporation, in accordance
with the voting requirement described in sub-
section (a)(2).

(2) REVOLVING FUNDS.—

(A) IN GENERAL.—In order to make the
most effective use its resources, the Corporation
may establish from time to time 1 or more revolving funds for or in connection with providing the different types of financial assistance authorized by this title.

(B) DEPOSITS.—

(i) RETURNS ON INVESTMENT.—Payments received by the Corporation as returns on investment from financial assistance provided by the Corporation from any revolving fund may be deposited into the revolving fund from which the financial assistance was made or into any other revolving fund established by the Corporation as the Corporation determines appropriate, and may be transferred between revolving funds as the Corporation determines appropriate.

(ii) OTHER RECEIPTS.—Funds received by the Corporation from any other source which are not required to be otherwise disposed may be deposited into any revolving fund established by the Corporation and transferred between revolving funds as the Corporation determines appropriate.
(C) Use of Funds.—Funds deposited into any revolving fund established by the Corporation shall be available to the Corporation for providing financial assistance under this title and to pay all expenses of the Corporation necessary and incident to that purpose.

(d) Criteria for Selecting Type of Financial Assistance.—

(1) In General.—The Corporation shall establish written criteria for selecting the type of financial assistance that is most appropriate for different types of economic development projects.

(2) Least Commitment of Capital.—The criteria shall include a preference for the type of financial assistance that represents the least commitment of the capital of the Corporation.

(3) Standards for Return on Investment.—The criteria shall set out standards for returns on investment that the Corporation determines appropriate to reflect the nature of the risk.

(e) Procedures for Review and Comment by Rest of District Government.—The Corporation shall adopt written procedures to provide the executive and legislative branches of the District government a reasonable opportunity to review and comment on economic de-
(f) CRITERIA FOR FINANCIAL ASSISTANCE DETERMINATIONS.—

(1) IN GENERAL.—The Corporation shall establish written criteria for making its determinations—

(A) to approve, disapprove, or take no action with respect to applications for financial assistance under this title; and

(B) as to how much financial assistance to provide under this title for an economic development project.

(2) REQUIRED CRITERIA.—The criteria shall include—

(A) the status of the project as an economic development project;

(B) the likelihood the project can be expected to create or retain private sector jobs in the District of Columbia;

(C) the contribution of the project to the economy of the District of Columbia;

(D) the significance of the financial assistance in attracting an economic development project to the District of Columbia or preventing a closing, partial closing, relocation out of
the District of Columbia of an economic development project;

(E) the commitment to the District of Columbia of the owners, management, and employees of the project, and their willingness and ability to operate the business and enhance its competitive position in the District of Columbia;

(F) whether the project serves the interests of the community where it is or will be located;

(G) whether the project is in a distressed area or benefits the residents of a distressed area;

(H) whether the project is consistent with the comprehensive strategic plan developed by the Corporation for carrying out the purposes of this title;

(I) whether the project will benefit the economy of the District of Columbia by improving links between the economy of the District of Columbia and the economy of the greater Washington, D.C. metropolitan region;

(J) whether financial assistance from the Corporation will attract funds for the project from sources other than the Corporation; and
the appropriateness of the amount and
form of financial assistance and the level of risk
or investment for the Corporation, not only in
terms of the Corporation’s financial exposure,
but also in terms of the overall objectives of this
title.

(g) REQUIREMENTS FOR ECONOMIC DEVELOPMENT
PROJECTS.—The Corporation shall not approve any appli-
cation for financial assistance for any economic develop-
ment project unless—

(1) the Corporation determines, in its judg-
ment—

(A) that there is a strong probability that
the project would not be undertaken without fi-
nancial assistance from the Corporation;

(B) that the financial assistance from the
Corporation represents the least commitment of
the capital of the Corporation to make the
project feasible;

(C) that financial assistance from the Cor-
poration will not compete with or supplant
funds from sources other than the Corporation,
including the District government, which are
otherwise available for the project on reasonable
terms and conditions; and
(D) that the executive and legislative
branches of the District government have been
provided a reasonable opportunity to review and
comment on the project; and
(2) the project complies with applicable Federal
and District of Columbia law.

SEC. 724. EMINENT DOMAIN.

(a) Authority To Exercise Condemnation Powers.—

(1) IN GENERAL.—The Corporation shall have
the limited power to acquire and assemble land
through condemnation by eminent domain in the
name of the District of Columbia to aid in carrying
out the purposes of this title.

(2) Prohibiting Delegation To Subsidiary.—The Corporation may not delegate its author-
ity under this section to any subsidiary.

(3) Approval Required To Exercise Authority.—The Board may exercise its authority
under this section with respect to any property only
with the affirmative vote of at least 7 of its members
(or, if fewer than 9 members are present, with the
affirmative vote of a majority of the members
present and voting plus one).
(b) **APPLICABLE PROCEDURES.**—The provisions of title 16, chapter 13, subchapter II, District of Columbia Code (relating to condemnation proceedings by the District government), shall apply to the Corporation in its exercise of its authority under this section.

**SEC. 725. REGULATORY RELIEF POWERS.**

(a) **REQUEST PRIORITY FOR CORPORATION-ASSISTED PROJECTS.**—The Corporation may request appropriate officers or employees of the appropriate regulatory authority of the District government to give expedited consideration to applications for District of Columbia regulatory licenses, permits, and approvals for economic development projects that have been provided financial assistance by the Corporation.

(b) **REQUEST REMEDY OF, OR EXPLANATION FOR, DELAY OR DENIAL.**—If the Corporation determines that an economic development project provided financial assistance by the Corporation is experiencing delay in obtaining necessary District of Columbia regulatory licenses, permits, or approvals from, or where necessary District of Columbia regulatory licenses, permits, or approvals have been denied by, a regulatory authority of the District government, the Corporation may request the appropriate officers or employees of the appropriate regulatory authority of the District government to issue the necessary permits,
licenses, or approvals, or to demonstrate good cause for
the delay or denial thereof, within 30 days of the request
of the Corporation.

Subtitle D—Capitalization and
Finance

SEC. 731. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appro-
piated directly to the Corporation in the fiscal year end-
ing September 30, 1998, to be available without fiscal year
limitation, $50,000,000, to carry out the purposes of this
title and to pay all expenses of the Corporation necessary
and incident to that purpose.

(b) MINIMUM AMOUNT REQUIRED FOR CERTAIN
USE.—

(1) IN GENERAL.—The Corporation shall pro-
vide financial assistance in an amount not less than
the lesser of $20,000,000 or 40 percent of the
amount appropriated under subsection (a)—

(A) directly to nonprofit organizations to
finance job training, placement, and related ac-
tivities for targeted District residents in those
organizations; or

(B) to nonprofit third-party intermediaries
to promote and finance job training, placement,
and related activities for targeted District resi-
students in for-profit and not-for-profit organizations.

(2) Waiver.—

(A) Waiver of requirement permitted.—The Corporation, by a vote of not less than 6 Board members, may waive the minimum amount requirement in paragraph (1).

(B) Report of waiver required.—If the Corporation waives the minimum amount requirement in paragraph (1), the Corporation shall communicate promptly the reasons for doing so to the Mayor, the Council, the Authority (if the activities of the Authority are not suspended under section 109 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), the President, and the Congress.

SEC. 732. PROJECT REVENUE OBLIGATIONS ISSUED BY CORPORATION.

(a) Authorities.—

(1) In general.—The Corporation, by resolution of the Board, may—

(A) authorize the issuance of taxable or tax-exempt project revenue obligations from
time to time, including refunding project revenue obligations at or before the maturity of the outstanding project revenue obligations to be refunded; and

(B) use the proceeds of issued project revenue obligations to provide financial assistance under this title for economic development projects, including providing funds to be paid into any reserve fund to secure project revenue obligations.

(2) DUTY TO CONSULT.—In exercising its authorities under this section, the Corporation shall consult with the executive and legislative branches of the District government so that the Corporation and the District government together—

(A) make the most effective use of available resources and authorities;

(B) avoid to the extent practicable competition or duplication of efforts; and

(C) maximize the benefit to the District of Columbia.

(b) SPECIAL OBLIGATIONS; NEGOTIABLE INSTRUMENTS.—Project revenue obligations issued by the Corporation under this section are—
(1) special obligations of the Corporation payable solely from the revenues, assets, and property of the economic development project for which financial assistance is provided, to the extent those revenues, assets, and property are pledged therefor; and

(2) negotiable instruments, whether or not any project revenue obligation is a security as defined in section 28:8–102(1)(a), DC Code.

(e) AUTHORIZING BOARD RESOLUTIONS.—Any resolution of the Board authorizing the issuance of project revenue obligations may—

(1) prescribe the form, terms, provisions, manner, and method of issuing and selling (including sale by negotiation or by competitive bid) the project revenue obligations;

(2) provide for rights or remedies of the holders of the project revenue obligations upon default;

(3) prescribe any other details with respect to the issuance, sale, or securing of the project revenue obligations; and

(4) authorize the Chief Executive Officer to take any actions in connection with the issuance, sale, delivery, security, and payment of the project revenue obligations, including the prescribing of any
terms or conditions not contained in the authorizing resolution of the Board.

(d) AGREEMENTS RELATING TO AND SECURING PROJECT REVENUE OBLIGATIONS.—

(1) IN GENERAL.—In authorizing the issuance of any project revenue obligation under this section, the Board may authorize the Chief Executive Officer to enter into any agreement concerning the acquisition, use, or disposition of any funds or property.

(2) SECURITY AGREEMENTS.—Any agreement authorized under paragraph (1) may—

(A) create a security interest in any revenues, assets, and property of an economic development project;

(B) provide for the custody, collection, security, investment, and payment of any funds (including any funds held in trust) for the payment of the project revenue obligations;

(C) mortgage any property of an economic development project;

(D) provide for the acquisition, construction, maintenance, and disposition of the economic development project for which financial assistance is provided;
(E) provide for the doing of any act (or the refraining from doing any act) which the Corporation has the right to do in the absence of such agreement; and

(F) be assigned for the benefit of, or made a part of any contract with, any holder of the project revenue obligations issued under this section.

(3) Security interests created by security agreements.—

(A) Notwithstanding article 9 of title 28, District of Columbia Code, any security interest created under an agreement entered into under paragraph (1) shall be valid, binding, and perfected—

(i) from the time the security interest is created, with or without the physical delivery of any funds or any other property and with or without any further action;

(ii) whether or not any statement, document, or instrument relating to the security interest is recorded or filed; and

(iii) with respect to any person having claims against the Corporation, whether or
not the person has notice of the security interest.

(c) Reserve Funds.—

(1) Establishment.—The Corporation may establish 1 or more special or reserve funds in furtherance of its authority under this section.

(2) Management.—Notwithstanding any other provision of District of Columbia law and subject to existing agreements with the holders of project revenue obligations issued by the Corporation, the Corporation may manage its special or reserve funds.

(f) Project Revenue Obligations Not Obligations of District of Columbia or United States.—

(1) In General.—Project revenue obligations issued by the Corporation under this section do not constitute an obligation of the District of Columbia or an obligation of the United States, but are payable solely from the revenues, assets, and property of the economic development project for which financial assistance is provided, to the extent those revenues, assets, and property are pledged therefor.

(2) No Liability of District of Columbia or United States.—Neither the District of Columbia nor the United States is responsible or shall be liable for the payment of any principal of, or the in-
terest or any premium on, any project revenue obligation issued by the Corporation under this section.

(3) **FULL FAITH AND CREDIT OF DISTRICT OF COLUMBIA AND UNITED STATES NOT PLEDGED.**—Neither the faith and credit nor the taxing power of the District of Columbia nor the full faith and credit of the United States is pledged for the payment of any principal of, or the interest or any premium on, any project revenue obligation issued by the Corporation under this section.

(4) **STATEMENT REQUIRED.**—Each project revenue obligation issued by the Corporation under this section and the offering documents relating to each issue of project revenue obligations shall contain on their face a statement that—

(A) the Corporation is not obligated to pay the principal of, or the interest or any premium on, the project revenue obligation except from the revenues, assets, and property of the economic development project for which financial assistance is provided, to the extent those revenues, assets, and property are pledged therefor;

(B) the project revenue obligation is not an obligation of the District of Columbia nor an obligation of the United States; and
(C) neither the faith and credit nor the
taxing power of the District of Columbia nor
the full faith and credit of the United States is
pledged to the payment of the principal of, or
the interest or any premium on, the project rev-

ue obligation.

(g) Project Revenue Obligations Excluded

From Certain Limitations.—

(1) Limitation on Total Borrowing of Dis-

trict Government.—The amount of any project
revenue obligations issued by the Corporation under
this section shall not be taken into account in deter-

mining whether the amount of funds borrowed by
the District of Columbia during a fiscal year as gen-

eral obligation bonds or Treasury capital project
loans exceeds the limitation on that amount provided
in section 603(b) of the District of Columbia Self-

Government and Governmental Reorganization Act.

(2) Limitation on Obligating or Expend-

ing Funds Outside of Appropriations Acts.—

The fourth sentence of section 446 of the District of
Columbia Self-Government and Governmental Reor-
ganization Act shall not apply to—

(A) any amount (including the amount of

any accrued interest or premium) obligated or
expended from the proceeds of the sale of any
project revenue obligation issued by the Cor-
poration under this section;

(B) any amount obligated or expended for
the payment of the principal of, interest on, or
any premium for any project revenue obligation
issued by the Corporation under this section; or

(C) any amount obligated or expended to
secure any project revenue obligation issued by
the Corporation under this section.

(3) Limitations on Acts of Council.—A res-
olution of the Corporation authorizing the issuance
of project revenue obligations under this section
shall not be considered to be an act of the Council.

(4) Limitation on Borrowing by District
Government During Control Years.—Section
204 of the District of Columbia Financial Respon-
sibility and Management Assistance Act of 1995
(DC Code, sec. 47–392.4), as amended by section
603, is further amended by adding at the end the
following new subsection:

“(h) Revenue Bonds Not Treated as Borrow-
ing.—For purposes of this section, the issuance by the
District of Columbia Economic Development Corporation
under section 732 of the District of Columbia Economic

"
SEC. 733. DEPOSIT AND INVESTMENT OF FUNDS.

All funds and revenues of the Corporation received by the Corporation from any source that are not required to be otherwise disposed shall be—

(1) held, administered, and invested by the Corporation as the Corporation shall direct; or

(2) deposited with and invested by an institution, trustee, fiduciary, or other custodian designated by the Corporation and paid as the Corporation shall direct.

SEC. 734. NO TAXING POWER.

The Corporation shall not have any power to—

(1) impose, assess, levy, or collect any taxes; or

(2) pledge, encumber, or otherwise create any lien on any revenues from taxes imposed, assessed, levied, or collected by the District government.
Subtitle E—Miscellaneous

Provisions

SEC. 741. LEGAL ACTIONS INVOLVING CORPORATION.

(a) JURISDICTION.—Any action against the Corporation or any action otherwise arising out of or pertaining to this title, in whole or in part, shall be brought in the United States District Court for the District of Columbia.

(b) APPEALS.—Notwithstanding any other provision of law, any order of the United States District Court for the District of Columbia which is issued in an action brought under subsection (a) shall be reviewable only under a notice of appeal to the United States Court of Appeals for the District of Columbia Circuit.

(c) RELIEF.—No order of any court granting declaratory or injunctive relief against the Corporation in an action brought under subsection (a), including relief permitting or requiring the obligation or expenditure of funds, shall take effect during the pendency of the action before the court, during the time appeal may be taken, or (if appeal is taken) during the period before the court has entered its final order disposing of the action.

(d) LEGAL REPRESENTATION.—In any action brought by or on behalf of the Corporation, or against the Corporation, the Corporation shall be represented by the counsel that it selects.
SEC. 742. JUDICIAL REVIEW OF FINANCIAL ASSISTANCE DETERMINATIONS AND RULES.

(a) Statutes of Limitations on Judicial Review.—

(1) Financial assistance determinations.—Any action arising out of or pertaining to any determination of the Corporation to approve, disapprove, or take no action with respect to any request or application for financial assistance shall be brought within 30 days after the date that notice of the determination that is the subject of the action appears in the District of Columbia Register.

(2) Rules and procedures.—Any action arising out of or pertaining to any rule, or procedure adopted or prescribed by the Corporation under this title with respect to providing financial assistance shall be brought within 90 days after the date that notice of the adoption or prescription of the rule or procedure that is the subject of the action appears in the District of Columbia Register.

(b) No Review of Rules or Procedures in Actions Arising Out of Financial Assistance Determinations.—Any rule or procedure adopted or prescribed by the Corporation under this title with respect to providing financial assistance shall not be the subject of review in any action arising out of or pertaining to any deter-
mination of the Corporation to approve, disapprove, or
take no action with respect to a request or application for
financial assistance.

SEC. 743. RELATIONSHIP TO OTHER LAWS.

The following laws of the District of Columbia (as
in effect on the date of enactment of this title) shall not
apply to the Corporation, its activities, the Board mem-
bers, or the officers or employees of the Corporation:

(1) Section 742 of the District of Columbia
Self-Government and Governmental Reorganization
Act (relating to open meetings).

(2) The provisions of the District of Columbia
Code governing administrative procedure.

(3) The provisions of the District of Columbia
Code governing procurement.

(4) The provisions of the District of Columbia
Code governing dispositions of property.

(5) The provisions of the District of Columbia
Code taxing the income of corporations.

SEC. 744. RELATIONSHIP TO DISTRICT GOVERNMENT.

(a) INDEPENDENT INSTRUMENTALITY.—

(1) IN GENERAL.—The Corporation is an inde-
pendent instrumentality governed by the Board
within the government of the District of Columbia.
(2) No control by district government.—
Notwithstanding any other law, neither the Mayor, the Council, the Chief Financial Officer of the District of Columbia, nor the Authority shall exercise any control, supervision, oversight, or review over the Corporation, its activities, the Board members (other than the ex officio Board members appointed by the Mayor and the Council), or the officers and employees of the Corporation.

(3) Prohibition against legislation affecting corporation.—Section 602(a) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 1–233(a)) is amended—

(A) by striking “or” at the end of paragraph (9);

(B) by striking the period at the end of paragraph (10) and inserting “; or”; and

(C) by adding at the end the following new paragraph:

“(11) enact any act, resolution, or rule with respect to the District of Columbia Economic Development Corporation established under section 711 of National Capital Revitalization and Self-Government Improvement Act of 1997.”.
1. **(4) Prerogative of Board.**—Notwithstanding any other law, the deposit of money received by the Corporation and the obligation and expenditure of money by the Corporation shall be sole prerogative of the Board, consistent with this title.

2. **(b) Application of Requirement Respecting Deposit of Receipts to Corporation’s Receipts.**—The third sentence of section 450 of the District of Columbia Self-Government and Governmental Reorganization Act shall apply to any money received by any officer or employee of the Corporation without the requirement to be paid promptly to the Mayor, and the appropriate fund for deposit of any money received by any officer or employee of the Corporation shall be any revolving fund established by the Corporation under section 723(c)(2).

3. **(c) Exclusion from Limitation on Obligating or Expenditure Funds Outside of Appropriations Acts.**—The fourth sentence of section 446 of the District of Columbia Self-Government and Governmental Reorganization Act shall not apply to any amount obligated or expended by any officer or employee of the Corporation as financial assistance under this title or to pay all expenses of the Corporation necessary and incident to that purpose.
(d) Exclusion From Personnel and Budget Limitations Applicable to District Government.—
The Corporation shall not be subject to any general personnel or budget limitations which otherwise apply to the District government in any appropriations Act, and the personnel of or the funds allocated or otherwise available to the Corporation shall not be counted as part of the personnel or budget ceilings of the District government.

(e) Other Assistance From District Government.—

(1) In general.—At the request of the Corporation, a department or agency of the executive branch of the District government (as defined in paragraph (2)) shall assist the Corporation in its efforts to promote economic development projects, including providing assistance relating to public safety and public works affecting such projects.

(2) Department or agency of executive branch defined.—In paragraph (1), the term “department or agency of the executive branch of the District government” includes—

(A) any independent agency of the District of Columbia established under part F of title IV of the District of Columbia Self-Government and Governmental Reorganization Act; and
Subtitle F—Sunset Provisions

SEC. 751. SUSPENSION OF NEW FINANCIAL ASSISTANCE.

(a) In general.—After the suspension date, the Corporation may not—

(1) enter into any contract, agreement, or commitment to provide new financial assistance under section 723; or

(2) issue any new project revenue obligations under section 732.

(b) Existing financial assistance commitments.—Nothing in paragraph (1) shall affect the authority of the Corporation to provide financial assistance under contracts, agreements, or commitments entered into under section 723 on or before the suspension date.

SEC. 752. TERMINATION OF AFFAIRS.

(a) In general.—Beginning on the day after the suspension date, the Board shall take and diligently pursue all reasonable and practical actions to achieve an orderly termination of the affairs of the Corporation on or before the termination date.

(b) Disposition of Corporation’s assets.—

(1) Liquidation.—
(A) **IN GENERAL.**—Unless the Council makes an election under paragraph (2), the Board shall liquidate all of the assets (other than moneys) of the Corporation.

(B) **PUBLIC NOTICE REQUIRED.**—The Board shall provide public notice of all liquidations of the assets of the Corporation.

(C) **BOARD TRANSFER OF PROCEEDS.**—Unless the Council makes an election under paragraph (2), the Board shall transfer promptly the proceeds of all liquidations under subparagraph (A) to the Mayor for deposit into the accounts or funds of the District government as the Mayor determines appropriate.

(2) **COUNCIL ELECTIONS.**—

(A) **RELATING TO TRANSFER OF ASSETS.**—

(i) **IN GENERAL.**—The Council, by act, may elect to have some or all of the assets of the Corporation transferred to any department, agency, establishment, or instrumentality of the District government rather than be liquidated.

(ii) **CONTENTS OF COUNCIL’S ACT.**—The act of the Council shall identify—
(I) the assets of the Corporation
which the Council elects to have
transferred rather than liquidated;
and

(II) the department, agency, es-
tablishment, or instrumentality of the
District government to which the
Council elects to have assets of the
Corporation transferred.

(iii) Board Transfer of Assets.—
If the Council makes an election under
clause (i), the Board shall transfer the as-
sets of the Corporation identified by the
Council in its act to the department, agen-
cy, establishment, or instrumentality of the
District government identified by the
Council in its act.

(B) Relating to Transfer of Liquida-
tion Proceeds.—

(i) In General.—The Council, by
act, may elect to have some or all of the
proceeds of the liquidation of the assets of
the Corporation deposited into one or more
accounts or funds of the District govern-
ment other than the accounts or funds of
the District government selected by the
Mayor under paragraph (1)(C).

(ii) CONTENTS OF COUNCIL’S ACT.—
The act of the Council shall identify—

(I) the amount of liquidation pro-
ceeds that the Council elects to have
deposited into one or more accounts
or funds of the District government
other than the accounts or funds of
the District government selected by
the Mayor under paragraph (1)(C);
and

(II) the accounts or funds of the
District government into which the
Council elects to have the moneys of
the Corporation deposited.

(iii) BOARD TRANSFER OF LIQUI-
DATION PROCEEDS.—If the Council makes an
election under clause (i), the Board shall
deposit the amount of the liquidation pro-
ceeds identified by the Council in its act to
the department, agency, establishment, or
instrumentality of the District government
identified by the Council in its act.
SEC. 753. DISSOLUTION OF CORPORATION.

(a) IN GENERAL.—

(1) TERMINATION COMPLETE.—

(A) IN GENERAL.—Unless the Council makes an election under subparagraph (B), if the Board completes the termination of the affairs of the Corporation on or before the termination date, the Board shall

(i) transfer to the Mayor the moneys of the Corporation that are reserved to fulfill the obligations of the Corporation to provide financial assistance under contracts, agreements, or commitments entered into under section 723 on or before the suspension date;

(ii) transfer to the Mayor the balance of the moneys of the Corporation for deposit into the accounts or funds of the District government as the Mayor determines appropriate; and

(iii) submit a final report on the Corporation to the Council, the Authority (if the activities of the Authority are not suspended under section 109 of the District of Columbia Financial Responsibility and
Management Assistance Act of 1995), the
President, and the Congress.

(B) COUNCIL ELECTION RELATING TO
TRANSFER OF CORPORATION MONEYS.—

(i) IN GENERAL.—The Council, by
act, may elect to have some or all of the
balance of the Corporation’s moneys depos-
ited into one or more accounts or funds of
the District government other than the ac-
counts or funds of the District government
selected by the Mayor under paragraph
(1)(A)(ii).

(ii) CONTENTS OF COUNCIL’S ACT.—
The act of the Council shall identify—

(I) the amount of the balance of
the Corporation’s moneys that the
Council elects to have deposited into
one or more accounts or funds of the
District government other than the
accounts or funds of the District gov-
ernment selected by the Mayor under
paragraph (1)(A)(ii); and

(II) the accounts or funds of the
District government into which the
Council elects to have the moneys of the Corporation deposited.

(iii) **Board transfer of balance of corporation’s moneys.**—If the Council makes an election under clause (i), the Board shall—

(I) transfer to the Mayor the moneys of the Corporation that are reserved to fulfill the obligations of the Corporation to provide financial assistance under contracts, agreements, or commitments entered into under section 723 on or before the suspension date;

(II) deposit the amount of the balance of the moneys of the Corporation identified by the Council in its act to the accounts or funds of the District government identified by the Council in its resolution; and

(III) submit a final report on the Corporation to the Council, the Authority (if the activities of the Authority are not suspended under section 109 of the District of Columbia Fi-
nancial Responsibility and Manage-
ment Assistance Act of 1995), the
President, and the Congress.

(2) TERMINATION INCOMPLETE.—If the Board
has not completed the termination of the affairs of
the Corporation and the disposition of all of the as-
sets of the Corporation on or before the termination
date, the Mayor shall, on the day after the termi-
nation date, succeed to all of the powers, rights, as-
sets, duties, obligations, and liabilities of the Cor-
poration and the Board.

(b) DISPOSITION BY MAYOR.—If the Mayor succeeds
to the powers, rights, assets, duties, obligations, and liabilities of the Corporation and the Board under subsection
(a)(2), the Mayor shall act as follows:

(1) If the Board has not completed the liquida-
tion of the assets of the Corporation, and unless the
Council has made an election under section 752(b)(2), the Mayor shall complete the liquidation
of those assets and deposit the proceeds of the liq-
uidations into the accounts or funds of the District
government as the Mayor determines appropriate.

(2) If the Council has made an election under
section 752(b)(2) and the Board has not completed
the transfer of the assets of the Corporation identi-
fied in the act of the Council to the department, agency, establishment, or instrumentality of the District government identified in the resolution, the Mayor shall complete the transfer promptly.

(3) If the Council has made an election under section 752(b)(2) and the Board has not completed the deposit of the amount of liquidation proceeds identified by the Council in its act into the accounts or funds of the District government identified by the Council in its act, the Mayor shall complete the deposit promptly.

(4) Unless the Council has made an election under subsection (a)(1)(B), when the Mayor completes the termination of the affairs of the Corporation and the disposition of all of the assets of the Corporation, the Mayor shall deposit the balance of the moneys of the Corporation into the accounts or funds of the District government as the Mayor determines appropriate.

(5) If the Council has made an election under subsection (a)(1)(B), when the Mayor completes the termination of the affairs of the Corporation and the disposition of all of the assets of the Corporation, the Mayor shall deposit the amount of the balance of the moneys of the Corporation identified by the
Council in its act into the accounts or funds of the District government identified by the Council in its act.

(6) The Mayor shall submit a final report on the Corporation to the Council, the Authority (if the activities of the Authority are not suspended under section 109 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), the President, and the Congress.

(c) DISSOLUTION OF CORPORATION.—The Corporation shall be dissolved—

(1) if subsection (a)(1)(A) applies, on the latest of the dates on which the Board completes the actions described in clauses (i), (ii), and (iii) thereof;

(2) if subsection (a)(1)(B) applies, on the latest of the dates on which the Board completes the actions described in subclauses (I), (II), and (III) of clause (iii) thereof; or

(3) if subsection (a)(2) applies, on the latest of the dates on which the Mayor completes the actions described in subsection (b).

(d) SUCCESSION.—

(1) IN GENERAL.—Upon dissolution of the Corporation under subsection (c), the District govern-
ment shall succeed to all of the assets and liabilities of the Corporation.

(2) **District Government Successor Issuer of Project Revenue Obligations.**—For purposes of any outstanding project revenue obligation issued by the Corporation under section 732 on or before the suspension date, the District government shall be deemed to be the issuer after the dissolution of the Corporation.

(e) **Savings Provision.**—Nothing in this section shall affect

(1) the validity of any undischarged contract, agreement, or commitment to provide financial assistance entered into under section 723 on or before the suspension date;

(2) the validity or maturity of any outstanding project revenue obligation issued by the Corporation under section 732 on or before the suspension date; or

(3) any right or privilege accrued, any penalty or liability incurred, any civil or criminal proceeding commenced, or any authority conferred on or before the termination date.
TITLE VIII—DISTRICT OF CO-
LUMBIA GOVERNMENT BUDG-
ET; EFFECTIVE DATE

SEC. 801. ELIMINATION OF THE ANNUAL FEDERAL PAY-
MENT TO THE DISTRICT OF COLUMBIA.

(a) Elimination of Payment.—

(1) In general.—Title V of the District of Co-
lumbia Self-Government and Governmental Reorga-
nization Act (DC Code, sec. 47–3406 et seq.) is
hereby repealed.

(2) Clerical Amendment.—The table of con-

tents of such Act is amended by striking the items
relating to title V.

(b) Conforming Amendments.—

(1) Home Rule Act.—The District of Colum-
bia Self-Government and Governmental Reorganiza-
tion Act is amended as follows:

(A) In section 103(10) (DC Code, sec. 1–
202(10)), by striking “the annual Federal pay-
ment to the District authorized under title V,”.

(B) In section 483 (DC Code, sec. 47–
331.2), by striking subsection (c).

(C) In section 603(c) (DC Code, sec. 47–
313(c)), by striking the fourth sentence.
(D) In section 603(f)(1) (DC Code, sec. 47–313(f)(1)), by striking “(other than the fourth sentence)”. 

(2) **Financial responsibility and management assistance act.**—The District of Columbia Financial Responsibility and Management Assistance Act of 1995 is amended—

(A) by striking section 205 (DC Code, sec. 47–392.5); and

(B) in the table of contents for such Act, by striking the item relating to section 205.

(3) **Procurement practices act.**—Section 208(a)(2) of the District of Columbia Procurement Practices Act of 1985 (DC Code, sec. 1–1182.8(a)(2)) is amended—

(1) by striking subparagraph (B);

(2) by redesignating subparagraph (C) as subparagraph (B); and

(3) in subparagraph (B), as so redesignated, by striking “Amounts deposited in the dedicated fund described in subparagraph (B)” and inserting “Amounts appropriated for the Inspector General”.

(4) **District of Columbia revenue act of 1939.**—The District of Columbia Revenue Act of
1939 (DC Code, sec. 47–3401 et seq.) is amended as follows:

(A) In section 603(b) (as redesignated by section 501)—

(i) in paragraph (5), by adding “and” at the end;

(ii) in paragraph (6), by striking “; and” and inserting a period; and

(iii) by striking paragraph (7).

(B) In section 603(c) (as redesignated by section 501), by striking paragraph (3).

(C) In section 605(b) (as redesignated by section 501)—

(i) by striking paragraph (1) and redesignating paragraphs (2) through (4) as paragraphs (1) through (3);

(ii) in paragraph (1) (as so redesignated), by striking “OTHER” in the heading;

(iii) in paragraph (1) (as so redesignated), by striking “If, after” and all that follows through “the Secretary” and inserting “The Secretary”;
(iv) in paragraph (2) (as so redesignated), by striking “paragraphs (1) and (2)” and inserting “paragraph (1)”; and
(v) in paragraph (3) (as so redesigned), by striking “(1) through (3)” and inserting “(1) and (2)”.

(c) Federal Contribution to Operations of Government of Nation’s Capital.—

(1) Findings.—Congress finds as follows:

(A) Congress has reduced the District of Columbia’s ability to raise revenue by limiting the height of buildings in the District and imposing other limitations relating to the Federal presence in the District.

(B) Congress has imposed limitations on the District’s ability to tax revenue at its source.

(C) The District government cannot tax a high proportion of the real property of the District of Columbia, and the effect of this inability on the District’s revenues is magnified by the District’s relatively small geographic size.

(D) The unique status of the District of Columbia as the seat of the government of the United States imposes unusual costs and re-
quirements which are not imposed on other jur-
risdictions and many of which are not directly
reimbursed by the Federal government.

(E) As a result of these factors, the rel-
ative tax burden on District residents is consid-
erably greater than the burden on residents in
other jurisdictions in the Washington, D.C.
metropolitan area and in other cities of com-
parable size.

(2) FEDERAL CONTRIBUTION.—There is au-
thorized to be appropriated a Federal contribution
towards the costs of the operation of the government
of the Nation’s capital—

(A) for fiscal year 1998, $140,000,000;
and

(B) for each subsequent fiscal year, such
amount as may be necessary for such contribu-
tion.

In determining the amount appropriated pursuant to
the authorization under this paragraph, Congress
shall take into account the findings described in
paragraph (1).
SEC. 802. REQUIREMENT THAT THE DISTRICT OF COLUMBIA BALANCE ITS BUDGET IN FY 1998.

(a) IN GENERAL.—Section 201(e)(1) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 is amended—

(1) in subparagraph (A), by striking “1999” and inserting “1998”; and


(b) CONFORMING AMENDMENT.—Section 603(f) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47–313(f)) is amended by striking “Act of 1995)—” and all that follows through “(2) the Council” and inserting “Act of 1995), the Council”.

SEC. 803. PERMITTING EXPEDITED SUBMISSION AND APPROVAL OF CONSENSUS BUDGET AND FINANCIAL PLAN.

(a) FINDINGS.—Congress finds the following:

(1) The District of Columbia Financial Responsibility and Management Assistance Act (hereafter in this subsection referred to as the “Act”) was structured as to preserve the maximum prerogatives of each branch of elected self-government consistent with returning the District of Columbia to full financial stability and health.
(2) The Act was intended to eliminate unnecessary bureaucratic barriers and procedures throughout the District government, including the budget process.

(3) Preservation of home rule and self-government are consistent with cooperation between elected officials and the Authority in drawing the annual budget and other matters affecting the District of Columbia government, and are preferable to achieve greater efficiency, communication among the parties, and avoidance of conflict and delay.

(b) IN GENERAL.—Section 202 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 is amended by adding at the end the following new subsection:

“(i) EXPEDITED SUBMISSION AND APPROVAL OF CONSENSUS BUDGET AND FINANCIAL PLAN.—Notwithstanding any other provision of this section, if the Mayor, the Council, and the Authority jointly develop a financial plan and budget for the fiscal year which meets the requirements applicable under section 201 and which the Mayor, Council, and Authority certify reflects a consensus among them—

“(1) such financial plan and budget shall serve as the budget of the District government for the fis-
cal year adopted by the Council under section 446 of the District of Columbia Self-Government and Governmental Reorganization Act; and

“(2) the Mayor shall transmit the financial plan and budget to the President and Congress under such section.”.

(c) Effective Date.—The amendment made by subsection (b) shall apply with respect to fiscal years beginning with fiscal year 1998.

SEC. 804. INCREASE IN MAXIMUM AMOUNT OF PERMITTED DISTRICT BORROWING.

Section 603(b) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47±313(b)) is amended by striking “14 per centum” each place it appears in paragraph (1) and paragraph (3) and inserting “17 percent”.

TITLE IX—MISCELLANEOUS PROVISIONS

Subtitle A—Regulatory Reform in the District of Columbia

SEC. 901. REVIEW AND REVISION OF REGULATIONS AND PERMIT AND APPLICATION PROCESSES.

(a) Review of Current Regulations by Authority.—
(1) **In General.**—Not later than 6 months after the date of the enactment of this Act, the District of Columbia Financial Responsibility and Management Assistance Authority shall complete a review of regulations of the District of Columbia in effect as of the date of the enactment of this Act and analyze the extent to which such regulations unnecessarily and inappropriately impair economic development in the District of Columbia and the financial stability and management efficiency of the District of Columbia government. To the greatest extent possible, such review shall take into account the work and recommendations of the Business Regulatory Reform Commission pursuant to the Business Regulatory Reform Commission Act of 1994 (DC Code, sec. 2–4101 et seq.) and other existing and ongoing public and private regulatory reform efforts. The Authority shall transmit the findings of its review to the Mayor, Council, and Congress.

(2) **Revision.**—Based on the review conducted under paragraph (1) and taking into account actions by the Council and the Executive Branch of the District of Columbia government, the Authority shall take such additional actions as it considers appropriate to repeal or revise the regulations of the Dis-
trict of Columbia, in accordance with (and subject to
the terms and conditions described in) section 207
of the District of Columbia Financial Responsibility
and Management Assistance Act of 1995.

(b) Survey and Revision of Permit and Application Processes.—

(1) In general.—Not later than 6 months
after the date of the enactment of this Act, the Au-
thority shall complete a review of the current proc-
esses of the District of Columbia for obtaining per-
mits and applications of all types and analyze the
extent to which such processes and their completion
times vary from the processes applicable in other ju-
risdictions. To the greatest extent possible, such re-
view shall take into account the work and rec-
ommendations of the Business Regulatory Reform
Commission pursuant to the Business Regulatory
Reform Commission Act of 1994 (DC Code, sec. 2–
4101 et seq.) and other existing and ongoing public
and private regulatory reform efforts. The Authority
shall transmit the findings of its review to the
Mayor, Council, and Congress.

(2) Revision.—Based on the review conducted
under paragraph (1) and taking into account actions
by the Council and the Executive Branch of the Dis-
trict of Columbia government, the Authority shall take such additional actions as it considers appropriate to repeal or revise the permit and application processes (and their completion times) of the District of Columbia, in accordance with (and subject to the terms and conditions described in) section 207 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995. In carrying out such repeals or revisions, the Authority shall seek to ensure that the average time required to obtain a permit or application from the District of Columbia is consistent with the average time for other similar jurisdictions in the United States.

(e) REPORTS TO CONGRESS.—Upon the expiration of the 6-month period which begins on the date of the enactment of this Act and on a quarterly basis thereafter, the Authority shall submit a report to Congress describing the steps taken to carry out the requirements of this section and the effectiveness of the regulatory, permit, and application processes of the District of Columbia.


(a) REPEAL.—

(1) IN GENERAL.—Effective March 21, 1995, the Clean Air Compliance Fee Act of 1994 is hereby
repealed (DC Code, sec. 47–2731 et seq.), except as
provided in subsection (b).

(2) CONFORMING AMENDMENT.—Section 2(b)(2) of the Stable and Reliable Source of Revenues for WMATA Act of 1982 (DC Code, sec. 1–2466(b)(2)) is amended by striking subparagraph (H).

(b) EXCEPTION FOR PROVISIONS EXEMPTING DELIVERY OF NEWSPAPERS FROM APPLICATION OF CERTAIN TAXES.—Subsection (a) shall not apply to section 14 of the Clean Air Compliance Fee Act of 1994.

SEC. 903. REPEAL OF FEDERAL CHARTER OF GROUP HOSPITALIZATION AND MEDICAL SERVICES, INC.

(a) REPEAL OF FEDERAL CHARTER.—

(1) IN GENERAL.—The Act entitled “An Act providing for the incorporation of certain persons as Group Hospitalization, Inc.”, approved August 11, 1939 (53 Stat. 1412), is repealed.

(2) AUTHORIZATION TO FILE ARTICLES OF INCORPORATION.—Group Hospitalization and Medical Services, Inc. is hereby authorized to file articles of incorporation under the District of Columbia Non-profit Corporation Act.

(3) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect upon the filing
and effectiveness of articles of incorporation of Group Hospitalization and Medical Services, Inc. under the District of Columbia Nonprofit Corporation Act.

(b) EFFECTS OF BECOMING A DISTRICT OF COLUMBIA NONPROFIT CORPORATION.—Effective upon the filing and effectiveness of articles of incorporation of Group Hospitalization and Medical Services, Inc. as authorized in paragraph (2) of subsection (a), Group Hospitalization and Medical Services, Inc.—

(1) shall be a District of Columbia nonprofit corporation subject to the articles of incorporation;

(2) shall be deemed organized and existing under the District of Columbia Nonprofit Corporation Act, notwithstanding any of the provisions of section 4 of the District of Columbia Nonprofit Corporation Act regarding organizations subject to any of the provisions of the insurance laws of the District of Columbia;

(3) shall be legally domiciled in the District of Columbia;

(4) shall be regulated by the Superintendent of Insurance of the District of Columbia in accordance with the laws and regulations of the District of Columbia;
(5) shall continue to exist; and

(6) shall continue to be authorized to transact business—

(A) under existing certificates of authority and licenses issued to Group Hospitalization and Medical Services, Inc. before such filing and effectiveness,

(B) under the name “Group Hospitalization and Medical Services, Inc.”, and

(C) under applicable laws and regulations.

(d) WAIVER OF CONGRESSIONAL REVIEW PERIOD.—

Notwithstanding section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1–233(c)(1), D.C. Code), the Hospital and Medical Services Corporation Regulatory Act of 1996 (D.C. Act 11–505) shall take effect on the date of the enactment of such Act or the date of the enactment of this Act, whichever is later.

SEC. 904. EXEMPTION OF CERTAIN CONTRACTS FROM COUNCIL REVIEW.

(a) IN GENERAL.—Section 451 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1–1130, D.C. Code) is amended by adding at the end the following new subsection:
“(d) Exemption for Certain Contracts.—The requirements of this section shall not apply with respect to any of the following contracts:

“(1) Any contract entered into by the Washington Convention Center Authority for preconstruction activities, project management, design, or construction.

“(2) Any contract entered into by the District of Columbia Water and Sewer Authority established pursuant to the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, other than contracts for the sale or lease of the Blue Plains Wastewater Treatment Plant.

“(3) At the option of the Council, any contract for a highway improvement project carried out under title 23, United States Code.”.

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to contracts entered into on or after the date of the enactment of this Act.
Subtitle B—Other Miscellaneous Provisions

SEC. 911. REVISIONS TO FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE ACT.

(a) Use of Interest on Accounts of Authority for Benefit of District.—Section 106 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (DC Code, sec. 47–391.6) is amended by adding at the end the following new subsection:

“(d) Use of Interest on Accounts for District.—

“(1) In General.—Notwithstanding any other provision of this Act, the Authority may transfer or otherwise expend any amounts derived from interest earned on accounts held by the Authority on behalf of the District of Columbia for such purposes as it considers appropriate to promote the economic stability and management efficiency of the District government.

“(2) Spending Not Subject to Appropriation by Congress.—Notwithstanding subsection (a)(3), any amounts transferred or otherwise expended pursuant to paragraph (1) may be obligated or expended without approval by Act of Congress.”.
(b) APPOINTMENT OF INSPECTOR GENERAL.—Section 303(e)(1) of such Act (DC Code, sec. 1–1182.8 note) is amended by striking “the Authority” and inserting “the Mayor”.

SEC. 912. COOPERATIVE AGREEMENTS BETWEEN FEDERAL AGENCIES AND METROPOLITAN POLICE DEPARTMENT.

(a) AGREEMENTS.—Each covered Federal law enforcement agency may enter into a cooperative agreement with the Metropolitan Police Department of the District of Columbia to assist the Department in carrying out crime prevention and law enforcement activities in the District of Columbia, including taking appropriate action to enforce subsection (e) (except that nothing in such an agreement may be construed to grant authority to the United States to prosecute violations of subsection (e)).

(b) CONTENTS OF AGREEMENT.—An agreement entered into between a covered Federal law enforcement agency and the Metropolitan Police Department pursuant to this Act may include agreements relating to—

(1) sending personnel of the agency on patrol in areas of the District of Columbia which immediately surround the area of the agency’s jurisdiction, and granting personnel of the agency the power to arrest in such areas;
(2) sharing and donating equipment and supplies with the Metropolitan Police Department;

(3) operating on shared radio frequencies with the Metropolitan Police Department;

(4) permitting personnel of the agency to carry out processing and papering of suspects they arrest in the District of Columbia; and

(5) such other items as the agency and the Metropolitan Police Department may agree to include in the agreement.

(c) COORDINATION BY U.S. ATTORNEY’S OFFICE.—The United States Attorney for the District of Columbia shall coordinate the agreements entered into pursuant to this Act and shall provide technical assistance to covered Federal law enforcement agencies in carrying out their responsibilities under this Act and under such agreements.

(d) COVERED FEDERAL LAW ENFORCEMENT AGENCIES DESCRIBED.—In this section, the term “covered Federal law enforcement agency” means any of the following:

(1) United States Capitol Police.

(2) United States Marshals Service.

(3) Library of Congress Police.

(4) Bureau of Engraving and Printing Police Force.
(5) Supreme Court Police.

(6) Amtrak Police Department.

(7) Department of Protective Services, United States Holocaust Museum.


(9) United States Park Police.

(10) Bureau of Alcohol, Tobacco, and Firearms.

(11) Drug Enforcement Administration.

(12) Federal Bureau of Investigation.

(13) Criminal Investigation Division, Internal Revenue Service.

(14) Department of the Navy Police Division, Naval District Washington.

(15) Naval Criminal Investigative Service.


(17) United States Army Military District of Washington.

(18) United States Customs Service.

(19) Immigration and Naturalization Service.

(20) Postal Inspection Service, United States Postal Service.

(21) Uniformed Division, United States Secret Service.

(22) United States Secret Service.
(23) National Zoological Park Police.

(24) Federal Protective Service, General Services Administration, National Capital Region.


(26) Office of Protective Services, Smithsonian Institution.

(27) Office of Protective Services, National Gallery of Art.

(28) United States Army Criminal Investigation Command, Department of the Army Washington District, 3rd Military Police Group.

(29) Marine Corps Law Enforcement.

(30) Department of State Diplomatic Security.

(31) United States Coast Guard.

(32) United States Postal Police.

(c) Certain Prohibited Activity.—Effective with respect to conduct occurring on or after the date of the enactment of this Act, whoever in the District of Columbia knowingly and willfully obstructs any bridge connecting the District of Columbia and the Commonwealth of Virginia—

(1) shall be fined not less than $1,000 or not more than $5,000, and in addition may be imprisoned not more than 30 days; or
(2) if applicable, shall be subject to prosecution by the District of Columbia under the provisions of District law and regulation amended by the Safe Streets Anti-Prostitution Amendment Act of 1996 (D.C. Law 11–130).

SEC. 913. PERMITTING GARNISHMENT OF WAGES OF OFFICERS AND EMPLOYEES OF DISTRICT OF COLUMBIA GOVERNMENT.

Section 2 of D.C. Law 2–14 (DC Code, sec. 1–516) is amended—

(1) by striking “After July 25” and inserting “(a) After July 25”; and

(2) by adding at the end the following new subsection:

“(b) After October 1, 1997, wages salaries, annuities, retirement and disability benefits, and other remuneration based upon employment, or other income owed by, due from, and payable by the government of the District of Columbia to any individual shall be subject to attachment, garnishment, assignment, or withholding in accordance with subchapter III of chapter 5 of title 16 of the District of Columbia Code in the same manner and to the same extent as if the government of the District of Columbia were a private person.”.
SEC. 914. PERMITTING EXCESS APPROPRIATIONS BY WATER AND SEWER AUTHORITY FOR CAPITAL PROJECTS.

(a) IN GENERAL.—Section 445A of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 43–1691), as added by section 4(a) of the District of Columbia Water and Sewer Authority Act of 1996, is amended—

(1) by striking “The District” and inserting “(a) IN GENERAL.—The District”; and

(2) by adding at the end the following new subsection:

“(b) PERMITTING EXPENDITURE OF EXCESS REVENUES FOR CAPITAL PROJECTS IN EXCESS OF BUDGET.—Notwithstanding the amount appropriated for the District of Columbia Water and Sewer Authority for capital projects for a fiscal year, if the revenues of the Authority for the year exceed the estimated revenues of the Authority provided in the annual budget of the District of Columbia for the fiscal year, the Authority may obligate or expend an additional amount for capital projects during the year equal to the amount of such excess revenues.”.

(b) CONFORMING AMENDMENT.—The fourth sentence of section 446 of such Act (DC Code, sec. 47–304), as amended by section 2(c)(2) of the District of Columbia Water and Sewer Authority Act of 1996, is amended by

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striking “in section 467(d)” and inserting “in section 445A(b), section 467(d)”.

(c) Effective Date.—The amendments made by this section shall apply with respect to fiscal years beginning on or after October 1, 1996.

SEC. 915. REQUIRING CERTAIN FEDERAL OFFICIALS TO PROVIDE NOTICE BEFORE CARRYING OUT ACTIVITIES AFFECTING REAL PROPERTY LOCATED IN DISTRICT OF COLUMBIA.

(a) Heads of Federal Agencies.—

(1) In general.—Except as provided in subsection (d), the head of any Federal agency may not carry out any activity that affects real property located in the District of Columbia unless—

(A) not later than 60 days before carrying out such activity, the head of the agency provides a notice describing such activity and the property affected to the Administrator of General Services and the Administrator of General Services transmits such notice to the individuals described in subsection (c); and

(B) the head of the agency provides the individuals described in subsection (c) with the opportunity to present oral or written comments on the activity to a representative of the
head of the agency before the head of the agency carries out the activity.

(2) Federal agency defined.—In subsection (a), the term “Federal agency” means an executive department (as defined in section 101 of title 5, United States Code).

(b) Architect of the Capitol.—Except as provided in subsection (d), the Architect of the Capitol may not carry out any activity that affects real property located in the District of Columbia unless—

(1) not later than 60 days before carrying out such activity, the Architect provides a notice describing such activity and the property affected to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate and such Committees transmit such notice to the individuals described in subsection (c); and

(2) the Architect provides the individuals described in subsection (c) with the opportunity to present oral or written comments on the activity to a representative of the Architect before the Architect carries out the activity.

(c) Individuals described.—The individuals described in this paragraph (with respect to the activity and
the real property involved) are the Mayor of the District of Columbia, the Chair of the Council of the District of Columbia, and the Chair of the Advisory Neighborhood Commission (as established pursuant to section 738 of the District of Columbia Self-Government and Governmental Reorganization Act) in whose neighborhood such property is located.

(d) EXCEPTION FOR EMERGENCIES.—The head of a Federal agency or the Architect of the Capitol may waive the requirements of subsection (a) if the head of the agency or the Architect finds that compliance with the requirements would jeopardize the public safety or the national security interests of the United States, but only if the head of the agency or the Architect—

(1) certifies such finding and the reasons for such finding to the individuals described in subsection (c) and to Congress; and

(2) at the earliest time practicable, provides such individuals with the notice described in paragraph (1) of subsection (a) or (b) (whichever is applicable) and the opportunity to present comments described in paragraph (2) of subsection (a) or (b).

(e) EFFECTIVE DATE.—Section 1 shall apply to activities carried out after the expiration of the 60-day period that begins on the date of the enactment of this Act.
SEC. 916. SHORT TITLE OF HOME RULE ACT.

(a) IN GENERAL.—Section 101 of the District of Columbia Self-Government and Governmental Reorganization Act is amended by striking “District of Columbia Self-Government and Governmental Reorganization Act” and inserting “District of Columbia Home Rule Act”.

(b) REFERENCES IN LAW.—Any reference in law or regulation to the District of Columbia Self-Government and Governmental Reorganization Act shall be deemed to be a reference to the District of Columbia Home Rule Act.

Subtitle C—Effective Date; General Provisions

SEC. 921. EFFECTIVE DATE.

Except as otherwise provided in this Act, the provisions of this Act shall take effect on the later of October 1, 1997, or the day the District of Columbia Financial Responsibility and Management Assistance Authority certifies that the financial plan and budget for the District government for fiscal year 1998 meet the requirements of section 201(c)(1) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, as amended by this Act.

SEC. 922. TECHNICAL ASSISTANCE.

Any Federal agency (as defined in section 101 of title 31, United States Code) may provide, at the discretion of the head of the agency, technical assistance to, and
training for, personnel of the Government of the District of Columbia. Such assistance shall be limited to assistance that does not interfere with the mission of the agency. The authority provided by this section shall expire three years from the date of enactment of this statute.

SEC. 923. LIABILITY.

The United States, its agencies, and personnel will not incur any liability on the basis of the activities of the District of Columbia, its agencies, or personnel as a result of any acts or omissions in carrying out this Act or any amendments made by this Act.