Public Law 98-270
98th Congress

An Act

To provide for reconciliation pursuant to section 3 of the First Concurrent Resolution on the Budget for the fiscal year 1984.

Apr. 18, 1984
[H.R. 4169]

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

Omnibus Budget Reconciliation Act of 1983.

TITLE I—SHORT TITLE AND DECLARATION OF PURPOSE

SHORT TITLE

SEC. 101. This Act may be cited as the "Omnibus Budget Reconciliation Act of 1983".

PURPOSE

SEC. 102. It is the purpose of this Act to implement the recommendations which were made by specified committees of the House of Representatives pursuant to directions contained in section 3 of the First Concurrent Resolution on the Budget for the fiscal year 1984 (H. Con. Res. 91, 98th Congress), and pursuant to the reconciliation requirements which were set forth by such concurrent resolution as provided in section 310 of the Congressional Budget Act of 1974.

2 USC 641.

TITLE II—COMMITTEE ON POST OFFICE AND CIVIL SERVICE

COST-OF-LIVING ADJUSTMENTS UNDER THE CIVIL SERVICE RETIREMENT SYSTEM

SEC. 201. (a) Subsections (a) and (b) of section 8340 of title 5, United States Code, are amended to read as follows:

"(a) For the purpose of this section—

"(1) the term 'base quarter', as used with respect to a year, means the calendar quarter ending on September 30, of such year; and

"(2) the price index for a base quarter is the arithmetical mean of such index for the 3 months comprising such quarter.

"(b) Except as provided in subsection (c) of this section, effective December 1 of each year, each annuity payable from the Fund having a commencing date not later than such December 1 shall be increased by the percent change in the price index for the base quarter of such year over the price index for the base quarter of the preceding year in which an adjustment under this subsection was made, adjusted to the nearest 1/10 of 1 percent.".

(b)(1) The amendments made by subsection (a) shall take effect on the date of the enactment of this Act, except that no adjustment under section 8340(b) of title 5, United States Code (as amended by such subsection), shall be made during the period beginning on the date of the enactment of this Act and ending November 30, 1984.

Effective date.
5 USC 8340 note.

(2)(A) For purposes of the first adjustment under section 8340(b) of title 5, United States Code (as amended by subsection (a)), the base

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quarter ending September 30, 1983, shall be considered to have been a base quarter in which an adjustment under such section (as so amended) was made.

(B) As used in subparagraph (A), the term "base quarter" has the meaning given such term by section 8340(a)(1) of title 5, United States Code (as amended by subsection (a)).

5 USC 8340 note.

(c)(1) Section 301(a)(3) of the Omnibus Budget Reconciliation Act of 1982 is amended by striking out "(as determined by the Office of Personnel Management on the basis of the calendar year ending in such year)" and inserting in lieu thereof "(as determined by the Office of Personnel Management under section 8340(b) of title 5, United States Code)".

5 USC 8340 note.

(2) Section 301(b) of the Omnibus Budget Reconciliation Act of 1982 is hereby repealed.

PAY ADJUSTMENT FOR FEDERAL EMPLOYEES

5 USC 5305 note.

SEC. 202. (a)(1) Notwithstanding any other provision of law, in the case of fiscal year 1984, the overall percentage of the adjustment under section 5305 of title 5, United States Code, in the rates of pay under the General Schedule, and in the rates of pay under the other statutory pay systems, shall be an increase of 4 percent.

5 USC 5332.

(2) Each increase in a pay rate or schedule which takes effect pursuant to paragraph (1) shall, to the maximum extent practicable, be of the same percentage, and shall take effect as of the first day of the first applicable pay period commencing on or after January 1 of such fiscal year.

5 USC 5343 note.

(b)(1) Notwithstanding any other provision of law, in the case of a prevailing rate employee described in section 5342(a)(2) of title 5, United States Code, or an employee covered by section 5348 of such title—

5 USC 5343 note.

(A) any increase in the rate of pay payable to such employee which would result from the expiration of the limitation contained in section 107(a) of Public Law 97-377 (96 Stat. 1909) shall not take effect; and

5 USC 5341.

(B) any adjustment under subchapter IV of chapter 53 of such title to any wage schedule or rate applicable to such employee which results from a wage survey and which is to become effective during the fiscal year beginning October 1, 1983, shall not exceed the amount which is 4 percent above the schedule or rate payable on September 30, 1983 (determined with regard to the limitation contained in section 107(a) of Public Law 97-377), and shall not be effective with respect to any pay period commencing before January 1 of such fiscal year.

5 USC 5343 notes.

(2) Notwithstanding the provisions of section 9(b) of Public Law 92-392 or section 704(b) of the Civil Service Reform Act of 1978, the provisions of paragraph (1) shall apply (in such manner as the Office of Personnel Management shall prescribe) to prevailing rate employees to whom such section 9(b) applies, except that the provisions of paragraph (1) shall not apply to any increase in a wage schedule or rate which is required by the terms of a contract entered into before the date of the enactment of this Act.

(3) The provisions of paragraph (1) shall not apply with respect to wage adjustments for prevailing rate supervisors under the supervisory pay plan published in the Federal Register on May 21, 1982 (47 Fed. Reg. 22100).

TITLE III—COMMITTEE ON SMALL BUSINESS

SEC. 301. Section 7(c) of the Small Business Act is amended by adding the following:

Disaster assistance. Loans. 15 USC 636.

"(5) Notwithstanding the provisions of any other law, the interest rate on the Federal share of any loan made under subsection (b)(1) and (b)(2) on account of a disaster commencing on or after October 1, 1982, shall be—

"(A) in the case of a homeowner unable to secure credit elsewhere, the rate prescribed by the Administration but not more than one-half the rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loan plus an additional charge of not to exceed 1 per centum per annum as determined by the Administrator, and adjusted to the nearest one-eighth of 1 per centum, but not to exceed 4 per centum per annum;

"(B) in the case of a homeowner able to secure credit elsewhere, the rate prescribed by the Administration but not more than the rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans plus an additional charge of not to exceed 1 per centum per annum as determined by the Administrator, and adjusted to the nearest one-eighth of 1 per centum, but not to exceed 8 per centum per annum;

"(C) in the case of a business concern unable to obtain credit elsewhere, not to exceed 4 per centum per annum;

"(D) in the case of a business concern able to obtain credit elsewhere, the rate prescribed by the Administration but not in excess of the lowest of (i) the rate prevailing in the private market for similar loans, (ii) the rate prescribed by the Administration as the maximum interest rate for deferred participation (guaranteed) loans under section 7(a) of this Act, or (iii) 8 per centum per annum. Loans under this subparagraph shall be limited to a maximum term of three years.

"(6) Notwithstanding the provisions of any other law, such loans, subject to the reductions required by subparagraphs (A) and (B) of paragraph 7(b)(1), shall be in amounts equal to 100 per centum of loss. The interest rates for loans made under paragraphs 7(b) (1) and (2), as determined pursuant to paragraph (5), shall be the rate of interest which is in effect on the date of the disaster commenced: *Provided,* That no loan under paragraphs 7(b) (1) and (2) shall be made, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred (guaranteed) basis, if the total amount outstanding and committed to the borrower under subsection 7(b) would exceed $500,000 for each disaster unless an applicant constitutes a major source of employment in an area suffering a disaster, in which case the Administration, in its discretion, may waive the $500,000 limitation: *Provided further,* That the Administration, subject to the

15 USC 636.

15 USC 636.

reductions required by subparagraphs (A) and (B) of paragraph 7(b)(1), shall not reduce the amount of eligibility for any homeowner on account of loss of real estate to less than $100,000 for each disaster nor for any homeowner or lessee on account of loss of personal property to less than $20,000 for each disaster, such sums being in addition to any eligible refinancing.

With respect to any loan which is outstanding on the date of enactment of this paragraph and which was made on account of a disaster commencing on or after October 1, 1982, the Administrator shall make such change in the interest rate on the balance of such loan as is required herein effective as of the date of enactment.".

15 USC 631 note.

SEC. 302. Section 20 of the Small Business Act is amended as follows:

(1) by striking all of paragraph (5) of subsection (q) after the word "Administration" and by inserting the following "is authorized to make $100,000,000 in direct loans and for the programs authorized by sections 7(b)(1) and 7(b)(2) of this Act, the Administration is authorized to make $500,000,000 in direct loans."; and

15 USC 636.

(2) by adding the following new subsection:

"(t) For each of fiscal years 1985 and 1986, for the programs authorized by sections 7(b)(1) and 7(b)(2) the Administration is authorized to make $500,000,000 in direct loans and for each of such years for the programs authorized by sections 7(b)(3) and 7(b)(4) the Administration also is authorized to make $100,000,000 in direct loans.".

15 USC 647.

SEC. 303. Section 18(a) of the Small Business Act is amended by striking "October 1, 1983" and by inserting "October 1, 1986".

15 USC 636.

SEC. 304. Section 7(b) of the Small Business Act is amended as follows:

(1) by striking out the period at the end of paragraph (2) and by inserting in lieu thereof a semicolon; and

Disaster assistance. Loans.

(2) by adding after paragraph (3) the following new paragraph:

"(4) To make such disaster loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary to assist, or refinance all or part of the existing indebtedness (specifically including any direct loans under section 7(a) of this Act which were made to small businesses affected by currency fluctuations and exchange freezes), of any small business concern located in an area of economic dislocation that is the result of the drastic fluctuation in the value of the currency of a country contiguous to the United States and adjustments in the regulation of its monetary system if such concern is unable to obtain credit elsewhere. The Governor of a State may certify to the Administration (A) that small business concerns within the State have suffered substantial economic injury as a result of such economic dislocation, and (B) that such concerns are in need of financial assistance which is not available on reasonable terms. Such economic dislocations must be of such magnitude that without the benefit of disaster loans provided hereunder a significant number of otherwise financially sound small businesses in the impacted regions or business sectors would either become insolvent or be unable to return quickly to their former level of operation. No disaster loan made hereunder shall

exceed $100,000, nor shall the proceeds thereof be used to reduce the exposure of any other lender. The Administration may permit deferral of payment of principal and interest for one year on loans made hereunder.".

SEC. 305. Section 20(q) of the Small Business Act is amended by striking from paragraph (5) "section 7(b)(3)" and inserting in lieu thereof "sections 7(b)(3) and 7(b)(4)". 15 USC 631 note.

SEC. 306. Paragraph (1) of section 4(c) of the Small Business Act is further amended by inserting "7(b)(4)," after "7(b)(3),". 15 USC 633.

SEC. 307. The amendments made by sections 304 and 305 of this title shall apply to economic dislocations certified by any State Governor to the Small Business Administration after the date of enactment of this Act providing such dislocation commenced since January 1, 1982. 15 USC 636 note.

SEC. 308. Section 7(b)(3) of the Small Business Act is amended as follows: 15 USC 636.

(1) by inserting "continuation of," after "in effecting"; and

(2) by inserting the following at the end of such paragraph: "For the purposes of this paragraph, the impact of the 1983 Payment-in-Kind Land Diversion program, or any successor Payment-in-Kind program with a similar impact on the small business community, shall be deemed to be a consequence of Federal Government action; and".

SEC. 309. Section 7(c)(6) of the Small Business Act is further amended by adding the following at the end of the second proviso: "Employees of concerns sharing a common business premises shall be aggregated in determining 'major source of employment' status for nonprofit applicants owning such premises.". Employment and unemployment. *Ante*, p. 159.

SEC. 310. Section 3 of the Small Business Act is amended by adding the following new subsection at the end thereof: Agricultural cooperative. 15 USC 632. 15 USC 636.

"(j) For the purposes of section 7(b)(2) of this Act, the term 'small agricultural cooperative' means an association (corporate or otherwise) acting pursuant to the provisions of the Agricultural Marketing Act (12 U.S.C. 1141j), whose size does not exceed the size standard established by the Administration for other similar agricultural small business concerns. In determining such size, the Administration shall regard the association as an entity and shall not include the income or employees of any member shareholder of such cooperative: *Provided*, That such an association shall not be deemed to be a small agricultural cooperative unless each member of the board of directors of the association, or each member of the governing body of the association if it is not incorporated, also individually qualifies as a small business concern.".

SEC. 311. Section 7(b)(2) of the Small Business Act is amended as follows: 15 USC 636.

(1) by striking "small business concern" and inserting in lieu thereof "small business concern or small agricultural cooperative";

(2) by striking "small business concerns" and inserting in lieu thereof "small business concerns or small agricultural cooperatives"; and

(3) by striking "the concern" and inserting in lieu thereof "the concern or the cooperative".

SEC. 312. The amendments made by sections 310 and 311 of this title shall apply to loans granted on the basis of any disaster with respect to which a declaration has been issued after September 1, 1982, under section 7(b)(2) (A), (B), or (C) of the Small Business Act or 15 USC 632 note. 15 USC 636.

15 USC 636.
Effective date.
15 USC 632 note.

with respect to which a certification has been made after such date under section 7(b)(2)(D) of such Act.

SEC. 313. This title shall take effect October 1, 1983.

TITLE IV—ADDITIONAL PROPOSAL FOR DEFICIT REDUCTION

FINDINGS

SEC. 401. The Congress finds and declares that—

(1) current projections indicate that the Federal Government's budget deficits will continue at unacceptably high levels for the foreseeable future;

(2) these high deficits can place upward pressure on interest rates, reduce investment, raise the trade deficit, decrease employment, and threaten the vitality of economic recovery; and

(3) reduction of these unacceptably high deficits requires a comprehensive plan to slow the growth of Federal spending, including military and entitlement spending, and to increase revenues.

DOMESTIC ECONOMIC SUMMIT CONFERENCE TO REDUCE THE BUDGET DEFICIT

SEC. 402. (a) The President shall convene a domestic economic summit conference to address the dangerous economic situation created by these projected large deficits.

(b) The summit conference shall consist of the President, the Speaker of the House of Representatives, the President pro tempore of the Senate, the majority leaders and minority leaders of the House of Representatives and Senate, and other appropriate participants from the Congress and the executive branch responsible for the development of economic policy.

Report.

(c) No later than forty-five days after the date of the enactment of this Act, this summit conference shall develop and report to Congress a comprehensive plan to reduce the projected deficits in the Budget of the United States.

Approved April 18, 1984.

LEGISLATIVE HISTORY—H.R. 4169 (S. 2062):

HOUSE REPORT No. 98-425 (Comm. on the Budget).
SENATE REPORT No. 98-300 accompanying S. 2062 (Comm. on the Budget).
CONGRESSIONAL RECORD:
Vol. 129 (1983): Oct. 25, considered and passed House.
Vol. 130 (1984): Apr. 5, considered and passed Senate.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 20, No. 16 (1984): Apr. 18, Presidential statement.