The Blueprint for a Better America: A Political Solution for 2022

Like a phoenix, America can rise up from the ashes of the pandemic as a nation reborn. The Blueprint for a Better America is a single legislative package, crowdsourced by the people, for the people. It is a framework for an America that recognizes the humanity in all of us. This document contains a 6-page summary of its 50+ policies, which make up its three planks:

- End poverty
- End mass incarceration
- End the endless wars

The Blueprint is supported by the members of the American Union, a union of swing voters inspired by our Constitutional duties to each other, and willing to collectively bargain for a better social contract. Incumbents of both parties who meet our terms and put this legislative package on the president's desk prior to the midterms can earn our votes. If Congress refuses to act, their major party challengers can earn our bloc of votes by demonstrating their commitment to enacting this legislation.

Under the Blueprint for a Better America, poverty is ended with the American Union Jobs Program, which unconditionally provides every adult with $300 per week to meet their basic needs, as well as a public option for health insurance. Mass incarceration is addressed through police, prison, and prosecutorial reforms, and ending the endless wars includes bringing our troops home and improving our moral standing on the world stage.

Spoiler warning: every single person will have to make some concessions to support this legislative package. Individuals will find different policies that they think go too far, not far enough, or even in the wrong direction; meanwhile, other Americans will think the opposite. To improve the quality of life for every American, people will have to find compromise preferable to the dysfunctional status quo.

Members of the American Union demonstrate their resolve through a group fast on the 15th of each month. Fasting and compromise are two sides of the same coin; willingly giving something up. The #fastforpeace is in the Gandhian tradition; no food, just water, for a 24-hour period. It is the shared intention and the shared self-sacrifice that make this a fast of moral pressure - one to inspire our fellow Americans as well as the 535 members of Congress. When 3.5% of Americans unionize as swing voters, they will control the balance of power in Washington.

Do you want to see Congress end poverty, end mass incarceration, and end the endless wars? Would you be willing to vote for either a Republican or Democrat to make it happen? An American Union of swing voters can win us all a better social contract in 2022.

Learn more at AnAmericanUnion.com.

Legislative Summary of the Blueprint for a Better America

The 50+ policies contained in the legislation are briefly described in the next few pages, with links to the actual language in the bill. (For easier readability, each provision is further linked to the part of the United States Code it amends.)

The Preamble to the Constitution and its five duties are the framework for the legislative proposal: **We the people, of the United States, in order to form a more perfect** American **Union,**

Establish justice by reforming the criminal justice system

Ending mass incarceration includes an end to the federal war on drugs, as well as police and prison reform. This section is divided into three subtitles, each bearing the name of a victim of injustice.

Subtitle A, the George Floyd Justice Act, would reform law enforcement policies and procedures:

- In general, these reforms would immediately apply to federal law enforcement officers (LEOs), with federal Byrne grants or COPS grants reduced or withheld from states starting in October 2024, unless they enacted corresponding state laws.
- Federal LEOs would be required to take a training course establishing a clear duty to intervene when any LEO is using excessive force against a civilian, with states incentivized to mandate the same training.
- Federal LEOs would be prohibited from using deadly force, except as a last resort after de-escalation techniques and less lethal force had been attempted, and only if there was no substantial risk to third parties. States would be incentivized to enact the same policy.
- A public, searchable, national police misconduct registry would be established, making grants to states conditional on their submission of the relevant information as well as meeting national certification standards for employing LEOs.
- Chokeholds and carotid holds would become a civil rights violation, with states incentivized to do the same.
- LEO's qualified immunity for civil rights violations would be removed, and the burden of proof for prosecuting violations would become acting "knowingly" or "recklessly," instead of the current "willfully."
- Civil asset forfeiture would be eliminated on the federal level, and restricted on the state level.

- Any sexual acts or sexual contact between LEOs and people in their custody would be considered sexual abuse; consent would not be a defense to criminal prosecution. States would be incentivized to enact the same policy.

- Forced entry for federal warrants would be restricted to daytime hours (6am-10pm), and unless a judge authorized a no-knock warrant, repeated knocking and identification would be required first. States would be incentivized to enact a similar policy, including an end to the issuance of no-knock warrants in drug cases.

- Federal cash bail would be ended. States would be incentivized to meet decreasing annual targets for the percentage of cases where cash bail was used from 75% down to no more than 10% by 2027.

- The 1033 program, which transfers military surplus to local police departments, would be repealed.

Subtitle B, the Weldon Angelos Justice Act, would end the federal war on drugs and amend other statutes:

- The Controlled Substances Act would be repealed January 1, 2024, leaving states, which are laboratories of democracy, free to enforce or repeal their own drug laws as they see fit. Before this happens, the United States would give notice that we are withdrawing from UN treaties that bind us to the drug war. Completed sentences for federal drug crimes would be expunged, and those currently incarcerated could ask for a sentence review.

- The FDA would establish purity and labeling rules for the sale of formerly illegal drugs, or "recreational intoxicating products," and a 12% sales tax would be imposed. Legitimate businesses that engage in the sale of recreational intoxicating products would no longer be prohibited from utilizing the banking system.

- A Drug War Restorative Justice Office would be established using funds from the sales tax to administer treatment services for substance use, legal services related to drug crimes, and services in communities most adversely impacted by the war on drugs, including job training, reentry services, literacy programs, youth recreation or mentoring programs, and health education programs.

- All mandatory minimums would be struck from the United States Code.

- The Espionage Act of 1917 would be reformed to require specific intent to cause harm, protecting whistleblowers and journalists who are often charged under this law.

- The provision of the REAL ID Act which relates to air travel would be clarified to apply only to those required by federal law to show ID as a condition of boarding a commercial aircraft.

Subtitle C, the Matthew Charles Prison Reform Act, would humanize incarcerated Americans and recognize our innate ability for self-improvement and rehabilitation:

- The use of solitary confinement as punishment would be restricted, in line with the UN's Nelson Mandela Rules, to 15 consecutive days, or 30 days in 60. States would be incentivized to enact the same policy in two phases, by October 2024 and 2025.
- Federal prisoners would be eligible for a sentence review after serving more than 10 years, for drug offenses which had been repealed, or if sentenced to a mandatory minimum which had been eliminated. A sentence reduction would require a finding that the person was not a danger to others, ready for reentry, and the finding was in the interests of justice. Consideration of a victim's statement would be required as well.
- To correct the recent Shinn v. Ramirez decision, 28 U.S.C. 2254(e) would be amended to permit evidentiary hearings after a finding of ineffective assistance of counsel.
- The Bureau of Prisons would be required to help people leaving incarceration obtain identification documents.
- The Prison Litigation Reform Act, which created a higher bar for access to the legal system for the incarcerated, would be repealed, along with grant programs to the states that incentivize higher incarceration rates.
- Education being a proven way to reduce recidivism, eligibility for federal Pell grants would be restored for the incarcerated.
- Universal suffrage would establish voting privileges in federal elections for all Americans, with states incentivized to inform people convicted of a criminal offense about this provision.

Ensure domestic tranquility with a 10-year truce on polarizing issues

Guns and abortion are used as wedge issues to drive the American people apart. This legislation contains a compromise, where each side gets a concession in exchange for not introducing any bans for 10 years. By addressing root causes, the number of needless deaths will fall during this armistice.

- The Hyde Amendment, which prohibits using using federal funds for abortion, would be codified into law.
- Universal background checks would be enacted, with a firearm registry explicitly not authorized.
- No federal bans on guns of any type, or any federal bans or restrictions on abortions could be introduced for a decade. It would be a criminal misdemeanor for members of Congress to break the truce, which would be repealed after 10 years.

Provide for the common defense by bringing our troops home

America has exceeded our Constitutional mandate. Ending the endless wars has two major components: reducing our global military footprint and budget (which is greater than the world's next 10 largest defense budgets combined), and improving our moral standing on the world stage:

- The 2001 Authorization for Use of Military Force (AUMF), which was passed after 9/11, would sunset in 240 days. Congress would be free to pass another one if needed.
- The 2002 AUMF, authorizing the Iraq war, would be repealed, and explicit authorization from Congress would be required for any use of force against Iran.
- The military budget would be cut 10% annually in fiscal years 2024-2027, reducing spending by 1/3rd and about $1 trillion less than projections. Congress would need a 2/3rds super-majority to override this provision.
- The Secretary of Defense would be directed to hold referenda around the 750+ foreign military bases, asking the local population if they want the US military presence to remain. Their wishes would be respected, and the Secretary would be directed to implement a corresponding base closure plan within two years of enactment.
- On January 3, 2022, the White House released a joint statement with other world leaders, seeking to "prevent an arms race" and make "progress on disarmament." This legislation accepts that challenge. For 10 years, no money could be spent on the planned ICBM upgrades as part of the Ground Based Strategic Deterrent Program and the W87-1 warhead modification program. Instead, the United States nuclear stockpile would be reduced by 50% by 2027.
- Arms sales to Saudi Arabia for use in its ongoing war on Yemen would be halted, and no logistical support or intelligence sharing could be given to those engaged in hostilities against Yemen. According to the UN, the ongoing humanitarian disaster now claims the lives of more than 50,000 children under the age of five every year, many from malnutrition.
- The use of unilateral economic sanctions as coercive measures against civilian populations would be restricted, with exceptions during military hostilities or as part of a broader coalition. The US currently imposes sanctions on more than three dozen countries.
- The military would be prohibited from purchasing landmines or developing lethal autonomous weapons that engage targets without further intervention by a human operator.
- After two decades of indefinitely detaining men, Guantánamo Bay Military Prison would be closed in 2023. Detainees with pending charges would be transferred to Fort Leavenworth, Kansas or to another country.

Promote the general welfare with the American Union Jobs Program

Welfare has a specific definition: *the state of being or doing well; condition of health, happiness, and comfort; well-being; prosperity.* The constitutional duty to promote this can be best met with universal basic income (UBI). Under this legislation, over 300 million citizens would get an unconditional American Union Job, a no-strings-attached reminder of our Constitutional duties to each other, and as compensation for the value that all Americans create.

- The Secretary of the Treasury would be directed to create digital Treasury accounts for each American, along the lines of the existing Treasury Direct program, and issue UBI of $1300/month to every adult, with a cost of living adjustment beginning in 2024. Digital accounts would establish a 21st century public payment infrastructure, enabling account holders to transfer money in real time without banking fees.

- An intern's wage of $5,200 annually, or $433/month, would be issued for each child, divided evenly between the parents, unless altered by agreement or court order. UBI will lift every American family above the poverty line, establishing an economic floor to build on.

- The Social Security Administration would oversee the management of the American Union Jobs Program, with administration costs projected at less than 0.5%.

- Wages from an American Union Job would not be considered substantial gainful activity for the purposes of SSDI, and the resource limit for individuals on SSI would be increased to the annual UBI amount. No cuts to the safety net are included in this legislation. However, it is expected that many programs will atrophy when there is a safety floor under every American.

- If you like your bank, you can keep it! Financial institutions could link existing accounts to a Treasury account, so funds would pass through. The US Postal Service would also be authorized to offer pass-through bank accounts and other basic banking services, just like post offices do in almost every other country.

- American Union Jobs would be paid with Treasury Dollar Bills, digital legal tender issued by the US Treasury, valued at precisely one Federal Reserve Note and exchangeable for such. Issuance of Treasury Dollar Bills would be statutorily limited to UBI payments, approximately $4.5 trillion, so that dividends of the economy's growth are shared with all Americans.

- For Americans unwilling to use their digital Treasury accounts, the sum would be applied as a refundable tax credit the following year.

- To maintain stability in the purchasing power of the dollar, express public policy in the distribution of wealth and income, and address economic costs to our shared natural resources, new taxes would "claw back" approximately half of the issuance of Treasury Dollar Bills through new taxes.

- A carbon fee would be instituted, starting at $20/metric ton and rising at an inflation-adjusted $10 per year, and a carbon border tax would be put into place to make adjustments for products entering and leaving the United States. These are projected to raise $760 billion over the first four years.

- A plastic fee would be instituted on sales of virgin plastic resin, starting at 20% and rising 3% per year, thus encouraging recycling. A flat $.05 fee on individual plastic products would discourage single-use plastics. They are expected to raise $428 billion over the first four years.

- Starting in 2024, a 12% subtraction-method value added tax (VAT) is projected to raise $7.26 trillion over the first four years. The Congressional Research Service has concluded, "The imposition of a VAT would cause a one-time increase in this country's price level." A 12% tax would apply to imports, but other than military weapons, exports would be exempt.

- Companies may elect to pay a higher VAT rate through voluntary value sharing; the IRS would promote a public list of the top 200. The sums raised would be used to pay down the national debt, and then be reissued in Treasury Dollar Bills as a year-end bonus to all Americans.

- In addition, the child tax credit would be repealed after being replaced by $5,200 UBI for children, saving an estimated $482 billion over the first four years.

Other American Union Job benefits:

- American Union insurance would be a public option for health insurance, based on Biden's campaign promise. The penalties on large employers not offering health insurance would be repealed, reducing the regulatory burden on employers while encouraging the de-linking of insurance and employment. Additionally, a requirement to negotiate for Medicare part D and part B drug prices would be established.

- Funded by a tax on lawyers, a program providing transferable vouchers for legal services to anyone arrested would ensure universal and immediate access to basic legal knowledge.

- 18 weeks of paid family leave would be offered and paid for by a 0.25% payroll tax on employees and employers. (This is unrelated to American Union Jobs, which are unconditional; only those with additional employment income would be eligible.) Bringing America's infant mortality rate down to the European average would save the lives of 9,000 babies each year.

Secure the blessings of liberty to ourselves and our posterity, by voting together

America's children - our posterity - shouldn't inherit 20th century problems. Reasonable, rational adults can address them if they are willing to work and vote together. An American Union of swing voters can bypass the gridlock of Washington by demanding Congress immediately pass this specific plan to end poverty, end mass incarceration, and end the endless wars in 2022.

Fast for peace: How a moral crusade can transform America in 2022

The American Union is not a political party and does not run candidates. Instead, candidates for Congress compete for our votes by supporting the demand of immediate passage of the Blueprint for a Better America; a 3.5% bloc of swing votes can determine the balance of power in Washington. More than 50 years after his assasination, we can address Martin Luther King's triple evils of poverty, racism, and militarism with a nonviolent revolution at the ballot box.

As union dues, members observe a fast in the Gandhian tradition on the 15th of each month; abstaining from food while only drinking water for a 24-hour period. Dinner-to-dinner fasts are common. (There are medical exemptions for any who need them.) This shared self-sacrifice - #fastforpeace on social media - seizes the moral high ground, as the signers of the Declaration of Independence did by pledging their lives, their fortunes, and sacred honor to bring forth a new nation conceived in liberty.

On October 15, 2022, Americans willing to collectively bargain with their votes for immediate passage of this legislative package are invited to participate in a national fast for peace. Congressional candidates willing to take up the demand must indicate their acceptance by participating in the fast and announcing it on Twitter. In legislative parlance, it will be a roll call vote, with members of Congress and their opponents recorded either in favor or opposition.

Incumbents who signify their support have 10 days to put this legislation on the president's desk in exchange for the American Union endorsement, quid pro quo. The simplest technique will be for a committee of conference to replace the text of an existing bill with our legislation so it will go before the House and Senate for a straight up-or-down vote in each body, with no opportunity to offer amendments. If they refuse to act, the endorsement will go to major party challengers recorded as in favor of immediate passage.

In districts where neither major party candidate demonstrates support for this legislation, the membership will vote on the endorsement method, including by random choice. But that would be a failure; the goal is to make it so unpopular, so unpalatable, so unthinkable for Congress to keep poverty, mass incarceration, and the endless wars by refusing to place this legislation on the President's desk. When they meet our terms, America can sidestep a polarizing and divisive election in 2022, as the most transformative Congress in generations is overwhelmingly reelected after upgrading our social contract.

The fast for peace is a fast of moral pressure; it is wrong that we allow 12 million American children to go to sleep in poverty each night, wrong that we incarcerate two million of our countrymen, and wrong that our foreign policy claims so many civilian lives around the world.

On October 15, 2022, who will fast for peace?

(Take action now: make a Twitter pledge, read more articles, get emails, or join the subreddit.)

The Blueprint for a Better America

This crowdsourced legislation was introduced to the Phoenix Congress on January 15, 2022, amended, and published September 24, for an up-or-down vote by the American people on October 15.

More details about this and the structure behind it can be found at AnAmericanUnion.com.

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(a) Short Title.—This Act may be cited as the "Blueprint for a Better America".

(b) Table of Contents.— The table of contents for this Act is as follows:

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SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS - The Congress finds the following:

(1) Dr. Martin Luther King Jr. identified the triple evils of poverty, racism, and militarism, declaring before his death in 1968, "*Our only hope today lies in our ability to recapture the revolutionary spirit, and go out into a sometimes hostile world, declaring eternal opposition to poverty, racism, and militarism. With this powerful commitment, we shall boldly challenge the status quo…"*

(2) That revolutionary spirit Dr. King spoke of is embedded within the preamble of the Constitution, which outlines the five duties of all Americans, individually and collectively. Those ideals are the driver for this legislative package.

(3) Tens of millions of Americans live below the poverty line, including millions of children. Dr. King called for a basic income, stating, "*We must develop a program that will drive the nation to a guaranteed annual income.... we are likely to find that the problems of housing and education, instead of preceding the elimination of poverty, will themselves be affected if poverty is first abolished. The poor transformed into purchasers will do a great deal on their own.... a host of positive psychological changes inevitably will result from widespread economic security. The dignity of the individual will flourish when the decisions concerning his life are in his own hands, when he has the means to seek self-improvement. Personal conflicts among husbands, wives and children will diminish when the unjust measurement of human worth on the scale of dollars is eliminated. Now our country can do this."*

(4) America's system of mass incarceration has grown the prison population to eight times what it was at the end of Dr. King's life. It has been called the new Jim Crow because of its disproportionate effect on communities of color. Despite similar usage rates across races, people of color are more likely to be arrested and incarcerated in the war on drugs. Dr. King wrote about racial bias in his letter from Birmingham Jail, "*All segregation statutes are unjust because segregation distorts the soul and damages the personality. It gives the segregator a false sense of superiority and the segregated a false sense of inferiority..... [it] is not only politically, economically, and sociologically unsound, but it is morally wrong and sinful. ...An unjust law is a code*

that a majority inflicts on a minority that is not binding on itself. This is difference made legal. ”

(5) Dr. King spoke vehemently against the endless war of Vietnam, and many of his observations are just as true of the Middle East. “*The only change came from America as we increased our troop commitments in support of governments which were singularly corrupt, inept, and without popular support. ... Now they languish under our bombs and consider us, not their fellow Vietnamese, the real enemy.... They know they must move on or be destroyed by our bombs.... So far we may have killed a million of them, mostly children.... We have destroyed their two most cherished institutions: the family and the village. We have destroyed their land and their crops. ... Now there is little left to build on, save bitterness. ... We must speak for them and raise the questions they cannot raise. These, too, are our brothers.”*

(b) PURPOSE — The purpose of this Act is to end poverty, end mass incarceration, and end the endless wars, in order to build a better America.

TITLE I—ESTABLISH JUSTICE

SEC. 101. FINDINGS AND PURPOSE.

(a) The Congress finds the following:

(1) Americans have a Constitutional duty to establish justice, and we are failing as a nation.

(2) The United States has become the most incarcerated country in the world; just 50 years ago, the United States had an incarceration rate on par with most other Western democracies, and while their crime rates today are at nearly identical levels, America's incarceration rate is five times higher.

(3) The American people are not the most evil people in the world; therefore, something has gone wrong with our criminal justice system.

(4) The policy decisions that have led America down the path of mass incarceration have created intergenerational trauma and trapped people in cycles of poverty. Mass incarceration leads to many other societal problems, with nearly 65 percent of families with an incarcerated or detained family member struggling to meet basic needs, including housing, health, food, and employment. Children with an incarcerated parent are nearly six times more likely to be expelled from school and increasingly less likely to graduate from college than children without incarcerated parents.

(5) There exists a moral and societal obligation to reform the American legal system so that it is smaller, safer, less punitive, and more humane, constantly striving toward the ideal of liberty and justice for all. The Federal government has a tremendous impact on the operation of the criminal legal system at the Federal, State, and local levels, and with that power comes great responsibility.

(6) It is the responsibility of the Federal government to lead by example in police reform, teaching deescalation techniques and reducing the use of military tactics which have led to worsening police-community relations and unacceptable levels of police violence. In 2020, the world was shocked by the casual manner in which George Floyd was publicly murdered, and outraged by the midnight raid that left Breonna Taylor dead. Nationwide, hundreds of thousands of people languished in jail without having been convicted, often because of an inability to afford cash bail, which leads to an increased likelihood of conviction and lengthier sentences. And for those whose

liberties have been violated, the judicial doctrine of qualified immunity restricts access to justice.

(7) It is the responsibility of the Federal government to lead by example by reforming punitive sentencing policies, frequently in service of the war on drugs, which have driven up incarceration rates even as crime has fallen over the last 40 years. In 2004, Weldon Angelos was sentenced to a mandatory minimum of 55 years in Federal prison for nonviolent offenses, a sentence so outrageous that the Judge called it "unjust, cruel, and even irrational." After more than a decade of incarceration, a federal court granted him a sentence reduction. Currently, the average sentence length for individuals convicted of a Federal offense carrying a mandatory minimum penalty is 110 months of imprisonment.

(8) It is the responsibility of the Federal government to lead by example in humanizing incarcerated Americans by reforming cruel and inhumane treatment in prison and promoting practices conducive to rehabilitation. Matthew Charles had served decades in prison before being released in 2016, and by all accounts was a model citizen when the court reversed the decision a year later and sent him back to prison. He began serving the final decade of his sentence until the passage of the First Step Act in 2018 brought about his permanent release. A few months later, he attended a White House celebration of the criminal justice reform bill, which prompted Donald Trump to observe that "so many" incarcerated Americans "really are serving 40 and 50 year sentences for things that you wouldn't even believe, that some people wouldn't even be going to prison for today."

(9) The policy decisions of the last half century must be reexamined in order to build a better America in the 21st century.

(b) The purpose of this title is to vigorously pursue our first duty under the Constitution, establish justice.

Subtitle A - The George Floyd Justice Act.

SEC. 111. SHORT TITLE AND DEFINITIONS.

(a) This subtitle may be cited as the "George Floyd Justice Act"

(b) In this subtitle:

(1) BYRNE GRANT PROGRAM.—The term "Byrne grant program" means any grant program under subpart 1 of part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10151 et seq.), without regard to whether the funds are characterized as being made available under the Edward Byrne Memorial State and

Local Law Enforcement Assistance Programs, the Local Government Law Enforcement Block Grants Program, the Edward Byrne Memorial Justice Assistance Grant Program, or otherwise.

(2) COPS GRANT PROGRAM.—The term "COPS grant program" means the grant program authorized under section 1701 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10381 et seq.).

(3) CHOKEHOLD OR CAROTID HOLD.—The term "chokehold or carotid hold" means the application of any pressure to the throat or windpipe, the use of maneuvers that restrict blood or oxygen flow to the brain, or carotid artery restraints that prevent or hinder breathing or reduce intake of air of an individual.

(4) DEADLY FORCE.—The term "deadly force" means that force which a reasonable person would consider likely to cause death or serious bodily harm, including—

(A) the discharge of a firearm;

(B) a maneuver that restricts blood or oxygen flow to the brain, including chokeholds, strangleholds, neck restraints, neckholds, and carotid artery restraints; and

(C) multiple applications of an electronic control weapon.

(5) FEDERAL LAW ENFORCEMENT AGENCY.—The term "Federal law enforcement agency" means any agency of the United States authorized to engage in or supervise the prevention, detection, investigation, or prosecution of any violation of Federal criminal law.

(6) FEDERAL LAW ENFORCEMENT OFFICER.—The term "Federal law enforcement officer" has the meaning given the term in section 115 of title 18, United States Code.

(7) INDIAN TRIBE.—The term "Indian Tribe" has the meaning given the term "Indian tribe" in section 5304 of title 25, United States code.

(8) LESS LETHAL FORCE.—The term "less lethal force" means any degree of force that is not likely to cause death or serious bodily injury.

(9) LOCAL LAW ENFORCEMENT OFFICER.—The term "local law enforcement officer" means any officer, agent, or employee of a State or unit of local government authorized by law or by a government agency to engage in or supervise the prevention, detection, or investigation of any violation of criminal law.

(10) NO-KNOCK WARRANT.—The term "no-knock warrant" means a warrant that allows a law enforcement officer to enter a property without requiring the law

enforcement officer to announce the presence of the law enforcement officer or the intention of the law enforcement officer to enter the property.

(11) STATE.—The term "State" has the meaning given the term in section 901 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10251).

(12) USE OF FORCE.—The term "use of force" includes—

(A) the use of a firearm, electronic control weapon, explosive device, chemical agent (such as pepper spray), baton, impact projectile, blunt instrument, hand, fist, foot, canine, or vehicle against an individual;

(B) the use of a weapon, including a personal body weapon, chemical agent, impact weapon, extended range impact weapon, sonic weapon, sensory weapon, conducted energy device, or firearm, against an individual; or

(C) any intentional pointing of a firearm at an individual.

(13) UNIT OF LOCAL GOVERNMENT.—The term "unit of local government" has the meaning given the term in section 901 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10251).

SEC. 112. QUALIFIED IMMUNITY REFORM.

Section 1983 of title 42, United States Code, is amended as follows[1]—

Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory or the District of Columbia, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress, except that in any action brought against a judicial officer for an act or omission taken in such officer's judicial capacity, injunctive relief shall not be granted unless a declaratory decree was violated or declaratory relief was unavailable. For the purposes of this section, any Act of Congress applicable exclusively to the District of Columbia shall be considered to be a statute of the District of Columbia.

It shall not be a defense or immunity in any action brought under this section against a local law enforcement officer (as such term is defined in section 111 of the George Floyd Justice Act), or in any action under any source of law against a Federal investigative or law

[1] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

enforcement officer (as such term is defined in section 2680(h) of title 28, United States Code), that the rights, privileges, or immunities secured by the Constitution and laws were not clearly established at the time of their deprivation by the defendant, or that at such time, the state of the law was otherwise such that the defendant could not reasonably have been expected to know whether his or her conduct was lawful.

SEC. 113. REQUIRING TRAINING ON DUTY TO INTERVENE.

(a) In general.—The Attorney General shall establish a training program for law enforcement officers that establishes a clear duty under section 242 of title 18, United States Code, to intervene in cases where another law enforcement officer is using excessive force against a civilian.

(b) Mandatory training for Federal law enforcement officers.—The head of each Federal law enforcement agency shall require each Federal law enforcement officer employed by the agency to complete the training programs established under subsection (a).

(c) Grants to train law enforcement officers on use of force.—Paragraph 10152(a)(1) of title 34, United States Code, is amended by adding at the end the following:

"(I) Training programs for law enforcement officers, including training programs on use of force and a duty to intervene.".

SEC. 114. RESTRICTING THE USE OF CHOKEHOLDS.

(a) This section may be cited as the "Eric Garner Justice Act".

(b) Limitation on eligibility for funds.—Beginning in the 2025 fiscal year, a State or unit of local government may not receive funds under the COPS grant program for a fiscal year if, on the day before the first day of the fiscal year, the State or unit of local government does not have in effect a law that prohibits law enforcement officers in the State or unit of local government from using a chokehold or carotid artery restraint.

(c) Section 242 of title 18, United States Code, is amended as follows[2]—

Whoever, under color of any law, statute, ordinance, regulation, or custom, ~~willfully~~ knowingly or recklessly *subjects any person in any State, Territory, Commonwealth, Possession, or District to the deprivation of any rights, privileges, or immunities secured or protected by the Constitution or laws of the United States, or to different punishments, pains,*

[2] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

or penalties, on account of such person being an alien, or by reason of his color, or race, than are prescribed for the punishment of citizens, shall be fined under this title or imprisoned not more than one year, or both; and if bodily injury results from the acts committed in violation of this section or if such acts include the application of any pressure to the throat or windpipe which prevent or hinders breathing or reduces intake of air, use of maneuvers such as carotid artery restraints that restrict blood or oxygen flow to the brain, *the use, attempted use, or threatened use of a dangerous weapon, explosives, or fire, shall be fined under this title or imprisoned not more than ten years, or both; and if death results from the acts committed in violation of this section or if such acts include kidnapping or an attempt to kidnap, aggravated sexual abuse, or an attempt to commit aggravated sexual abuse, or an attempt to kill, shall be fined under this title, or imprisoned for any term of years or for life, or both, or may be sentenced to death.*

SEC. 115. POLICE EXERCISING ABSOLUTE CARE WITH EVERYONE ACT.

(a) Short title.—This section may be cited as the "Police Exercising Absolute Care with Everyone Act of 2022" or the "PEACE Act of 2022".

(b) Use of force by Federal law enforcement officers.—

(1) DEFINITIONS.—In this section:

(A) DEESCALATION TACTICS AND TECHNIQUES.—The term "deescalation tactics and techniques" means proactive actions and approaches used by a Federal law enforcement officer to stabilize the situation so that more time, options, and resources are available to gain a person’s voluntary compliance and reduce or eliminate the need to use force, including verbal persuasion, warnings, tactical techniques, slowing down the pace of an incident, waiting out a subject, creating distance between the officer and the threat, and requesting additional resources to resolve the incident.

(B) NECESSARY.—The term "necessary" means that another reasonable Federal law enforcement officer would objectively conclude, under the totality of the circumstances, that there was no reasonable alternative to the use of force.

(C) REASONABLE ALTERNATIVES.—

(i) IN GENERAL.—The term "reasonable alternatives" means tactics and methods used by a Federal law enforcement officer to effectuate an arrest that do not unreasonably increase the risk posed to the law enforcement officer or another person, including verbal communication, distance, warnings, deescalation tactics and techniques, tactical repositioning, and other tactics

and techniques intended to stabilize the situation and reduce the immediacy of the risk so that more time, options, and resources can be called upon to resolve the situation without the use of force.

(ii) DEADLY FORCE.—With respect to the use of deadly force, the term "reasonable alternatives" includes the use of less lethal force.

(D) TOTALITY OF THE CIRCUMSTANCES.—The term "totality of the circumstances" means all credible facts known to the Federal law enforcement officer leading up to and at the time of the use of force, including the actions of the person against whom the Federal law enforcement officer uses such force and the actions of the Federal law enforcement officer.

(2) PROHIBITION ON LESS LETHAL FORCE.—A Federal law enforcement officer may not use any less lethal force unless—

(A) the form of less lethal force used is necessary and proportional in order to effectuate an arrest of a person who the officer has probable cause to believe has committed a criminal offense; and

(B) reasonable alternatives to the use of the form of less lethal force have been exhausted.

(3) PROHIBITION ON DEADLY USE OF FORCE.—A Federal law enforcement officer may not use deadly force against a person unless—

(A) the form of deadly force used is necessary, as a last resort, to prevent imminent and serious bodily injury or death to the officer or another person;

(B) the use of the form of deadly force creates no substantial risk of injury to a third person; and

(C) reasonable alternatives to the use of the form of deadly force have been exhausted.

(4) REQUIREMENT TO GIVE VERBAL WARNING.—When feasible, prior to using force against a person, a Federal law enforcement officer shall identify himself or herself as a Federal law enforcement officer, and issue a verbal warning to the person that the Federal law enforcement officer seeks to apprehend, which shall—

(A) include a request that the person surrender to the law enforcement officer; and

(B) notify the person that the law enforcement officer will use force against the person if the person resists arrest or flees.

(5) GUIDANCE ON USE OF FORCE.—Not later than February 28, 2023, the Attorney General, in consultation with impacted persons, communities, and organizations, including representatives of civil liberties organizations, individuals against whom a law enforcement officer used force, and representatives of law enforcement associations, shall provide guidance to Federal law enforcement agencies on—

(A) the types of less lethal force and deadly force that are prohibited under paragraphs (2) and (3); and

(B) how a Federal law enforcement officer can—

(i) assess whether the use of force is appropriate and necessary; and

(ii) use the least amount of force when interacting with—

(I) pregnant individuals;

(II) children and youth under 21 years of age;

(III) elderly persons;

(IV) persons with mental, behavioral, or physical disabilities or impairments;

(V) persons experiencing perceptual or cognitive impairments due to use of alcohol, narcotics, hallucinogens, or other drugs;

(VI) persons suffering from a serious medical condition; and

(VII) persons with limited English proficiency.

(6) TRAINING.—The Attorney General shall provide training to Federal law enforcement officers on interacting people described in subclauses (I) through (VII) of paragraph (5)(B)(ii).

(7) LIMITATION ON JUSTIFICATION DEFENSE.—

(A) IN GENERAL.—Chapter 51 of title 18, United States Code, is amended by adding at the end the following:

"Sec. 1123. Limitation on justification defense for Federal law enforcement officers

"(a) In general.—It is not a defense to an offense under section 1111 or 1112 that the use of less lethal force or deadly force by a Federal law enforcement officer was justified if—

"(1) that officer's use of use of such force was inconsistent with section 115(b) of the George Floyd Justice Act; or

"(2) that officer's gross negligence, leading up to and at the time of the use of force, contributed to the necessity of the use of such force.

"(b) Definitions.—In this section—

"(1) the terms 'deadly force' and 'less lethal force' have the meanings given such terms in section 111 and section 115 of the George Floyd Justice Act; and

"(2) the term 'Federal law enforcement officer' has the meaning given such term in section 115 of title 18, United States Code.".

(B) CLERICAL AMENDMENT.—The table of sections for chapter 51 of title 18, United States Code, is amended by inserting after the item relating to section 1122 the following:

"1123. Limitation on justification defense for Federal law enforcement officers.".

(c) Guidance on use of force by local law enforcement officers.—Not later than February 28, 2023, the Attorney General, in consultation with impacted persons, communities, and organizations, including representatives of civil liberties organizations, individuals against whom a law enforcement officer used force, and representatives of law enforcement associations, shall make guidance available to States and units of local government on the criteria that the Attorney General will use in determining whether the State or unit of local government has in place a law consistent with subsection (b) for the purposes of paragraph (a)(2) of section 122 of this Act.

SEC. 116. ENDING MILITARY EQUIPMENT DONATIONS TO LAW ENFORCEMENT.

(a) IN GENERAL.—Chapter 153 of title 10, United States Code, is amended by striking section 2576a.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by striking the item relating to section 2576a.

SEC. 117. PROHIBITION ON ENGAGING IN SEXUAL ACTS WHILE ACTING UNDER COLOR OF LAW.

(a) Subsections 2243(c)-(d) of title 18, United States Code, are amended as follows[3]—

(c) Of an Individual in Federal Custody.—

Whoever, while acting under the color of law ~~in their capacity~~ *as a Federal law enforcement officer, knowingly engages in a sexual act with an individual who is under arrest, under supervision, in detention, or in Federal custody, shall be fined under this title, imprisoned not more than 15 years, or both.*

(d) Defenses.—

(1) *In a prosecution under subsection (a) of this section, it is a defense, which the defendant must establish by a preponderance of the evidence, that the defendant reasonably believed that the other person had attained the age of 16 years.*

(2) In a prosecution under subsection (c), it is not a defense that the other individual consented to the sexual act.

(b) Subsections 2244(a) of title 18, United States Code, is amended as follows—

(a) Sexual Conduct in Circumstances Where Sexual Acts Are Punished by This Chapter.—Whoever, in the special maritime and territorial jurisdiction of the United States or in a Federal prison, or in any prison, institution, or facility in which persons are held in custody by direction of or pursuant to a contract or agreement with the head of any Federal department or agency, or otherwise acts under the color of law, *knowingly engages in or causes sexual contact with or by another person, if so to do would violate—*

SEC. 118. RESTRICTING NO-KNOCK WARRANTS.

(a) This section may be cited as the "Breonna Taylor Justice Act".

(b) Federal prohibition.—Notwithstanding any other provision of law, a Federal law enforcement officer may not forcibly enter any occupied dwelling to serve a warrant unless—

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[3] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(1) it is daytime, as defined in Rule 41(a)(2)(B) of the Federal Rules of Criminal Procedure; and—

(A) a magistrate judge for good cause authorizes a no-knock warrant; or

(B) the occupant refuses admittance to the officer, pursuant to section 3109 of title 18, United States Code, after having been provided notice of their authority and purpose.

(c) It shall be a rebuttable presumption that admittance was refused to an occupied dwelling if the officer repeatedly and forcibly knocked on the door and announced their presence—

(1) between 8am and 9pm, no less than four times, at spaced intervals, over no less than three minutes; or

(2) at all other times, no less than six times, at spaced intervals, over no less than five minutes.

(d) Limitation on eligibility for funds.—Beginning in the 2025 fiscal year, a State or unit of local government may not receive funds under the COPS grant program for a fiscal year if, on the day before the first day of the fiscal year, the State or unit of local government does not have in effect a law that prohibits the issuance of a no-knock warrant in a drug case, and restricts other uses of no-knock warrants to daytime hours.

SEC. 119. CASH BAIL REFORM.

Notwithstanding any provision of Federal law, no justice, judge, or other judicial official in any court created by or under Article III of the Constitution of the United States may use payment of money as a condition of pretrial release in any criminal case.

SEC. 120. ENDING FEDERAL CIVIL ASSET FORFEITURE.

(a) General Rules For Civil Forfeiture Proceedings.—Section 981 of title 18, United States Code, is repealed and reenacted to read as follows—

"Sec. 981. Prohibiting civil forfeiture.

"No person shall be required, under the laws of the United States, to forfeit to the United States any property, real or personal, pursuant to a civil forfeiture proceeding, including a nonjudicial civil forfeiture proceeding.".

(b) Sections 983-987 of title 18, United States Code, are repealed.

(c) This section shall apply with respect to forfeiture proceedings pending on or after October 30, 2022.

(d) Conforming Amendments.—The table of sections for chapter 46 of title 18, United States Code, is amended—

(1) by amending the item related to section 981 to read as follows:

"981. Prohibiting civil forfeiture."; and

(2) by striking the items related to sections 983 through 987.

SEC. 121. RESTRICTING STATE CIVIL ASSET FORFEITURE.

(a) Sense Of Congress.—It is the sense of Congress that the Constitution authorizes and obligates Congress to prohibit the use of civil asset forfeiture by the States.

(b) In General.—Property owned by a person may be forfeited to a State pursuant to a civil proceeding only after—

(1) criminal conviction of such person for violation of State criminal law; or

(2) a civil proceeding in which—

(A) the State proves that the person who owns the property has committed the offense giving rise to forfeiture; and

(B) the person who owns such property is entitled to all protections applicable to criminal defendants under the Constitution, including a trial by jury and the ability to be represented by counsel.

(c) Federal Cause Of Action.—A person aggrieved by a violation of subsection (a) may bring a civil action against the State in the appropriate Federal district court for relief, including return of forfeited property and enforcement of the procedures described in subsection (a).

(d) This section shall apply with respect to forfeiture proceedings occurring or pending on or after October 30, 2022.

SEC. 122. ELIGIBILITY FOR BYRNE GRANT PROGRAM.

(a) Requirements for Byrne grant eligibility.— Beginning in the 2025 fiscal year, except as permitted by (b), a State or unit of local government, other than an Indian Tribe, may not receive funds under the Byrne grant program for that fiscal year unless, on the day before the first day of the fiscal year, the State or unit of local government:

(1) has in effect a law that prohibits the use of solitary confinement—

(A) for fiscal year 2025, in accordance with paragraphs 4015(b)(2)-(3) of title 18, United States Code, as inserted by section 172 of this Act; and

(B) for fiscal year 2026 and beyond, substantially in accordance with subsection 4015(b) of title 18, United States Code, as inserted by section 172 of this Act;

(2) has in effect a law that is consistent with subsection 115(b) of this Act, as determined by the Attorney General's criteria provided under subsection 115(c).

(3) has in effect a requirement that each law enforcement officer in the State or unit of local government complete the training programs established under section 113(a) of this Act;

(4) the State has submitted to the Attorney General the information required by section 131(d) of this Act; and

(5) the State has:

(A) submitted to the Attorney General the percentage of criminal cases where payment of money was a condition of pretrial release during the 12 months ending June 30 of that year; and

(B) achieved a percentage below the threshold for the upcoming fiscal year:

(i) for fiscal year 2025; 75%,

(ii) for fiscal year 2026, 50%,

(iii) for fiscal year 2027, 25%,

(iv) for fiscal year 2028 and beyond, 10%.

(b) Partial eligibility.—A State or unit of local government who is ineligible for the Bryne grant program solely as a result of not meeting the eligibility criteria in (a) may receive a partial grant. Notwithstanding the provisions of section 10156 of title 34, United States

Code, any grant authorized by this subsection shall be a percentage of the amount of the Byrne grant in the previous fiscal year, calculated as the sum of the following—

(1) for compliance with (a)(1), 20%;

(2) for compliance with (a)(2), 15%;

(3) for compliance with (a)(3), 30%;

(4) for compliance with (a)(4), 30%; plus

(5) for compliance with (a)(5), 15%;

PART I - NATIONAL POLICE MISCONDUCT REGISTRY

SEC. 131. ESTABLISHMENT OF NATIONAL POLICE MISCONDUCT REGISTRY.

(a) In general.—Not later than May 25, 2023, the Attorney General shall establish a National Police Misconduct Registry to be compiled and maintained by the Department of Justice.

(b) Contents of registry.—The Registry required to be established under subsection (a) shall contain the following data with respect to all Federal and local law enforcement officers:

(1) Each complaint filed against a law enforcement officer, aggregated by—

(A) complaints that were found to be credible or that resulted in disciplinary action against the law enforcement officer, disaggregated by whether the complaint involved a use of force;

(B) complaints that are pending review, disaggregated by whether the complaint involved a use of force; and

(C) complaints for which the law enforcement officer was exonerated or that were determined to be unfounded or not sustained, disaggregated by whether the complaint involved a use of force.

(2) Discipline records, disaggregated by whether the complaint involved a use of force.

(3) Termination records, the reason for each termination, disaggregated by whether the complaint involved a use of force.

(4) Records of certification in accordance with section 132.

(5) Records of lawsuits against law enforcement officers and settlements of such lawsuits.

(6) Instances where a law enforcement officer resigns or retires while under active investigation related to the use of force.

(c) Federal agency reporting requirements.—Not later than 1 year after the date of enactment of this Section, and every 6 months thereafter, the head of each Federal law enforcement agency shall submit to the Attorney General the information described in subsection (b).

(d) State and local law enforcement agency reporting requirements.—Beginning in the 2024 fiscal year, and each fiscal year thereafter in which a State receives funds under the Byrne grant program, the State shall, every 6 months, submit to the Attorney General the information described in subsection (b) for the State and each local law enforcement agency within the State.

(e) Public availability of registry.—

(1) IN GENERAL.—In establishing the Registry required under subsection (a), the Attorney General shall make the Registry available to the public on an internet website in a manner that allows members of the public to search for an individual law enforcement officer's records of misconduct, as described in subsection (b), involving a use of force.

(f) AUTHORITY TO DISCLOSE RECORDS. — Paragraphs 552a(b)(11)-(12) of title 5, United States Code, are amended as follows[4]—

(11) pursuant to the order of a court of competent jurisdiction; ~~or~~

(12) to a consumer reporting agency in accordance with section 3711(e) of title 31~~.~~; or

(13) pursuant to the National Police Misconduct Registry established by section 131 of the George Floyd Justice Act.

(g)(1) Initial funding.—$33,000,000 in initial funding for this program shall be appropriated from funds authorized for fiscal year 2023 by section 1524 of title 21, United States Code.

[4] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(2) Reduction of Drug Czar funding.—Section 1524(a) of title 21, United States Code, is amended as follows[5]—

(a) There is authorized to be appropriated to the Office of National Drug Control Policy to carry out this subchapter ~~$99,000,000~~ $66,000,000 for ~~each of~~ *fiscal year* ~~years 2018 through~~ *2023.*

SEC. 132. CERTIFICATION REQUIREMENTS FOR HIRING OF LAW ENFORCEMENT OFFICERS.

(a) In general.— Beginning in the 2025 fiscal year, a State or unit of local government, other than an Indian Tribe, may not receive funds under the Byrne grant program for that fiscal year if, on the day before the first day of the fiscal year, the State or unit of local government has not—

(1) submitted to the Attorney General evidence that the State or unit of local government has a certification and decertification program for purposes of employment as a law enforcement officer in that State or unit of local government that is consistent with the rules made under subsection (c); and

(2) submitted to the National Police Misconduct Registry established under section 131 records demonstrating that all law enforcement officers of the State or unit of local government have completed all State certification requirements during the 1-year period preceding the fiscal year.

(b) Availability of information.—The Attorney General shall make available to law enforcement agencies all information in the registry under section 131 for purposes of compliance with the certification and decertification programs described in subsection (a)(1) and considering applications for employment.

(c) Rules.—The Attorney General shall make rules to carry out this section and section 131, including uniform reporting standards.

Subtitle B - The Weldon Angelos Justice Act

SEC. 141. SHORT TITLE AND FINDINGS.

(a) This subtitle may be cited as "The Weldon Angelos Justice Act".

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[5] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(b) The Congress finds the following:

(1) In the 50 years since Congress' enactment of the Controlled Substances Act (21 U.S.C. 801 et seq.), which authorized and launched the harsh drug war policies sought by the Nixon Administration, the United States has adopted increasingly punitive policies toward the possession, use, and distribution of drugs. The United States has built a massive regime to enforce those policies.

(2) Congress and State legislatures have adopted increasingly harsh sentencing schemes such as mandatory minimums, established far-reaching and oppressive civil sanctions and collateral consequences, approved policies weakening the Fourth Amendment for drug searches and seizures, and fostered incentives for aggressive and militarized policing in the alleged pursuit of drugs.

(3) Every year, there are more than 1.4 million arrests in the United States for drug-related offenses. In over 85 percent of those arrests, drug possession was the most serious offense. Drug arrests disproportionately impact people of color and more commonly occur in historically overpoliced, low-income communities. A criminal record, even for an arrest that did not result in a conviction, has a profound impact on individuals, often interrupting employment, housing, family relationships, child custody, and education.

(4) A health-based approach to drug use and overdose is more effective, humane and cost-effective than criminal punishments. Subjecting people to criminal penalties, stigma, and other lasting collateral consequences because they use drugs is expensive, ruins lives, and can make access to treatment and recovery more difficult.

(5) Despite high numbers of arrests and incarceration in the United States for drug possession, the number and rate of drug-involved overdose deaths has skyrocketed for over 20 years and continues at epidemic levels. In the first year of the pandemic, 100,000 people died by drug overdose in the United States.

(6) Harm reduction services and voluntary, on-demand access to evidence-based substance use disorder treatment have proven highly effective in reducing overdose and the spread of communicable diseases like HIV and Hepatitis C, preventing drug-related injury, and improving health outcomes for people who use drugs. These services should be available on demand to anyone who requests it.

(7) Far too many people who desire treatment face challenges that prevent them from accessing the services they want, including cost barriers, lack of providers, and long wait-lists. On-demand access to evidence-based treatment saves lives, reduces crime, and saves money.

(8) Criminalizing drug use and possession reduces the amount of resources available for harm reduction and treatment services and deters people from accessing available services due to fear of arrest.

(9) Punitive policies have achieved no reduction in supplies or prices, but instead have created unnecessarily risky and harmful conditions for people who use drugs.

(10) Punitive policies have led to militarized tactics that thwart the spirit of the Constitution and have led to the deaths of innocent civilians. Additionally, the drug war apparatus has cost the Federal Government hundreds of billions of dollars in direct enforcement and incarceration costs.

(11) While drug legalization cannot fully repair our broken and oppressive criminal legal system or the harms from 50 years of the war on drugs, it will help restore individual liberty, protect against some police abuses, better assist those in need, and reduce spending.

(12) In this moment, Congress recognizes that drug prohibition has failed just as alcohol prohibition did, and it is time to move the country in a new direction.

(b) It is the sense of the Congress that incarcerating or otherwise subjecting an individual to criminal penalties solely for recreational drug use is not justice, which the Preamble to the Constitution requires be established by the people of the United States.

SEC. 142. ENDING THE FEDERAL DRUG WAR.

(a) In this subtitle:

(1) DRUG OFFENSE.—The term "drug offense" means a criminal act associated with the Controlled Substances Act, as it was in effect prior to enactment of Weldon Angelos Justice Act, or other offense that is no longer punishable pursuant to enactment of, or the amendments made under, such Act.

(b) Notwithstanding any other provision in law, it is an affirmative defense to any federal drug offense that the drugs were intended for recreational use by a consumer. Nothing in this subsection may be construed as prohibiting charges for non-drug offenses incidental to the drugs in question.

(c) Repealing drug offenses.—

(1) Section 809 of Public Law 117-103 is repealed.[6]

(2) Subparagraph 1101(a)(43)(B) of title 8, United States Code, is repealed.

(3) Sections 559b - 559f of title 16, United States Code, are repealed.

(4) Subsection 844(o) of title 18, United States Code, is amended as follows[7]—

(o) Whoever knowingly transfers any explosive materials, knowing or having reasonable cause to believe that such explosive materials will be used to commit a crime of violence (as defined in section 924(c)(3)) ~~or drug trafficking crime (as defined in section 924(c)(2))~~ *shall be subject to the same penalties as may be imposed under subsection (h) for a first conviction for the use or carrying of an explosive material.*

(5) Subsection 1952(b) of title 18, United States Code, is amended as follows—

(b) As used in this section (i) "unlawful activity" means (1) any business enterprise involving gambling, liquor on which the Federal excise tax has not been paid, ~~narcotics or controlled substances (as defined in section 102(6) of the Controlled Substances Act),~~ *or prostitution offenses in violation of the laws of the State in which they are committed or of the United States, (2) extortion, bribery, or arson in violation of the laws of the State in which committed or of the United States, or (3) any act which is indictable under subchapter II of chapter 53 of title 31, United States Code, or under section 1956 or 1957 of this title and (ii) the term "State" includes a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States.*

(6) Paragraph 1584(a)(2) of title 19, United States Code, is repealed.

(7) Chapter 13 of title 21, United States Code, is repealed.

(8) Subchapters I and II of chapter 16 of title 21, United States Code, are repealed.

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[6] This is the annual provision in the budget that restricts marijuana in the District of Columbia, and the reference will need to be updated if and when the 117th Congress passes the 2023 budget. If Congress does not pass a budget by the start of the fiscal year on October 1, 2022, this serves as a gentlemen's agreement not to add such provision in the budget and contradict the spirit of the agreement made within the Blueprint.

[7] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(9) Subchapter I of chapter 20 of title 21, United States Code, is repealed.

(10) Section 1521 of title 21, United States Code, is repealed.

(11) Paragraph 1523(9) of title 21, United States Code, is amended as follows[8]—

(9) Substance use and misuse.—The term "substance use and misuse" means—

(A) the ~~illegal use or~~ misuse of drugs~~, including substances for which a listing is effect under any of schedules I through V under section 812 of this title~~;

(B) the misuse of inhalants or over-the-counter drugs; or

(C) the use of drugs, alcohol, tobacco, or other related product as such use is prohibited by State or local law.

(12) Chapter 22 of title 21, United States Code, is repealed.

(13) Chapter 24 of title 21, United States Code, is repealed.

(14) Chapter 28 of title 21, United States Code, is repealed.

(15) Section 159 of title 23, United States Code, is repealed.

(16) Subchapter IV of chapter 121 of title 34, United States Code, is repealed.

(17) Paragraph 10152(a)(1) of title 34, United States Code, (the Edward Byrne Memorial Justice Assistance Grant Program) is amended as follows—

(1) In general.—From amounts made available to carry out this part, the Attorney General may, in accordance with the formula established under section 10156 of this title, make grants to States and units of local government, for use by the State or unit of local government to provide additional personnel, equipment, supplies, contractual support, training, technical assistance, and information systems for criminal justice, including for any one or more of the following programs:

[8] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(A) Law enforcement programs, except those targeting drug offenses.

(B) Prosecution and court programs.

(C) Prevention and education programs.

(D) Corrections and community corrections programs.

(E) Drug treatment ~~and enforcement~~ *programs.*

(F) Planning, evaluation, and technology improvement programs.

(G) Crime victim and witness programs (other than compensation).

(H) Mental health programs and related law enforcement and corrections programs, including behavioral programs and crisis intervention teams.

(18) Chapter 705 of title 46, United States Code, is repealed.

(d) Subsection (c) is effective January 1, 2024, at 12:01 a.m.

SEC. 143. RETROACTIVITY.

The repeals under section 142 are retroactive and shall apply to any offense committed, case pending, conviction entered, and, in the case of a juvenile, any offense committed, case pending, or adjudication of juvenile delinquency entered before, on, or after the effective date.

SEC. 144. BANKING NOT PROHIBITED.

(a) For the purposes of sections 1956 and 1957 of title 18, United States Code, and all other provisions of Federal law, the proceeds from a transaction involving activities of a drug-related legitimate business or service provider shall not be considered proceeds from an unlawful activity solely because the transaction involves proceeds from a business or service provider who lawfully produces, sells, or otherwise distributes substances listed under the Controlled Substances Act.

(b) Section 1956 of title 18, United States Code, is amended as follows:

(1) in paragraph (c)(7)--

(A) by deleting clause (B)(i);

(B) by deleting subparagraph (C); and

(C) by amending subparagraph (D) as follows[9]:

(D) an offense under section 32 (relating to the destruction of aircraft), section 37 (relating to violence at international airports), section 115 (relating to influencing, impeding, or retaliating against a Federal official by threatening or injuring a family member), section 152 (relating to concealment of assets; false oaths and claims; bribery), section 175c (relating to the variola virus), section 215 (relating to commissions or gifts for procuring loans), section 351 (relating to congressional or Cabinet officer assassination), any of sections 500 through 503 (relating to certain counterfeiting offenses), section 513 (relating to securities of States and private entities), section 541 (relating to goods falsely classified), section 542 (relating to entry of goods by means of false statements), section 545 (relating to smuggling goods into the United States), section 549 (relating to removing goods from Customs custody), section 554 (relating to smuggling goods from the United States), section 555 (relating to border tunnels), section 641 (relating to public money, property, or records), section 656 (relating to theft, embezzlement, or misapplication by bank officer or employee), section 657 (relating to lending, credit, and insurance institutions), section 658 (relating to property mortgaged or pledged to farm credit agencies), section 666 (relating to theft or bribery concerning programs receiving Federal funds), section 793, 794, or 798 (relating to espionage), section 831 (relating to prohibited transactions involving nuclear materials), section 844(f) or (i) (relating to destruction by explosives or fire of Government property or property affecting interstate or foreign commerce), section 875 (relating to interstate communications), section 922(l) (relating to the unlawful importation of firearms), section 924(n), 932, or 933 (relating to firearms trafficking), section 956 (relating to conspiracy to kill, kidnap, maim, or injure certain property in a foreign country), section 1005 (relating to fraudulent bank entries), 1006 [2] (relating to fraudulent Federal credit institution entries), 1007 [2] (relating to Federal Deposit Insurance transactions), 1014 [2] (relating to fraudulent loan or credit applications), section 1030 (relating to computer fraud and abuse), 1032 [2] (relating to concealment of assets from conservator, receiver, or liquidating agent of financial institution), section

[9] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

1111 (relating to murder), section 1114 (relating to murder of United States law enforcement officials), section 1116 (relating to murder of foreign officials, official guests, or internationally protected persons), section 1201 (relating to kidnaping), section 1203 (relating to hostage taking), section 1361 (relating to willful injury of Government property), section 1363 (relating to destruction of property within the special maritime and territorial jurisdiction), section 1708 (theft from the mail), section 1751 (relating to Presidential assassination), section 2113 or 2114 (relating to bank and postal robbery and theft), section 2252A (relating to child pornography) where the child pornography contains a visual depiction of an actual minor engaging in sexually explicit conduct, section 2260 (production of certain child pornography for importation into the United States), section 2280 (relating to violence against maritime navigation), section 2281 (relating to violence against maritime fixed platforms), section 2319 (relating to copyright infringement), section 2320 (relating to trafficking in counterfeit goods and services), section 2332 (relating to terrorist acts abroad against United States nationals), section 2332a (relating to use of weapons of mass destruction), section 2332b (relating to international terrorist acts transcending national boundaries), section 2332g (relating to missile systems designed to destroy aircraft), section 2332h (relating to radiological dispersal devices), section 2339A or 2339B (relating to providing material support to terrorists), section 2339C (relating to financing of terrorism), or section 2339D (relating to receiving military-type training from a foreign terrorist organization) of this title, section 46502 of title 49, United States Code, ~~a felony violation of the Chemical Diversion and Trafficking Act of 1988 (relating to precursor and essential chemicals),~~ *section 590 of the Tariff Act of 1930 (19 U.S.C. 1590) (relating to aviation smuggling),* ~~section 422 of the Controlled Substances Act (relating to transportation of drug paraphernalia),~~ *section 38(c) (relating to criminal violations) of the Arms Export Control Act, section 11 [3] (relating to violations) of the Export Administration Act of 1979, section 206 (relating to penalties) of the International Emergency Economic Powers Act, section 16 (relating to offenses and punishment) of the Trading with the Enemy Act, any felony violation of section 15 of the Food and Nutrition Act of 2008 (relating to supplemental nutrition assistance program benefits fraud) involving a quantity of benefits having a value of not less than $5,000, any violation of section 543(a)(1) of the Housing Act of 1949 (relating to equity skimming), any felony violation of the Foreign Agents Registration Act of 1938, any felony violation of the Foreign Corrupt Practices Act, section 92 of the Atomic Energy Act of 1954 (42 U.S.C. 2122) (relating to prohibitions*

governing atomic weapons), or section 104(a) of the North Korea Sanctions Enforcement Act of 2016 [3] (relating to prohibited activities with respect to North Korea);.

SEC. 145. IMPOSING A SALES TAX.

(a) Trust Fund.—

(1) ESTABLISHMENT.—Subchapter A of chapter 98 of title 26, United States Code, is amended by adding at the end the following new section:

"Sec. 9512. Opportunity trust fund.

"(a) Creation of Opportunity Trust Fund.—There is established in the Treasury of the United States a trust fund to be known as the 'Opportunity Trust Fund,' consisting of such amounts as may be appropriated or credited to such fund as provided in this section or section 9602(b).

"(b) Transfers to Trust Fund.—There are hereby appropriated to the Opportunity Trust Fund amounts equivalent to 50% of revenues received in the Treasury from the tax imposed by section 5701(h).

"(c) Expenditures.—Amounts in the Opportunity Trust Fund shall be available, without further appropriation, only as follows:

"(1) 30 percent to the Attorney General to carry out section 3052(a)(1) of part OO of the Omnibus Crime Control and Safe Streets Act of 1968.

"(2) 50 percent to the Attorney General to carry out section 3052(a)(2) of part OO of the Omnibus Crime Control and Safe Streets Act of 1968.

"(3) 20 percent to the Attorney General to carry out section 3052(a)(3) of part OO of the Omnibus Crime Control and Safe Streets Act of 1968.

(2) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding at the end the following new item:

"9512. Opportunity trust fund.".

(b) Imposition Of Tax.—

(1) IN GENERAL.—Section 5701(h) of title 26, United States Code, is amended as follows[10]—

(h) Recreational Intoxicating Products.—On recreational intoxicating products, manufactured in or imported into the United States, there shall be imposed a tax on all retail sales equal to 12 percent of the gross price.

(i) *Imported tobacco products and cigarette papers and tubes—The taxes imposed by this section on tobacco products*, recreational intoxicating products, *and cigarette papers and tubes imported into the United States shall be in addition to any import duties imposed on such articles, unless such import duties are imposed in lieu of internal revenue tax.*

(2) INTOXICATING PRODUCT DEFINED.—Section 5702 of title 26, United States Code, is amended by adding at the end the following new subsection:

"(q) Recreational Intoxicating Product.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the term 'recreational intoxicating product' means any product or derivative of a substance listed under the Controlled Substances Act prior to the enactment of Weldon Angelos Justice Act.

"(2) EXCEPTION.—The term 'recreational intoxicating product' shall not include any medicine or drug that is a prescribed drug (as such term is defined in paragraph 213(d)(3) of title 26, United States Code).

SEC. 146. DRUG WAR RESTORATIVE JUSTICE OFFICE ESTABLISHED.

Drug War Restorative Justice Office; Community Reinvestment Grant Program.—

(a) DRUG WAR RESTORATIVE JUSTICE OFFICE.—Part A of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10101 et seq.) is amended by inserting after section 109 the following:

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[10] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

"Sec. 110. Drug War Restorative Justice Office.

"(a) Establishment.—There is established within the Office of Justice Programs a Drug War Restorative Justice Office.

"(b) Director.—The Drug War Restorative Justice Office shall be headed by a Director who shall be appointed by the Assistant Attorney General for the Office of Justice Programs. The Director shall report to the Assistant Attorney General for the Office of Justice Programs. The Director shall award grants and may enter into compacts, cooperative agreements, and contracts on behalf of the Drug War Restorative Justice Office. The Director may not engage in any employment other than that of serving as the Director, nor may the Director hold any office in, or act in any capacity for, any organization, agency, or institution with which the Office makes any contract or other arrangement.

"(c) Employees.—

"(1) IN GENERAL.—The Director shall employ as many full-time employees as are needed to carry out the duties and functions of the Drug War Restorative Justice Office under subsection (d). Such employees shall be exclusively assigned to the Drug War Restorative Justice Office.

"(2) INITIAL HIRES.—Not later than 6 months after the date of enactment of this section, the Director shall hire no less than one-third of the total number of employees of the Drug War Restorative Justice Office.

"(3) LEGAL COUNSEL.—At least one employee hired for the Drug War Restorative Justice Office shall serve as legal counsel to the Director and shall provide counsel to the Drug War Restorative Justice Office.

"(d) Duties And Functions.—The Drug War Restorative Justice Office is authorized to—

"(1) administer the Community Reinvestment Grant Program; and

"(2) perform such other functions as the Assistant Attorney General for the Office of Justice Programs may delegate, that are consistent with the statutory obligations of this section, including

"(A) submitting to the Congress a proposed draft of legislation that, if enacted, would implement such technical and conforming amendments that would further clarify and implement the provisions of this section. Such submission shall include

repeals of provisions of law that are inconsistent with the Weldon Angelos Justice Act; and

"(B) making recommendations from time to time for rebalancing the percentages in section 9512(c) of title 112, United States Code.".

(b) COMMUNITY REINVESTMENT GRANT PROGRAM.—Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10101 et seq.) is amended by adding at the end the following:

"PART PP—COMMUNITY REINVESTMENT GRANT PROGRAM

"Sec. 3061. Authorization.

"(a) In General.—The Director of the Drug War Restorative Justice Office shall establish and carry out a grant program, known as the 'Community Reinvestment Grant Program', to provide eligible entities with funds to—

"(1) administer services for individuals most adversely impacted by the War on Drugs, including job training, reentry services, literacy programs, youth recreation or mentoring programs, and health education programs;

"(2) administer substance use treatment services in a consistently effective manner for any individuals who request such services; and

"(3) administer legal aid for civil and criminal drug offenses, including expungement of drug convictions.

"Sec. 3062. Funding from Opportunity Trust Fund.

"(a) The Director shall carry out the program under this part using funds made available under section 9512(c)(1) of the Internal Revenue Code.".

(c) CLERICAL AMENDMENTS.—

(1) The table of sections for part A of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10101 et seq.) is amended by adding after section 109 the following:

"110. Drug War Restorative Justice Office.".

(2) The table of contents for sections for chapter 101 of title 34, United States Code, is amended by inserting at the end the following:

“SUBCHAPTER XLII–COMMUNITY REINVESTMENT GRANT PROGRAM

“3061. Authorization.

"3062. Funding from Opportunity Trust Fund.”.

(d)(1) Initial funding.—$33,000,000 in initial funding for this program shall be appropriated from funds authorized for fiscal year 2023 by section 1524 of title 21, United States Code.

(2) Reduction of Drug Czar funding.—Section 1524(a) of title 21, United States Code, as amended by section 131(g)(2), is further amended as follows[11]—

(a) There is authorized to be appropriated to the Office of National Drug Control Policy to carry out this subchapter ~~$66,000,000~~ $33,000,000 *for fiscal year 2023.*

SEC. 147. RULEMAKING AUTHORITY.

(a) No later than October 30, 2023, the Department of the Treasury, the Department of Justice, and the Small Business Administration shall issue or amend any rules, standard operating procedures, and other legal or policy guidance necessary to carry out implementation of such Act. After such date, any publicly issued sub-regulatory guidance, including any compliance guides, manuals, advisories and notices, may not be issued without 60-day notice to appropriate congressional committees. Notice shall include a description and justification for additional guidance.

(b) No later than October 30, 2023, the Commissioner of Food and Drugs, in consultation with the Drug War Restorative Justice Office, shall issue rules and standards for the quality, purity, and labeling of recreational intoxicating products, as defined in section 5702(q) of title 26, United States Code, which are offered for sale in the United States.

SEC. 148. EXPUNGEMENT.

(a) Definitions— in this section:

[11] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(1) The term "expunge" means, with respect to an arrest, a conviction, or a juvenile delinquency adjudication, the removal of the record of such arrest, conviction, or adjudication from each official index or public record.

(2) The term "under a criminal justice sentence" means, with respect to an individual, that the individual is serving a term of probation, parole, supervised release, imprisonment, official detention, pre-release custody, or work release, pursuant to a sentence or disposition of juvenile delinquency imposed on or after the effective date of the Controlled Substances Act (May 1, 1971).

(b) Expungement of drug offense convictions for individuals not under a criminal justice sentence.—

(1) IN GENERAL.—Not later than October 30, 2023, each Federal district court shall conduct a comprehensive review and issue an order expunging each adjudication of juvenile delinquency or conviction for a drug offense entered by each Federal court in the district before the date of enactment of such Act and on or after May 1, 1971. Each Federal court shall also issue an order expunging any arrests associated with each expunged adjudication of juvenile delinquency or conviction.

(2) NOTIFICATION.—To the extent practicable, each Federal district shall notify each individual whose arrest, conviction, or adjudication of delinquency has been expunged pursuant to this subsection that their arrest, conviction, or adjudication of juvenile delinquency has been expunged, and the effect of such expungement.

(3) PETITIONING THE COURT FOR EXPUNGEMENT.—At any point after the date of enactment of such Act, any individual with a prior adjudication of juvenile delinquency or conviction for a drug offense, who is not under a criminal justice sentence, may file a motion for expungement. If the expungement of such an adjudication of juvenile delinquency or conviction is required pursuant to such Act, the court shall expunge the adjudication or conviction, and any associated arrests. If the individual is indigent, counsel shall be appointed to represent the individual in any proceedings under this subsection.

(4) SEALED RECORD.—The court shall seal all records related to an adjudication of juvenile delinquency or conviction that has been expunged under this subsection. Such records may only be made available by further order of the court.

(c) Effect of expungement.—An individual who has had an arrest, a conviction, or juvenile delinquency adjudication expunged under this section—

(1) may treat the arrest, conviction, or adjudication as if it never occurred; and

(2) shall be immune from any civil or criminal penalties related to perjury, false swearing, or false statements, for a failure to disclose such arrest, conviction, or adjudication.

SEC. 149. WITHDRAWAL FROM UNITED NATION DRUG WAR TREATIES.

(a) Pursuant to Article 46 of the 1961 Single Convention on Narcotic Drugs, the President shall, not later than December 31, 2022, deposit with the Secretary-General of the United Nations notification that the United States, in consultation with the Congress, denounces the Convention, with such withdrawal effective January 1, 2024.

(b) Pursuant to Article 29 of the 1971 Convention on Psychotropic Substances, the President shall, not later than December 31, 2022, deposit with the Secretary-General of the United Nations notification that the United States, in consultation with the Congress, denounces the Convention, with such withdrawal effective January 1, 2024.

(c) Pursuant to Article 30 of the 1988 Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, the President shall, not later than December 31, 2022, deposit with the Secretary-General of the United Nations notification that the United States, in consultation with the Congress, denounces the Convention, with such withdrawal effective January 1, 2024.

PART I - CLARIFYING OTHER PROSECUTORIAL PROVISIONS

SEC. 151. CLARIFYING CERTAIN OFFENSES RELATED TO ESPIONAGE.

(a) Gathering, transmitting, or losing defense information.—Subections 793(a)-(e) of title 18, United States Code, are amended as follows[12]—

(a) Whoever, for the purpose of obtaining information respecting the national defense with ~~intent or reason to believe~~ specific intent *that the information is to be used to the injury of the United States, or to the advantage of any foreign nation, goes upon, enters, flies over, or otherwise obtains information concerning any vessel, aircraft, work of defense, navy yard, naval station, submarine base, fueling station, fort, battery, torpedo station, dockyard, canal, railroad, arsenal, camp, factory, mine, telegraph, telephone, wireless, or signal station, building, office, research laboratory or station or other place connected with the national defense owned or constructed, or in progress of construction by the United States or under the control of the United States, or of any of its officers, departments, or agencies, or within the exclusive jurisdiction of the United States, or any place in which any vessel, aircraft, arms, munitions, or other materials or instruments for*

[12] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

use in time of war are being made, prepared, repaired, stored, or are the subject of research or development, under any contract or agreement with the United States, or any department or agency thereof, or with any person on behalf of the United States, or otherwise on behalf of the United States, or any prohibited place so designated by the President by proclamation in time of war or in case of national emergency in which anything for the use of the Army, Navy, or Air Force is being prepared or constructed or stored, information as to which prohibited place the President has determined would be prejudicial to the national defense; or

(b) Whoever, for the purpose aforesaid, and with like intent ~~or reason to believe~~*, copies, takes, makes, or obtains, or attempts to copy, take, make, or obtain, any sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, document, writing, or note of anything* that has been properly classified that is *connected with the national defense; or*

(c) Whoever, for the purpose aforesaid, receives or obtains or agrees or attempts to receive or obtain from any person, or from any source whatever, any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, or note, of anything that has been properly classified that is *connected with the national defense, knowing or having reason to believe, at the time he receives or obtains, or agrees or attempts to receive or obtain it, that it has been or will be obtained, taken, made, or disposed of by any person contrary to the provisions of this chapter; or*

(d) Whoever, lawfully having possession of, access to, control over, or being entrusted with any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, or note relating to the national defense, or information relating to the national defense which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation, willfully and with specific intent to injure the United States or advantage any foreign nation, *communicates, delivers, transmits or causes to be communicated, delivered, or transmitted or attempts to communicate, deliver, transmit or cause to be communicated, delivered or transmitted the same to any person not entitled to receive it, or willfully* and with specific intent to injure the United States or advantage any foreign nation, *retains the same and fails to deliver it on demand to the officer or employee of the United States entitled to receive it; or*

(e) Whoever having unauthorized possession of, access to, or control over any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, or note relating to the national defense, or information relating to the national defense which information the possessor has reason

to believe could be used to the injury of the United States or to the advantage of any foreign nation, willfully and with specific intent to injure the United States or advantage any foreign nation, *communicates, delivers, transmits or causes to be communicated, delivered, or transmitted, or attempts to communicate, deliver, transmit or cause to be communicated, delivered, or transmitted the same to any person not entitled to receive it, or willfully* and with specific intent to injure the United States or advantage any foreign nation, *retains the same and fails to deliver it to the officer or employee of the United States entitled to receive it; or*

(b) Disclosure of classified information.—Subsection 798(a) of title 18, United States Code, is amended as follows[13]—

(a) Whoever knowingly and willfully, and with specific intent to injure the United States or advantage any foreign nation, *communicates, furnishes, transmits, or otherwise makes available to an unauthorized person, or publishes, or uses in any manner prejudicial to the safety or interest of the United States or for the benefit of any foreign government to the detriment of the United States any classified information—*

(c) Authority to disclose information.—Subsection 798(c) of title 18, United States Code, is amended as follows—

(c) Nothing in this section shall prohibit the ~~furnishing, upon lawful demand, of information to any regularly constituted committee of the Senate or House of Representatives of the United States of America, or joint committee thereof~~ furnishing of information to—

(1) any Member of the Senate or the House of Representatives;

(2) a Federal court, in accordance with such procedures as the court may establish;

(3) the inspector general of an element of the intelligence community (as defined in section 3 of the National Security Act of 1947 (50 U.S.C. 3003)), including the Inspector General of the Intelligence Community;

(4) the Chairman or a member of the Privacy and Civil Liberties Oversight Board or any employee of the Board designated by the Board, in accordance with such procedures as the Board may establish;

(5) the Chairman or a commissioner of the Federal Trade Commission or any employee of the Commission designated by the Commission, in accordance with such procedures as the Commission may establish;

[13] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(6) the Chairman or a commissioner of the Federal Communications Commission or any employee of the Commission designated by the Commission, in accordance with such procedures as the Commission may establish; or

(7) any other person or entity authorized to receive disclosures containing classified information pursuant to any applicable law, regulation, or executive order regarding the protection of whistleblowers.

(d) Testimony of purpose.—

(1) IN GENERAL.—Chapter 37 of title 18, United States Code, is amended by adding at the end the following:

"Sec. 799A. Testimony of purpose

"A defendant charged with an offense under section 793 or 798 shall be permitted to testify about their purpose for engaging in the prohibited conduct.

"Sec. 799B. Affirmative defense

"(a) It is an affirmative defense to a charge under section 793 or 798 that the defendant engaged in the prohibited conduct for the purpose of disclosing to the public—

"(1) any violation of any law, rule, or regulation; or

"(2) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.".

(2) CLERICAL AMENDMENT.—The table of sections for chapter 37 is amended by adding at the end the following:

"799A. Testimony of purpose.

"799B. Affirmative defense.".

SEC. 152. CLARIFICATION OF THE REAL ID ACT.

EXEMPTION.—For purposes of boarding a federally regulated commercial aircraft, the credential requirements of section 202 of the REAL ID Act of 2005 (Public Law 109–13; 49 U.S.C. 30301 note) shall only apply to persons required by federal law to show identification as a condition of boarding a federally regulated commercial aircraft.

SEC. 153. REPEAL OF MANDATORY MINIMUMS.

MANDATORY MINIMUMS STRUCK FROM UNITED STATES CODE—

(a) Section 192 of title 2, United States Code, is amended as follows[14]—

Every person who having been summoned as a witness by the authority of either House of Congress to give testimony or to produce papers upon any matter under inquiry before either House, or any joint committee established by a joint or concurrent resolution of the two Houses of Congress, or any committee of either House of Congress, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the question under inquiry, shall be deemed guilty of a misdemeanor, punishable by a fine of not more than $1,000 nor less than $100 and imprisonment in a common jail for not ~~less than one month nor~~ *more than twelve months.*

(b) Section 390 of title 2, United States Code, is amended as follows—

Every person who, having been ~~subpenaed~~ subpoenaed *as a witness under this chapter to give testimony or to produce documents, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the contested election case, shall be deemed guilty of a misdemeanor punishable by fine of not more than $1,000 nor less than $100 or imprisonment for not* ~~less than one month nor~~ *more than twelve months, or both.*

(c) Section 13a of title 7, United States Code, is amended as follows—

If any registered entity is not enforcing or has not enforced its rules of government made a condition of its designation or registration as set forth in sections 7 through 7a–2 of this title, or if any registered entity, or any director, officer, agent, or employee of any registered entity otherwise is violating or has violated any of the provisions of this chapter or any of the rules, regulations, or orders of the Commission thereunder, the Commission may, upon notice and hearing on the record and subject to appeal as in other cases provided for in section 8(b) of this title, make and enter an order directing that such registered entity, director, officer, agent, or employee shall cease and desist from such violation, and assess a civil penalty of not more than $500,000 for each such violation, or, in any case of manipulation or attempted manipulation in violation of section 9, ~~15~~, *13b, or 13(a)(2) of this title, a civil penalty of not more than $1,000,000 for each such violation. If such registered entity, director, officer, agent, or employee, after the entry of such a cease and desist order and the lapse of the period allowed for appeal of such order or after the affirmance of such order, shall fail or refuse to obey or comply with such order, such registered entity, director, officer, agent, or employee shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $500,000 or imprisoned for not* ~~less than six months nor~~ *more than one year, or both, except that if the failure or refusal to obey or comply with the order involved any*

[14] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

offense under section 13(a)(2) of this title, the registered entity, director, officer, agent, or employee shall be guilty of a felony and, on conviction, shall be subject to penalties under section 13(a)(2) of this title. Each day during which such failure or refusal to obey such cease and desist order continues shall be deemed a separate offense. If the offending registered entity or other person upon whom such penalty is imposed, after the lapse of the period allowed for appeal or after the affirmance of such penalty, shall fail to pay such penalty, the Commission shall refer the matter to the Attorney General who shall recover such penalty by action in the appropriate United States district court. In determining the amount of the money penalty assessed under this section, the Commission shall consider the gravity of the offense, and in the case of a registered entity shall further consider whether the amount of the penalty will materially impair the ability of the registered entity to carry on its operations and duties.

(d) Subsection 15b(k) of title 7, United States Code, is amended as follows[15]—

(k) Violations

Any person who knowingly violates any regulation made in pursuance of this section, shall, upon conviction thereof, be fined not less than $100 nor more than $500, for each violation thereof, in the discretion of the court, and, in case of natural persons, may, in addition be punished by imprisonment for not ~~less than 30 days nor~~ more than 90 days, for each violation, in the discretion of the court except that this subsection shall not apply to violations subject to subsection (d)(3).

(e) Paragraph 195(3) of title 7, United States Code, is amended as follows—

(3) After such order, or such order as modified, has been sustained by the courts as provided in section 194 of this title; shall on conviction be fined not less than $500 nor more than $10,000, or imprisoned for not ~~less than six months nor~~ more than five years, or both. Each day during which such failure continues shall be deemed a separate offense.

(f) Section 2024 of title 7, United States Code, is amended—

(1) In paragraph (b)(1) as follows—

(b) Unauthorized use, transfer, acquisition, alteration, or possession of benefits

(1) Subject to the provisions of paragraph (2) of this subsection, whoever knowingly uses, transfers, acquires, alters, or possesses benefits in any manner contrary to this

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chapter or the regulations issued pursuant to this chapter shall, if such benefits are of a value of $5,000 or more, be guilty of a felony and shall be fined not more than $250,000 or imprisoned for not more than twenty years, or both, and shall, if such benefits are of a value of $100 or more, but less than $5,000, or if the item used, transferred, acquired, altered, or possessed is a benefit that has a value of $100 or more, but less than $5,000, be guilty of a felony and shall, upon the first conviction thereof, be fined not more than $10,000 or imprisoned for not more than five years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not ~~less than six months nor~~ more than five years and may also be fined not more than $10,000 or, if such benefits are of a value of less than $100, or if the item used, transferred, acquired, altered, or processed is a benefit that has a value of less than $100, shall be guilty of a misdemeanor, and, upon the first conviction thereof, shall be fined not more than $1,000 or imprisoned for not more than one year, or both, and upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than $1,000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participation in the supplemental nutrition assistance program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 2015(b)(1) of this title.

(2) In subsection (c) as follows[16]—

(c) Presentation for payment or redemption of benefits that have been illegally received, transferred, or used

Whoever presents, or causes to be presented, benefits for payment or redemption of the value of $100 or more, knowing the same to have been received, transferred, or used in any manner in violation of the provisions of this chapter or the regulations issued pursuant to this chapter, shall be guilty of a felony and, upon the first conviction thereof, shall be fined not more than $20,000 or imprisoned for not more than five years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not ~~less than one year nor~~ more than five years and may also be fined not more than $20,000, or, if such benefits are of a value of less than $100, shall be guilty of a misdemeanor and, upon the first conviction thereof, shall be fined not more than $1,000 or imprisoned for not more than one year, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than $1,000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from

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participation in the supplemental nutrition assistance program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 2015(b)(1) of this title.

(g) Paragraph 1324(a)(2) of title 8, United States Code, is amended in the matter following clause (B)(iii) as follows—

> *be fined under title 18 and shall be imprisoned, in the case of a first or second violation of subparagraph (B)(iii), not more than 10 years, in the case of a first or second violation of subparagraph (B)(i) or (B)(ii), not ~~less than 3 nor~~ more than 10 years, and for any other violation, not ~~less than 5 nor~~ more than 15 years.*

(h) Paragraph 1326(b)(3) of title 8, United States Code, is amended as follows[17]—

> (3) *who has been excluded from the United States pursuant to section 1225(c) of this title because the alien was excludable under section 1182(a)(3)(B) of this title or who has been removed from the United States pursuant to the provisions of subchapter V, and who thereafter, without the permission of the Attorney General, enters the United States, or attempts to do so, shall be fined under title 18 and imprisoned for a period of* not more than *10 years, which sentence shall not run concurrently with any other sentence~~.~~;* or

(i) Section 617 of title 12, United States Code, is amended as follows—

No corporation organized under this subchapter shall engage in commerce or trade in commodities except as specifically provided in this subchapter, nor shall it, either directly or indirectly, control or fix or attempt to control or fix the price of any such commodities. The charter of any corporation violating this provision shall be subject to forfeiture in the manner provided in this subchapter. It shall be unlawful for any director, officer, agent, or employee of any such corporation to use or to conspire to use the credit, the funds, or the power of the corporation to fix or control the price of any such commodities, and any such person violating this provision shall be liable to a fine of not less than $1,000 and not exceeding $5,000 or imprisonment not ~~less than one year and not~~ exceeding five years, or both, in the discretion of the court.

(j) Section 630 of title 12, United States Code, is amended as follows—

Every officer, director, clerk, employee, or agent of any corporation organized under this subchapter who embezzles, abstracts, or willfully misapplies any of the moneys, funds, credits, securities, evidences of indebtedness or assets of any character of such corporation;

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or who, without authority from the directors, issues or puts forth any certificate of deposit, draws any order or bill of exchange, makes any acceptance, assigns any note, bond, debenture, draft, bill of exchange, mortgage, judgment, or decree; or who makes any false entry in any book, report, or statement of such corporation with intent, in either case, to injure or defraud such corporation or any other company, body politic or corporate, or any individual person, or to deceive any officer of such corporation, the Board of Governors of the Federal Reserve System, or any agent or examiner appointed to examine the affairs of any such corporation; and every receiver of any such corporation and every clerk or employee of such receiver who shall embezzle, abstract, or willfully misapply or wrongfully convert to his own use any moneys, funds, credits, or assets of any character which may come into his possession or under his control in the execution of his trust or the performance of the duties of his employment; and every such receiver or clerk or employee of such receiver who shall, with intent to injure or defraud any person, body politic or corporate, or to deceive or mislead the Board of Governors of the Federal Reserve System, or any agent or examiner appointed to examine the affairs of such receiver, shall make any false entry in any book, report, or record of any matter connected with the duties of such receiver; and every person who with like intent aids or abets any officer, director, clerk, employee, or agent of any corporation organized under this subchapter, or receiver or clerk or employee of such receiver as aforesaid in any violation of this subchapter, shall upon conviction thereof be imprisoned for not ~~less than two years nor~~ more than ten years, and may also be fined not more than $5,000, in the discretion of the court.

(k) Section 8 of title 15, United States Code, is amended as follows[18]—

Every combination, conspiracy, trust, agreement, or contract is declared to be contrary to public policy, illegal, and void when the same is made by or between two or more persons or corporations, either of whom, as agent or principal, is engaged in importing any article from any foreign country into the United States, and when such combination, conspiracy, trust, agreement, or contract is intended to operate in restraint of lawful trade, or free competition in lawful trade or commerce, or to increase the market price in any part of the United States of any article or articles imported or intended to be imported into the United States, or of any manufacture into which such imported article enters or is intended to enter. Every person who shall be engaged in the importation of goods or any commodity from any foreign country in violation of this section, or who shall combine or conspire with another to violate the same, is guilty of a misdemeanor, and on conviction thereof in any court of the United States such person shall be fined in a sum not less than $100 and not exceeding $5,000, and shall be further punished by imprisonment, in the discretion of the court, for a term not ~~less than three months nor~~ exceeding twelve months.

[18] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(l) Subsection 1245(b) of title 15, United States Code, is amended as follows—

(b) Prohibition and penalties for possession or use during commission of Federal crime of violence

Whoever possesses or uses a ballistic knife in the commission of a Federal crime of violence shall be fined as provided in title 18, or imprisoned ~~not less than five years~~ ~~and~~ *not more than ten years, or both.*

(m) Paragraph 229A(a)(2) of title 18, United States Code, is amended as follows[19]—

(2) Death penalty.—

Any person who violates section 229 of this title and by whose action the death of another person is the result shall be ~~punished by death or imprisoned for life~~ subject to imprisonment for any term of years, or to the death penalty, or to life imprisonment.

(n) Section 924 of title 18, United States Code, is amended by striking subsections (c) and (e).

(o) Section 929 of title 18, United States Code, is amended as follows—

(a) (1) Whoever, during and in relation to the commission of a crime of violence ~~or drug trafficking crime (including a crime of violence or drug trafficking crime which provides for an enhanced punishment if committed by the use of a deadly or dangerous weapon or device)~~ *for which he may be prosecuted in a court of the United States, uses or carries a firearm and is in possession of armor piercing ammunition capable of being fired in that firearm,* ~~shall, in addition to the punishment provided for the commission of such crime of violence or drug trafficking crime be sentenced to a term of imprisonment for not less than five years~~ may, in addition to the punishment provided for for the commission of such crime of violence be sentenced to a term of imprisonment.

~~(2) For purposes of this subsection, the term "drug trafficking crime" means any felony punishable under the Controlled Substances Act (21 U.S.C. 801 et seq.), the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.), or chapter 705 of title 46.~~

[19] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(p) Subsection 1028A(a) of title 18, United States Code, is amended as follows—

(a) Offenses.—

(1) In general.—Whoever, during and in relation to any felony violation enumerated in subsection (c), knowingly transfers, possesses, or uses, without lawful authority, a means of identification of another person ~~shall~~ may, *in addition to the punishment provided for such felony, be sentenced to a term of imprisonment* not more than *of 2 years.*

(2) Terrorism offense.—Whoever, during and in relation to any felony violation enumerated in section 2332b(g)(5)(B), knowingly transfers, possesses, or uses, without lawful authority, a means of identification of another person or a false identification document ~~shall~~ may, *in addition to the punishment provided for such felony, be sentenced to a term of imprisonment* not more than *of 5 years.*

(q) Subsection 33(b) of title 18, United States Code, is amended as follows[20]—

(b) Whoever is convicted of a violation of subsection (a) involving a motor vehicle that, at the time the violation occurred, carried high-level radioactive waste (as that term is defined in section 2(12) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(12))) or spent nuclear fuel (as that term is defined in section 2(23) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(23))), shall be fined under this title and ~~imprisoned for any term of years not less than 30, or for life~~ subject to imprisonment for any term of years or to life imprisonment,.

(r) Sections 844 of title 18, United States Code, is amended as follows—

(1) In subsection (f) as follows—

(f) (1) Whoever maliciously damages or destroys, or attempts to damage or destroy, by means of fire or an explosive, any building, vehicle, or other personal or real property in whole or in part owned or possessed by, or leased to, the United States, or any department or agency thereof, or any institution or organization receiving Federal financial assistance, shall be imprisoned for ~~not less than 5 years and~~ *not more than 20 years, fined under this title, or both.*

(2) Whoever engages in conduct prohibited by this subsection, and as a result of such conduct, directly or proximately causes personal injury or creates a substantial risk of injury to any person, including any public safety officer performing duties, shall be

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imprisoned for ~~not less than 7 years and~~ *not more than 40 years, fined under this title, or both.*

(3) Whoever engages in conduct prohibited by this subsection, and as a result of such conduct directly or proximately causes the death of any person, including any public safety officer performing duties, ~~shall be subject to the death penalty, or imprisoned for not less than 20 years or for life~~ shall be subject to imprisonment for any term of years, or to the death penalty, or to life imprisonment, *fined under this title, or both.*

(2) In subsections (h)-(i) as follows[21]—

(h) Whoever—

(1) uses fire or an explosive to commit any felony which may be prosecuted in a court of the United States, or

(2) carries an explosive during the commission of any felony which may be prosecuted in a court of the United States,

including a felony which provides for an enhanced punishment if committed by the use of a deadly or dangerous weapon or device ~~shall, in addition to the punishment provided for such felony,~~ may be sentenced to imprisonment for not more than 10 years. In the case of a second or subsequent conviction under this subsection, such person ~~shall~~ may be sentenced to imprisonment for not more than 20 years. ~~Notwithstanding any other provision of law, the court shall not place on probation or suspend the sentence of any person convicted of a violation of this subsection, nor shall the term of imprisonment imposed under this subsection run concurrently with any other term of imprisonment including that imposed for the felony in which the explosive was used or carried.~~

(i) Whoever maliciously damages or destroys, or attempts to damage or destroy, by means of fire or an explosive, any building, vehicle, or other real or personal property used in interstate or foreign commerce or in any activity affecting interstate or foreign commerce shall be imprisoned for ~~not less than 5 years and~~ *not more than 20 years, fined under this title, or both; and if personal injury results to any person, including any public safety officer performing duties as a direct or proximate result of conduct prohibited by this subsection, shall be imprisoned for* ~~not less than 7 years and~~ *not more than 40 years, fined under this title, or both; and if death results to any person, including any public safety officer performing duties as a direct or proximate result of conduct prohibited by*

[21] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

this subsection, shall also be subject to imprisonment for any term of years, or to the death penalty or to life imprisonment.

(s) Subsection 225(a) of title 18, United States Code, is amended in the matter following paragraph (2) as follows—

shall be fined not more than $10,000,000 if an individual, or $20,000,000 if an organization, and imprisoned for ~~a term of not less than 10 years and~~ any term of years *which may be life.*

(t) Subsection 1111(b) of title 18, United States Code, is amended as follows[22]—

(b) Within the special maritime and territorial jurisdiction of the United States, Whoever is guilty of murder in the first degree shall be punished by death or ~~by imprisonment for life~~ imprisoned for any term of years or for life;

Whoever is guilty of murder in the second degree, shall be imprisoned for any term of years or for life.

(u) Subsection 1118(a) of title 18, United States Code, is amended as follows—

(a) Offense.—

A person who, while confined in a Federal correctional institution under a sentence for a term of life imprisonment, commits the murder of another shall be punished by death or by imprisonment for any term of years or by *life imprisonment.*

(v) Section 1122(c) of title 18, United States Code, is amended as follows—

(c) Penalty.—

Any person convicted of violating the provisions of subsection (a) shall be subject to a fine under this title of not less than $10,000, imprisoned for not ~~less than 1 year nor~~ *more than 10 years, or both.*

(w) Section 1201 of title 18, United States Code, is amended—

(1) in the matter following paragraph (a)(5) as follows—

[22] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

shall be punished by imprisonment for any term of years or for life and, if the death of any person results, ~~shall~~ may *be punished by death or* ~~*life imprisonment*~~ imprisoned for any term of years or for life.

(2) in the matter following subclause (g)(B)(i)(VII) as follows—

the sentence under this section for such offense shall ~~include imprisonment for not less than 20 years~~ be subject to imprisonment for any term of years.

(x) Subsection 1203(a) of title 18, United States Code, is amended as follows—

(a) Except as provided in subsection (b) of this section, whoever, whether inside or outside the United States, seizes or detains and threatens to kill, to injure, or to continue to detain another person in order to compel a third person or a governmental organization to do or abstain from doing any act as an explicit or implicit condition for the release of the person detained, or attempts or conspires to do so, shall be punished by imprisonment for any term of years or for life and, if the death of any person results, shall be punished by death or imprisonment for any term of years or for *life* ~~imprisonment~~.

(y) Paragraph 1389(a)(3) of title 18, United States Code, is amended as follows—

(3) in the case of a battery, or an assault resulting in bodily injury, be fined under this title in an amount not less than $2500 and imprisoned not ~~less than 6 months nor~~ *more than 10 years.*

(z) Section 1651 of title 18, United States Code, is amended as follows[23]—

Whoever, on the high seas, commits the crime of piracy as defined by the law of nations, and is afterwards brought into or found in the United States, shall be ~~imprisoned for life~~ subject to imprisonment for any term of years or to life imprisonment.

(aa) Section 1652 of title 18, United States Code, is amended as follows—

Whoever, being a citizen of the United States, commits any murder or robbery, or any act of hostility against the United States, or against any citizen thereof, on the high seas, under color of any commission from any foreign prince, or state, or on pretense of authority from any person, is a pirate, and shall be ~~imprisoned for life~~ subject to imprisonment for any term of years or to life imprisonment.

(bb) Section 1653 of title 18, United States Code, is amended as follows—

[23] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

Whoever, being a citizen or subject of any foreign state, is found and taken on the sea making war upon the United States, or cruising against the vessels and property thereof, or of the citizens of the same, contrary to the provisions of any treaty existing between the United States and the state of which the offender is a citizen or subject, when by such treaty such acts are declared to be piracy, is a pirate, and shall be ~~imprisoned for life~~ subject to imprisonment for any term of years or to life imprisonment.

(cc) Section 1655 of title 18, United States Code, is amended as follows—

Whoever, being a seaman, lays violent hands upon his commander, to hinder and prevent his fighting in defense of his vessel or the goods intrusted to him, is a pirate, and shall be ~~imprisoned for life~~ subject to imprisonment for any term of years or to life imprisonment.

(dd) Section 1658(b) of title 18, United States Code, is amended as follows—

(b) Whoever willfully obstructs the escape of any person endeavoring to save his life from such vessel, or the wreck thereof; or Whoever holds out or shows any false light, or extinguishes any true light, with intent to bring any vessel sailing upon the sea into danger or distress or shipwreck—

Shall be imprisoned ~~not less than ten years and may be imprisoned~~ for any term of years or *for life.*

(ee) Section 1661 of title 18, United States Code, is amended as follows[24]—

Whoever, being engaged in any piratical cruise or enterprise, or being of the crew of any piratical vessel, lands from such vessel and commits robbery on shore, is a pirate, and shall be subject to imprisonment for any term of years or *imprisoned for life.*

(ff) Section 1917 of title 18, United States Code, is amended in the matter following paragraph (4) as follows—

shall, for each offense, be fined under this title not less than $100 or imprisoned not ~~less than ten days nor~~ *more than one year, or both.*

(gg) Subsection 1958(a) of title 18, United States Code, is amended as follows—

(a) Whoever travels in or causes another (including the intended victim) to travel in interstate or foreign commerce, or uses or causes another (including the intended victim) to use the mail or any facility of interstate or foreign commerce, with intent that a murder be committed in violation of the laws of any State or the United States as consideration

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for the receipt of, or as consideration for a promise or agreement to pay, anything of pecuniary value, or who conspires to do so, shall be fined under this title or imprisoned for not more than ten years, or both; and if personal injury results, shall be fined under this title or imprisoned for not more than twenty years, or both; and if death results, ~~shall~~ may *be punished by death or* ~~life imprisonment~~ imprisoned for any term of years or for life, *or shall be fined not more than $250,000, or both.*

(hh) Subsection 2113(e) of title 18, United States Code, is amended as follows—

(e) Whoever, in committing any offense defined in this section, or in avoiding or attempting to avoid apprehension for the commission of such offense, or in freeing himself or attempting to free himself from arrest or confinement for such offense, kills any person, or forces any person to accompany him without the consent of such person, shall be ~~*imprisoned not* less than ten~~ subject to imprisonment for any term of *years, or if death results shall be punished by death or* ~~life~~ *imprisonment* for any term of years, which may be life.

(ii) Subsection 2241(c) of title 18, United States Code, is amended as follows[25]—

(c) With Children.— Whoever crosses a State line with intent to engage in a sexual act with a person who has not attained the age of 12 years, or in the special maritime and territorial jurisdiction of the United States or in a Federal prison, or in any prison, institution, or facility in which persons are held in custody by direction of or pursuant to a contract or agreement with the head of any Federal department or agency, knowingly engages in a sexual act with another person who has not attained the age of 12 years, or knowingly engages in a sexual act under the circumstances described in subsections (a) and (b) with another person who has attained the age of 12 years but has not attained the age of 16 years (and is at least 4 years younger than the person so engaging), or attempts to do so, shall be fined under this title and imprisoned for ~~not less than 30 years~~ any term of years *or for life.* ~~If the~~ A *defendant* who *has previously been convicted of another Federal offense under this subsection, or of a State offense that would have been an offense under either such provision had the offense occurred in a Federal prison,* ~~unless the death penalty is imposed, the defendant~~ *shall be sentenced to* imprisonment for any term of years, or to the death penalty, or to *life in prison.*

(jj) Section 2251(e) of title 18, United States Code, is amended as follows—

(e) Any individual who violates, or attempts or conspires to violate, this section shall be fined under this title and imprisoned not ~~less than 15 years nor~~ *more than 30 years, but if such*

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person has one prior conviction under this chapter, section 1591, chapter 71, chapter 109A, or chapter 117, or under section 920 of title 10 (article 120 of the Uniform Code of Military Justice), or under the laws of any State relating to aggravated sexual abuse, sexual abuse, abusive sexual contact involving a minor or ward, or sex trafficking of children, or the production, possession, receipt, mailing, sale, distribution, shipment, or transportation of child pornography, such person shall be fined under this title and imprisoned for not ~~less than 25 years nor~~ *more than 50 years, but if such person has 2 or more prior convictions under this chapter, section 1591, chapter 71, chapter 109A, or chapter 117, or under section 920 of title 10 (article 120 of the Uniform Code of Military Justice), or under the laws of any State relating to the sexual exploitation of children, such person shall be fined under this title and* ~~imprisoned not less than 35 years nor more than life~~ subject to imprisonment for any term of years or to life imprisonment. *Any organization that violates, or attempts or conspires to violate, this section shall be fined under this title. Whoever, in the course of an offense under this section, engages in conduct that results in the death of a person,* ~~shall be punished by death or imprisoned for not less than 30 years or for life~~ subject to imprisonment for any term of years, or to the death penalty, or to life imprisonment.

(kk) Section 2252(b) of title 18, United States Code, is amended in paragraphs (1)-(2) as follows[26]—

(1) Whoever violates, or attempts or conspires to violate, paragraph (1), (2), or (3) of subsection (a) shall be fined under this title and imprisoned not ~~less than 5 years and not~~ *more than 20 years, but if such person has a prior conviction under this chapter, section 1591, chapter 71, chapter 109A, or chapter 117, or under section 920 of title 10 (article 120 of the Uniform Code of Military Justice), or under the laws of any State relating to aggravated sexual abuse, sexual abuse, or abusive sexual conduct involving a minor or ward, or the production, possession, receipt, mailing, sale, distribution, shipment, or transportation of child pornography, or sex trafficking of children, such person shall be fined under this title and imprisoned for* ~~not less than 15 years nor~~ *more than 40 years.*

(2) Whoever violates, or attempts or conspires to violate, paragraph (4) of subsection (a) shall be fined under this title or imprisoned not more than 10 years, or both, but if any visual depiction involved in the offense involved a prepubescent minor or a minor who had not attained 12 years of age, such person shall be fined under this title and imprisoned for not more than 20 years, or if such person has a prior conviction under this chapter, chapter 71, chapter 109A, or chapter 117, or under section 920 of title 10 (article 120 of the Uniform Code of Military Justice), or under the laws of any

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State relating to aggravated sexual abuse, sexual abuse, or abusive sexual conduct involving a minor or ward, or the production, possession, receipt, mailing, sale, distribution, shipment, or transportation of child pornography, such person shall be fined under this title and imprisoned for not ~~less than 10 years nor~~ *more than 20 years.*

(ll) Section 2252A of title 18, United States Code, is amended—

(1) In subsection (b) as follows[27]—

(1) Whoever violates, or attempts or conspires to violate, paragraph (1), (2), (3), (4), or (6) of subsection (a) shall be fined under this title and imprisoned not ~~less than 5 years and not~~ *more than 20 years, but, if such person has a prior conviction under this chapter, section 1591, chapter 71, chapter 109A, or chapter 117, or under section 920 of title 10 (article 120 of the Uniform Code of Military Justice), or under the laws of any State relating to aggravated sexual abuse, sexual abuse, or abusive sexual conduct involving a minor or ward, or the production, possession, receipt, mailing, sale, distribution, shipment, or transportation of child pornography, or sex trafficking of children, such person shall be fined under this title and imprisoned for not* ~~less than 15 years nor~~ *more than 40 years.*

(2) Whoever violates, or attempts or conspires to violate, subsection (a)(5) shall be fined under this title or imprisoned not more than 10 years, or both, but, if any image of child pornography involved in the offense involved a prepubescent minor or a minor who had not attained 12 years of age, such person shall be fined under this title and imprisoned for not more than 20 years, or if such person has a prior conviction under this chapter, chapter 71, chapter 109A, or chapter 117, or under section 920 of title 10 (article 120 of the Uniform Code of Military Justice), or under the laws of any State relating to aggravated sexual abuse, sexual abuse, or abusive sexual conduct involving a minor or ward, or the production, possession, receipt, mailing, sale, distribution, shipment, or transportation of child pornography, such person shall be fined under this title and imprisoned for not ~~less than 10 years nor~~ *more than 20 years.*

(2) In subparagraph (g)(1) as follows—

(1) Whoever engages in a child exploitation enterprise shall be fined under this title and imprisoned for any term of years ~~not less than 20~~ *or for life.*

(mm) Subsection 2257(i) of title 18, United States Code, is amended as follows—

[27] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(i) Whoever violates this section shall be imprisoned for not more than 5 years, and fined in accordance with the provisions of this title, or both. Whoever violates this section after having been convicted of a violation punishable under this section shall be imprisoned for ~~any period of years~~ not more than 10 years ~~but not less than 2 years~~, and fined in accordance with the provisions of this title, or both.

(nn) Section 2260A of title 18, United State Code, is amended as follows[28]—

Whoever, being required by Federal or other law to register as a sex offender, commits a felony offense involving a minor under section 1201, 1466A, 1470, 1591, 2241, 2242, 2243, 2244, 2245, 2251, 2251A, 2260, 2421, 2422, 2423, or 2425, ~~shall~~ may be sentenced to a term of imprisonment of not more than *10 years in addition to the imprisonment imposed for the offense under that provision. The sentence imposed under this section shall be consecutive to any sentence imposed for the offense under that provision.*

(oo) Paragraph 2261(b)(6) of title 18, United States Code, is amended as follows—

(6) Whoever commits the crime of stalking in violation of a temporary or permanent civil or criminal injunction, restraining order, no-contact order, or other order described in section 2266 of title 18, United States Code, shall be punished by imprisonment for not ~~less than 1 year~~ more than five years.

(pp) Subsection 2422(b) of title 18, United States Code, is amended as follows—

*(b) Whoever, using the mail or any facility or means of interstate or foreign commerce, or within the special maritime and territorial jurisdiction of the United States knowingly persuades, induces, entices, or coerces any individual who has not attained the age of 18 years, to engage in prostitution or any sexual activity for which any person can be charged with a criminal offense, or attempts to do so, shall be fined under this title and ~~imprisoned not less than 10~~ **subject to imprisonment for any term of** years or for life.*

(qq) Section 3559 of title 18, United States Code, is amended—

(1) In subsection (c) as follows—

*(c) ~~Imprisonment of Certain Violent Felons~~*Repeat Offenders.—

*(1) ~~Mandatory life imprisonment~~*Penalty.—*Notwithstanding any other provision of law, a person who is convicted in a court of the United States of a serious violent felony*

[28] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

shall be ~~sentenced to life imprisonment~~ subject to imprisonment for any term of years or for life, *if—;*

(2) In subsection (d) as follows—

(d) ~~Death or Imprisonment~~*Penalties for Crimes Against Children.—*

(1) In general.—~~Subject to paragraph (2) and notwithstanding any other provision of law,~~ ~~a~~ A *person who is convicted of a Federal offense that is a serious violent felony (as defined in subsection (c)) or a violation of section 2422, 2423, or 2251 shall, unless the sentence of death is imposed, be* ~~sentenced to imprisonment for life~~ subject to imprisonment for any term of years or for life*, if—*

(A) the victim of the offense has not attained the age of 14 years;

(B) the victim dies as a result of the offense; and

(C) the defendant, in the course of the offense, engages in conduct described in section 3591(a)(2).

~~(2) Exception.—~~

~~With respect to a person convicted of a Federal offense described in paragraph (1), the court may impose any lesser sentence that is authorized by law to take into account any substantial assistance provided by the defendant in the investigation or prosecution of another person who has committed an offense, in accordance with the Federal Sentencing Guidelines and the policy statements of the Federal Sentencing Commission pursuant to section 994(p) of title 28, or for other good cause.~~; and

(3) By repealing subsections (e)-(f).

(rr) Section 283 of title 19, United States Code, is amended as follows[29]—

Articles purchased for the use of or for sale on board any such vessel, as saloon stores or supplies, shall be deemed merchandise, and shall be liable, when purchased at a foreign port, to entry and the payment of the duties found to be due thereon, at the first port of arrival of such vessel in the United States; and for a failure on the part of the saloon keeper or person purchasing or owning such articles to report, make entries, and pay duties, as hereinbefore required, such articles, together with the fixtures and other merchandise, found in such saloon or on or about such vessel, belonging to and owned by such saloon keeper or other person interested in such saloon, shall be seized and forfeited, and such saloon keeper or

[29] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

other person so purchasing and owning shall be liable to a penalty of not less than $100 and not more than $500, and shall be punishable by imprisonment for ~~not less than three months and~~ *not more than two years.*

(ss) Section 212 of title 21, United States Code, is amended as follows—

Any person, firm, or corporation, whose permanent allegiance is due to the United States, violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not less than $50 and not more than $100 or by imprisonment for ~~not less than one month and~~ *not more than sixty days, or by both such fine and imprisonment, in the discretion of the court, and if the offense be continuing in its character, each week or part of a week during which it continues shall constitute a separate and distinct offense. And it shall be the duty of the consular and judicial officers of the United States in China to enforce the provisions of this chapter.*

(tt) Section 622 of title 21, United States Code, is amended as follows—

Any person, firm, or corporation, or any agent or employee of any person, firm, or corporation, who shall give, pay, or offer, directly or indirectly, to any inspector, deputy inspector, chief inspector, or any other officer or employee of the United States authorized to perform any of the duties prescribed by this chapter or by the rules and regulations of the Secretary any money or other thing of value, with intent to influence said inspector, deputy inspector, chief inspector, or other officer or employee of the United States in the discharge of any duty provided for in this chapter, shall be deemed guilty of a felony, and, upon conviction thereof, shall be punished by a fine not less than $5,000 nor more than $10,000 and by imprisonment not less than one year nor more than three years; and any inspector, deputy inspector, chief inspector, or other officer or employee of the United States authorized to perform any of the duties prescribed by this chapter who shall accept any money, gift, or other thing of value from any person, firm, or corporation, or officers, agents, or employees thereof, given with intent to influence his official action, or who shall receive or accept from any person, firm, or corporation engaged in commerce any gift, money, or other thing of value, given with any purpose or intent whatsoever, shall be deemed guilty of a felony and shall, upon conviction thereof, be summarily discharged from office and shall be punished by a fine not less than $1,000 nor more than $10,000 and by imprisonment not ~~less than one year nor~~ *more than three years.*

(uu) Section 4221 of title 22, United States Code, is amended as follows[30]—

[30] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

Every secretary of embassy or legation and consular officer is authorized, whenever he is required or deems it necessary or proper so to do, at the post, port, place, or within the limits of his embassy, legation, or consulate, to administer to or take from any person an oath, affirmation, affidavit, or deposition, and to perform any notarial act which any notary public is required or authorized by law to do within the United States. At any post, port, or place where there is no consular officer, the Secretary of State may authorize any other officer or employee of the United States Government who is a United States citizen serving overseas, including any contract employee of the United States Government, to perform such acts, and any such contractor so authorized shall not be considered to be a consular officer. Every such oath, affirmation, affidavit, deposition, and notarial act administered, sworn, affirmed, taken, had, or done, by or before any such officer, when certified under his hand and seal of office, shall be as valid, and of like force and effect within the United States, to all intents and purposes, as if administered, sworn, affirmed, taken, had, or done, by or before any other person within the United States duly authorized and competent thereto. If any person shall willfully and corruptly commit perjury, or by any means procure any person to commit perjury in any such oath, affirmation, affidavit, or deposition, within the intent and meaning of any Act of Congress now or hereafter made, such offender may be charged, proceeded against, tried, convicted, and dealt with in any district of the United States, in the same manner, in all respects, as if such offense had been committed in the United States, before any officer duly authorized therein to administer or take such oath, affirmation, affidavit, or deposition, and shall be subject to the same punishment and disability therefor as are or shall be prescribed by any such act for such offense; and any document purporting to have affixed, impressed, or subscribed thereto, or thereon the seal and signature of the officer administering or taking the same in testimony thereof, shall be admitted in evidence without proof of any such seal or signature being genuine or of the official character of such person; and if any person shall forge any such seal or signature, or shall tender in evidence any such document with a false or counterfeit seal or signature thereto, knowing the same to be false or counterfeit, he shall be deemed and taken to be guilty of a misdemeanor and on conviction shall be imprisoned not exceeding three years ~~*nor less than one year*~~*, and fined, in a sum not to exceed $3,000, and may be charged, proceeded against, tried, convicted, and dealt with therefor in the district where he may be arrested or in custody. Pursuant to such regulations as the Secretary of State may prescribe, the Secretary may designate any other employee of the Department of State who is a citizen of the United States to perform any notarial function authorized to be performed by a consular officer of the United States under this Act.*

(vv) Section 410 of title 33, United States Code, is amended as follows[31]—

[31] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

The prohibition contained in section 409 of this title against floating loose timber and logs, or sack rafts, so called, of timber and logs in streams or channels actually navigated by steamboats, shall not apply to any navigable river or waterway of the United States or any part thereof whereon the floating of loose timber and logs and sack rafts of timber and logs is the principal method of navigation. But such method of navigation on such river or waterway or part thereof shall be subject to the rules and regulations prescribed by the Secretary of the Army as provided in this section.

The Secretary of the Army shall have power, and he is authorized and directed to prescribe rules and regulations, which he may at any time modify, to govern and regulate the floating of loose timber and logs, and sack rafts, (so called) of timber and logs and other methods of navigation on the streams and waterways, or any thereof, of the character, as to navigation, heretofore in this section described. The said rules and regulations shall be so framed as to equitably adjust conflicting interests between the different methods or forms of navigation; and the said rules and regulations shall be published at least once in such newspaper or newspapers of general circulation as in the opinion of the Secretary of the Army shall be best adapted to give notice of said rules and regulations to persons affected thereby and locally interested therein. And all modifications of said rules and regulations shall be similarly published. And such rules and regulations when so prescribed and published as to any such stream or waterway shall have the force of law, and any violation thereof shall be a misdemeanor, and every person convicted of such violation shall be punished by a fine of not exceeding $2,500 nor less than $500, or by imprisonment (in case of a natural person) for ~~not less than thirty days nor~~ *more than one year, or by both such fine and imprisonment, in the discretion of the court: Provided, That the proper action to enforce the provisions of this section may be commenced before any magistrate judge, judge, or court of the United States, and such magistrate judge, judge, or court shall proceed in respect thereto as authorized by law in the case of crimes or misdemeanors committed against the United States.*

The right to alter, amend, or repeal this section at any time is reserved.

(ww) Section 411 of title 33, United States Code, is amended as follows[32]—

Every person and every corporation that shall violate, or that shall knowingly aid, abet, authorize, or instigate a violation of the provisions of sections 407, 408, 409, 414, and 415 of this title shall be guilty of a misdemeanor, and on conviction thereof shall be punished by a fine of up to $25,000 per day, or by imprisonment (in the case of a natural person) for not ~~less than thirty days nor~~ *more than one year, or by both such fine and imprisonment, in the discretion of the court, one-half of said fine to be paid to the person or persons giving information which shall lead to conviction.*

[32] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(xx) Section 447 of title 33, United States Code, is amended as follows[33]—

Every person who, directly or indirectly, gives any sum of money or other bribe, present, or reward, or makes any offer of the same to any inspector, deputy inspector, or other employee of the office of any supervisor of a harbor with intent to influence such inspector, deputy inspector, or other employee to permit or overlook any violation of the provisions of this subchapter, shall, on conviction thereof, be fined not less than $500 nor more than $1,000, and be imprisoned not ~~less than six months nor~~ *more than one year.*

(yy) Subsection 2272(b) of title 42, United States Code, is amended as follows—

(b) Any person who violates, or attempts or conspires to violate, section 2122 of this title shall be fined not more than $2,000,000 and sentenced to a term of imprisonment ~~not less than 25 years~~ for any term of years *or to imprisonment for life. Any person who, in the course of a violation of section 2122 of this title, uses, attempts or conspires to use, or possesses and threatens to use, any atomic weapon shall be fined not more than $2,000,000 and imprisoned for* ~~not less than 30 years~~ for any term of years *or imprisoned for life. If the death of another results from a person's violation of section 2122 of this title, the person shall be fined not more than $2,000,000* ~~and punished by imprisonment for life~~ and subject to imprisonment for any term of years or to life imprisonment.

(zz) Subsection 58109(a) of title 46, United States Code, is amended as follows—

(a) Individuals.—

An individual convicted of violating section 58101(d), 58103, or 58105 of this title shall be fined under title 18, imprisoned for ~~at least one year but~~ *not more than 5 years, or both.*

(aaa) Section 13 of title 47, United States Code, is amended as follows—

Any officer or agent of said railroad or telegraph companies, or of any company operating the railroads and telegraph lines of said companies, who shall refuse or fail to operate the telegraph lines of said railroad or telegraph companies under his control, or which he is engaged in operating, in the manner herein directed, or who shall refuse or fail, in such operation and use, to afford and secure to the Government and the public equal facilities, or to secure to each of said connecting telegraph lines equal advantages and facilities in the interchange of business, as herein provided for, without any discrimination whatever for or adverse to the telegraph line of any or either of said connecting companies, or shall refuse to

[33] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

abide by or perform and carry out within a reasonable time the order or orders of the Federal Communications Commission, shall in every such case of refusal or failure be guilty of a misdemeanor, and, on conviction thereof, shall in every such case be fined in a sum of not exceeding $1,000, and may be imprisoned not ~~less than six months~~ more than one year*; and in every such case of refusal or failure the party aggrieved may not only cause the officer or agent guilty thereof to be prosecuted under the provisions of this section, but may also bring an action for the damages sustained thereby against the company whose officer or agent may be guilty thereof, in the district court of the United States in any State or Territory in which any portion of the road or telegraph line of said company may be situated; and in case of suit process may be served upon any agent of the company found in such State or Territory, and such service shall be held by the court good and sufficient.*

(bbb) Section 220(e) of title 47, United States Code, is amended as follows[34]—

(e) False entry; destruction; penalty

> *Any person who shall willfully make any false entry in the accounts of any book of accounts or in any record or memoranda kept by any such carrier, or who shall willfully destroy, mutilate, alter, or by any other means or device falsify any such account, record, or memoranda, or who shall willfully neglect or fail to make full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions appertaining to the business of the carrier, shall be deemed guilty of a misdemeanor, and shall be subject, upon conviction, to a fine of not less than $1,000 nor more than $5,000 or imprisonment for a term of not* ~~less than one year nor~~ *more than three years, or both such fine and imprisonment: Provided, That the Commission may in its discretion issue orders specifying such operating, accounting, or financial papers, records, books, blanks, or documents which may, after a reasonable time, be destroyed, and prescribing the length of time such books, papers, or documents shall be preserved.*

(ccc) Section 46502 of title 49, United States Code, is amended as follows—

(1) In paragraph (a)(2)—

(a)(2) An individual committing or attempting or conspiring to commit aircraft piracy—

> *(A) shall be* ~~imprisoned for at least 20 years~~ subject to imprisonment for any term of years*; or*
>
> *(B) notwithstanding section 3559(b) of title 18, if the death of another individual results from the commission or attempt, shall be* ~~put to death or imprisoned for~~

[34] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

~~life~~ subject to imprisonment for any term of years, or to the death penalty, or to life imprisonment.; and

(2) In subparagraph (a)(2)(B)—

(B) notwithstanding section 3559(b) of title 18, if the death of another individual results from the commission or attempt, shall be ~~put to death or imprisoned for life~~ subject to imprisonment for any term of years, or to the death penalty, or to life imprisonment.

Subtitle C - The Matthew Charles Prison Reform Act

SEC. 161. SHORT TITLE AND FINDINGS.

(a) This subtitle may be cited as "The Matthew Charles Prison Reform Act."

(b) The Congress finds the following:

(1) The United States has an incarceration crisis that has destabilized millions of Americans, and is failing in its Constitutional duty to establish justice.

(2) More than two-thirds of Federal prisoners serving life sentences have been convicted of nonviolent crimes, including 30 percent convicted for a drug crime; and there are tens of thousands of people over the age of 50 who remain locked up though they are elderly, sick, and pose little to no public safety risk.

(3) Approximately 97% of incarcerated Americans will be released; therefore, it is in the best interests of all to position them to succeed when they are.

SEC. 162. MODIFICATION OF CERTAIN TERMS OF IMPRISONMENT.

(a) In General.—Subchapter C of chapter 229 of title 18, United States Code, is amended by inserting after section 3626 the following:

"Sec. 3627. Modification of certain terms of imprisonment.

"(a) In General.—Notwithstanding any other provision of law, a court may reduce a term of imprisonment imposed upon a defendant if—

"(1) the imposed term of imprisonment—

“(A) was more than 10 years, and the defendant has served not less than 10 years in custody for the offense;

“(B) was the result, in whole or in part, of a mandatory minimum sentence which was repealed under the Weldon Angelos Justice Act; or

“(C) was the result, in whole or in part, of a drug offense. The term "drug offense" means an offense that is no longer punishable pursuant to enactment of the Weldon Angelos Justice Act or the amendments made under such Act; and

"(2) the court finds, after considering the factors set forth in subsection (e), that—

"(A) the defendant—

"(i) is not a danger to the safety of any person or the community; and

"(ii) demonstrates readiness for reentry; and

"(B) the interests of justice warrant a sentence modification.

"(b) (1) For any individual who is under a criminal justice sentence for a drug offense, the court that imposed the sentence shall, on motion of the individual, the Director of the Bureau of Prisons, the attorney for the Government, or the court, conduct a sentencing review hearing. If the individual is indigent, counsel shall be appointed pursuant to the Defender Services Program of the Department of Justice to represent the individual in any sentencing review proceedings under this subsection.

"(2) Drug Offenses.—Notwithstanding any other provision of law, there is a rebuttable presumption that a court shall reduce a term of imprisonment imposed upon a defendant if the term of imprisonment resulted in whole or in part from a drug offense.

"(c) Supervised Release.—

"(1) IN GENERAL.—Any defendant whose sentence is reduced pursuant to subsection (a), may be ordered to serve—

"(A) the term of supervised release included as part of the original sentence imposed on the defendant; or

"(B) in the case of a defendant whose original sentence did not include a term of supervised release, a term of supervised release not to exceed the authorized terms of supervised release described in section 3583.

"(2) CONDITIONS OF SUPERVISED RELEASE.—The conditions of supervised release and any modification or revocation of the term of supervised release shall be in accordance with section 3583.

"(d) DRUG OFFENSES EXPUNGED.—After a sentencing hearing under subsection (b), a court may—

"(1) expunge each conviction or adjudication of juvenile delinquency for a drug offense entered by the court before October 30, 2022, and any associated arrest;

"(2) vacate the existing sentence or disposition of juvenile delinquency and, if applicable, impose any remaining sentence or disposition of juvenile delinquency on the individual as if the Weldon Angelos Justice Act, and the amendments made by such Act, were in effect at the time the offense was committed; and

"(3) order that all records related to a conviction or adjudication of juvenile delinquency that has been expunged or a sentence or disposition of juvenile delinquency that has been vacated under such Act be sealed and only be made available by further order of the court.

"(e) Factors And Information To Be Considered In Determining Whether To Modify A Term Of Imprisonment.—

"(1) IN GENERAL.—The court, in determining whether to reduce a term of imprisonment pursuant to subsection (a)—

"(A) may consider the factors described in section 3553(a), including the nature of the offense and the history and characteristics of the defendant; and

"(B) shall consider—

"(i) the age of the defendant at the time of the offense;

"(ii) the age of the defendant at the time of the sentence modification petition and relevant data regarding the decline in criminality as the age of defendants increase;

"(iii) any presentation of argument and evidence by counsel for the defendant;

"(iv) a report and recommendation of the Bureau of Prisons, including information on whether the defendant has substantially complied with the rules of each institution in which the defendant has been confined and whether the defendant has completed any educational, vocational, or other prison program, where available;

"(v) any report and recommendation of the United States attorney for any district in which an offense for which the defendant is imprisoned was prosecuted;

"(vi) whether the defendant has demonstrated maturity, rehabilitation, and a fitness to reenter society sufficient to justify a sentence reduction;

"(vii) any statement, which may be presented orally or otherwise, by any victim of an offense for which the defendant is imprisoned or by a family member of the victim if the victim is deceased;

"(viii) any report from a physical, mental, or psychiatric examination of the defendant conducted by a licensed health care professional;

"(ix) the family and community circumstances of the defendant, including any history of abuse, trauma, or involvement in the child welfare system, and the potential benefits to children and family members of reunification with the defendant;

"(x) the role of the defendant in the offense and whether, and to what extent, an adult was involved in the offense if the defendant was a juvenile at the time of the offense;

"(xi) the diminished culpability of juveniles as compared to that of adults, and the hallmark features of youth, including immaturity, impetuosity, and failure to appreciate risks and consequences, if the defendant was a juvenile at the time of the offense; and

"(xii) any other information the court determines relevant to the decision of the court.

"(2) REBUTTABLE PRESUMPTION.—In the case of a defendant who is 50 years of age or older on the date on which the defendant files an application for a sentence reduction under subsection (a), there shall be a rebuttable presumption that the defendant shall be released.

"(f) Limitation On Applications Pursuant To This Section.—

"(1) SECOND APPLICATION.—Not earlier than 5 years after the date on which an order denying release on an initial application under this section becomes final, a court shall entertain a second application by the same defendant under this section.

"(2) THIRD APPLICATION.—Not earlier than 2 years after the date on which an order entered by a court on a second application under paragraph (1) becomes final, a court shall entertain a third application by the same defendant under this section.

"(3) FINAL APPLICATION.—A court shall entertain a final application if the defendant—

"(A) is 50 years of age or older; and

"(B) has exhausted the sentencing modification process.

"(g) Procedures.—

"(1) NOTICE.—Not later than 30 days after the date on which the 10th year of imprisonment begins for a defendant sentenced to more than 10 years of imprisonment for an offense, the Bureau of Prisons shall provide written notice of this section to—

"(A) the defendant; and

"(B) the sentencing court, the United States attorney, and the Federal Public Defender or Executive Director of the Community Defender Organization for the judicial district in which the sentence described in this paragraph was imposed.

"(2) APPLICATION.—

"(A) IN GENERAL.—An application for a sentence reduction under this section shall be filed in the judicial district in which the sentence was imposed as a motion to reduce the sentence of the defendant pursuant to this section and may include affidavits or other written material.

"(B) REQUIREMENT.—A motion to reduce a sentence under this section shall be filed with the sentencing court and a copy shall be served on the United States attorney for the judicial district in which the sentence was imposed.

"(3) EXPANDING THE RECORD; HEARING.—

"(A) EXPANDING THE RECORD.—After the filing of a motion to reduce a sentence under this section, the court may direct the parties to expand the record by submitting additional written materials relating to the motion.

"(B) HEARING.—

"(i) IN GENERAL.—The court shall, upon request of the defendant or the Government, conduct a hearing on the motion, at which the defendant and counsel for the defendant shall be given the opportunity to be heard.

"(ii) EVIDENCE.—In a hearing under this section, the court shall allow parties to present evidence.

"(iii) DEFENDANT'S PRESENCE.—At a hearing under this section, the defendant shall be present unless the defendant waives such privilege. The requirement under this clause may be satisfied by the defendant appearing by video teleconference.

"(iv) COUNSEL.—A defendant who is unable to afford counsel is entitled to have counsel appointed, at no cost to the defendant, to represent the defendant for the application and proceedings under this section, including any appeal, unless the defendant, having advised by the court, knowingly and expressly waives such privilege.

"(v) FINDINGS.—The court shall state in open court, and file in writing, the reasons for granting or denying a motion under this section.

"(C) APPEAL.—The Government or the defendant may file a notice of appeal in the district court for review of a final order under this section. The time limit for filing such appeal shall be governed by rule 4(a) of the Federal Rules of Appellate Procedure.

"(4) CRIME VICTIMS NOTIFIED.—Upon receiving an application under paragraph (2), the United States attorney shall provide any notifications required under section 3771.

"(h) Annual Report.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Section, and once every year thereafter, the United States Sentencing Commission shall submit to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives a report on requests for sentence reductions under this section.

"(2) CONTENTS.—Each report required to be published under paragraph (1) shall include, for the 1-year period preceding the report—

"(A) the number of—

"(i) incarcerated individuals who were granted a sentence reduction under this section;

"(ii) incarcerated individuals who were denied a sentence reduction under this section; and

“(iii) the number of incarcerated individuals released under this section;

"(B) the demographic characteristics, including age, race and gender, of—

"(i) the incarcerated individuals who applied for a sentenced reduction under this section;

"(ii) the incarcerated individuals who were granted a sentence reduction under this section; and

"(iii) the incarcerated individuals who were released under this section;

"(C) the location, categorized by Federal circuit and State, of—

"(i) the incarcerated individuals who applied for a reduction under this section;

"(ii) the incarcerated individuals who were granted a reduction under this section; and

"(iii) the incarcerated individuals who were released under this section;

"(D) the average sentence reduction granted under this section;

"(3) ATTORNEY GENERAL COOPERATION.—The Attorney General shall—

"(A) assist and provide information to the United States Sentencing Commission in the performance of the duties of the Commission under this subsection; and

"(B) promptly respond to requests from the Commission.".

(b) Clerical Amendment.—The table of sections for subchapter C of chapter 229 of title 18, United States Code, is amended by inserting after the item relating to section 3626 the following:

"3627. Modification of certain terms of imprisonment.".

(c) Technical And Conforming Amendment.—Section 3582(c) of title 18, United States Code, is amended as follows[35]—

(c) Modification of an Imposed Term of Imprisonment.—The court may not modify a term of imprisonment once it has been imposed except that—

(1) in any case—

(A) the court, upon motion of the Director of the Bureau of Prisons, or upon motion of the defendant after the defendant has fully exhausted all administrative rights to appeal a failure of the Bureau of Prisons to bring a

[35] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

motion on the defendant's behalf or the lapse of 30 days from the receipt of such a request by the warden of the defendant's facility, whichever is earlier, may reduce the term of imprisonment (and may impose a term of probation or supervised release with or without conditions that does not exceed the unserved portion of the original term of imprisonment), after considering the factors set forth in section 3553(a) to the extent that they are applicable, if it finds that—

(i) extraordinary and compelling reasons warrant such a reduction; or

(ii) the defendant is at least 70 years of age, has served at least 30 years in prison, pursuant to a sentence imposed under section 3559(c), for the offense or offenses for which the defendant is currently imprisoned, and a determination has been made by the Director of the Bureau of Prisons that the defendant is not a danger to the safety of any other person or the community, as provided under section 3142(g);

and that such a reduction is consistent with applicable policy statements issued by the Sentencing Commission; and

(B) the court may modify an imposed term of imprisonment to the extent otherwise expressly permitted by statute or by Rule 35 of the Federal Rules of Criminal Procedure; ~~and~~

*(2) in the case of a defendant who has been sentenced to a term of imprisonment based on a sentencing range that has subsequently been lowered by the Sentencing Commission pursuant to 28 U.S.C. 994(o), upon motion of the defendant or the Director of the Bureau of Prisons, or on its own motion, the court may reduce the term of imprisonment, after considering the factors set forth in section 3553(a) to the extent that they are applicable, if such a reduction is consistent with applicable policy statements issued by the Sentencing Commission~~.; and

"(3) the court may reduce a term of imprisonment in accordance with section 3627.".

(d) Section 3771(a)(4) of title 18, United States Code, is amended as follows[36]—

[36] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(4) The right to be reasonably heard at any public proceeding in the district court involving release, plea, sentencing, sentencing review, *or any parole proceeding.*

(e) Applicability.—The amendments made by this section shall apply to any conviction entered before, on, or after October 30, 2022.

SEC. 163. REPEAL OF THE PRISON LITIGATION REFORM ACT.

(a) Chapter 1997e of title 42, United States Code, is repealed.

SEC. 164. REPEAL OF PELL GRANT RESTRICTIONS ON INCARCERATED AMERICANS.

(a) Subsection 1070a(b) of title 20, United States Code, is amended—

(1) by striking paragraph (6);

(2) by redesignating paragraph (7) as paragraph (6); and

(3) in paragraph (2)(A)(ii), by striking "(7)(B)" and inserting "(6)(B)".

SEC. 165. REPEAL OF INCARCERATION INCENTIVE GRANTS TO STATES.

(a) Subchapter I of chapter 121 of title 34, United States Code, is repealed.

SEC. 166. IDENTIFICATION FOR PEOPLE LEAVING INCARCERATION.

(a) Subparagraph 4042(a)(6)(B) of title 18, United States Code, is amended to read as follows[37]—

(B) obtain, at no cost to the prisoner, *identification* documents*, including* ~~a~~ *social security card*s, birth certificates, and *driver's license*s *or* ~~other official~~ *State photo identification* documents~~, and a birth certificate~~*; and*

(b) Section 60541(b) of title 34, United States Code, is amended to read as follows—

(b) Identification and release assistance for Federal prisoners.—

~~(1) Obtaining identification.—The Director shall assist prisoners in obtaining identification prior to release from a term of imprisonment in a Federal prison or if the individual was not sentenced to a term of imprisonment in a Federal prison, prior~~

[37] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

~~to release from a sentence to a term in community confinement, including a social security card, driver's license or other official photo identification, and a birth certificate.~~

~~(2) Assistance developing release plan.—At the request of a direct-release prisoner, a representative of the United States Probation System shall, prior to the release of that prisoner, help that prisoner develop a release plan.~~

~~(3) Direct-release prisoner defined~~

(1) DEFINITIONS.—In this subsection—

(A) DIRECT RELEASE PRISONER.— ~~In this section, the~~ The *term "direct-release prisoner" means a prisoner who is scheduled for release and will not be placed in prerelease custody.*

~~(4) Definition.—In this subsection, the~~

(B) COMMUNITY CONFINEMENT.— The *term 'community confinement' means residence in a community treatment center, halfway house, restitution center, mental health facility, alcohol or drug rehabilitation center, or other community facility;*

(C) NONCITIZEN COVERED INDIVIDUAL.—The term 'noncitizen covered individual'—

(i) means an individual in the custody of the Bureau of Prisons or sentenced to a term in community confinement who—

(I) is lawfully present and eligible for employment authorization in the United States; and

(II) has a document demonstrating that the individual will have a place of residence upon release; and

(ii) includes an alien lawfully admitted for permanent residence (as defined in section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)), a refugee (as defined in that section of that Act), and an asylee; and

(D) the term 'United States citizen covered individual' means an individual in the custody of the Bureau of Prisons or sentenced to a term in community confinement who has—

(i) a social security card;

(ii) a document described in paragraph (2)(B)(ii) as proof of United States citizenship; and

(iii) a document demonstrating that the individual will have a place of residence upon release.

(2) OBTAINING IDENTIFICATION FOR UNITED STATES CITIZENS.—

(A) IN GENERAL.—With respect to a United States citizen covered individual, the Director shall provide a photo identification card, which shall comply with the minimum requirements described in section 202(b) of the REAL ID Act of 2005 (49 U.S.C. 30301 note); and if such person is assigned a digital Treasury account pursuant to section 433(b)(1) of this Act, ensure they possess a debit card; prior to—

(i) the release of the United States citizen covered individual from a term of imprisonment in a Federal prison; or

(ii) the release of the United States citizen covered individual from a sentence to a term in community confinement.

(B) ASSISTANCE IN OBTAINING DOCUMENTS.—

(i) IN GENERAL.—Subject to clause (iii), for the purpose of issuing an identification card under this subsection, the Director shall obtain, on behalf of United States citizen covered individuals—

(I) a social security card;

(II) a document described in clause (ii) as proof of United States citizenship.

(ii) PROOF OF UNITED STATES CITIZENSHIP.—A document described in this clause is—

(I) a United States passport;

(II) an original or certified copy of a birth certificate that indicates that the individual was born in the United States or a territory of the United States;

(III) in the case of a United States citizen born inside the United States for whom a document described in subclause (I) or (II) is not available, any

document described in subsection (a), (b), or (c) of section 435.407 of title 42, Code of Federal Regulations, or any successor thereto; or

(IV) in the case of a United States citizen born outside the United States, an original or certified copy of—

(aa) a certificate of naturalization (Form N–550 or N–570);

(bb) a consular report of birth abroad (Form FS–240);

(cc) a certification of birth abroad (Form FS–545);

(dd) a certification of report of birth (Form DS–1350); or

(ee) a certificate of citizenship (Form N–560).

(iii) EXCEPTIONS.—

(I) LACK OF RESPONSE FROM FEDERAL OR STATE AGENCY.—If the Director cannot obtain a copy of a document required under clause (i) because of inaction by the Federal or State agency from which the document was requested, the Director shall provide to the United States citizen covered individual—

(aa) a written statement that explains what steps the Director took in trying to obtain the document; and

(bb) any documents transmitted to the Director by the Federal or State agency in response to the request for the document.

(II) LACK OF AUTHORIZATION FROM UNITED STATES CITIZEN COVERED INDIVIDUAL.—If the Director cannot obtain a copy of a document required under clause (i) because the United States citizen covered individual does not provide the authorization required to obtain the document, the Director shall provide a written statement to the United States citizen covered individual that explains why the document was not obtained.

(C) PROVISION OF DOCUMENTS.—Upon issuance of an identification card to a covered individual under this paragraph, the Director shall provide all documents obtained for the United States citizen covered individual under subparagraph (B).

(3) OBTAINING DOCUMENTS FOR NONCITIZENS.—

(A) IN GENERAL.—With respect to a noncitizen covered individual, the Director shall assist in obtaining from the Director of the U.S. Citizenship and Immigration Services—

(i) proof of lawful status in the United States of the noncitizen covered individual; and

(ii) in the case of a noncitizen covered individual who is not admitted for lawful permanent residence, an employment authorization document.

(B) ASSISTANCE.—The assistance provided by the Director under subparagraph (A) shall include—

(i) providing the noncitizen covered individual with applicable U.S. Citizenship and Immigration Services forms and instructions; and

(ii) assisting the noncitizen covered individual in completing and submitting such forms, together with any required supporting documentation.

(C) PROVISION OF DOCUMENTS.—Upon receipt of a document for a noncitizen covered individual under this paragraph, the Director shall provide such document to the noncitizen covered individual.

(4) ASSISTANCE DEVELOPING RELEASE PLAN.—At the request of a direct-release prisoner, a representative of the United States Probation System shall, prior to the release of that prisoner, help that prisoner develop a release plan.

SEC. 167. HABEAS HEARINGS FOR INEFFECTIVE ASSISTANCE OF COUNSEL.

Subsection 2254(e) of title 28, United States Code, is amended to read as follows[38]—

(e)(1) In a proceeding instituted by an application for a writ of habeas corpus by a person in custody pursuant to the judgment of a State court, a determination of a factual issue made by a State court shall be presumed to be correct. The applicant shall have the burden of rebutting the presumption of correctness by clear and convincing evidence.

(2) If the applicant has failed to develop the factual basis of a claim in State court proceedings, the court shall not hold an evidentiary hearing on the claim unless the applicant shows that—

[38] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(A) the claim relies on—

(i) a new rule of constitutional law, made retroactive to cases on collateral review by the Supreme Court, that was previously unavailable; ~~or~~

(ii) a factual predicate that could not have been previously discovered through the exercise of due diligence; ~~and~~ or

(iii) a finding of ineffective assistance of counsel; and

(B) the facts underlying the claim would be sufficient to establish by clear and convincing evidence that but for constitutional error, no reasonable factfinder would have found the applicant guilty of the underlying offense.

PART I - RESTRICTING THE USE OF SOLITARY CONFINEMENT

SEC. 171. FINDINGS AND PURPOSE.

(a) The Congress finds the following—

(1) The United Nations Office on Drugs and Crime has issued "the Nelson Mandela Rules," the United Nations Standard Minimum Rules for the Treatment of Prisoners. The use of indefinite or prolonged solitary confinement for more than 15 days is defined as a form of torture. Rules 43-45 define restrictions for solitary confinement.

(2) In the summer of 2019, the US had more than 55,000 incarcerated people who had been in solitary confinement for 15 days or longer; including thousands for more than three years.

(3) A 2014 study published in the American Journal of Public Health found that "Self-harm is strongly linked to being in solitary confinement. Inmates punished by solitary confinement were approximately 6.9 times as likely to commit acts of self-harm …."

(4) A Department of Justice review of solitary confinement published in January 2016 summarized their conclusions by emphasizing, "as a matter of policy, we believe strongly this practice should be used rarely, applied fairly, and subjected to reasonable constraints."

(b) The purpose of this part is to reduce the use of solitary confinement, recognizing the redeemability of every human being and improving America's moral standing in the world.

SEC. 172. RESTRICTIONS ON THE USE OF SOLITARY CONFINEMENT.

(a) Chapter 301 of title 18, United States Code, is amended by adding at the end the following:

"Sec. 4015. Solitary confinement.

"(a) Definitions.—In this section:

"(1) CLINICIAN.—The term 'clinician' means a Federal or State licensed physician, except that for purposes of mental health evaluations, the term shall include a Federal or State licensed psychiatrist or psychologist, or an advanced practice nurse or clinical nurse specialist with a specialty in psychiatric nursing.

"(2) CORRECTIONAL FACILITY.—The term 'correctional facility' means a prison, jail, or other facility detaining people pursuant to any intergovernmental service agreement or other contract with any federal agency.

"(3) DEVELOPMENTAL DISABILITY.—The term 'developmental disability' means a disability attributable to an intellectual or developmental condition, as defined in the latest edition of the Diagnostic and Statistical Manual of the American Psychiatric Association, or related conditions constituting a severe or profound disability.

"(4) EMERGENCY CONFINEMENT.—The term 'emergency confinement' means the placement of an inmate into solitary confinement for no more than 24 hours when:

"(A) there is reasonable cause to believe it is necessary for reducing a substantial risk of imminent serious harm to the inmate or others in the correctional facility, as evidenced by recent threats or conduct; and

"(B) a less restrictive intervention would be insufficient to reduce this risk.

"(5) INMATE.— The term "inmate" means a person confined in a correctional facility.

"(6) MEDICAL SECLUSION.—The term 'medical seclusion' means involuntary isolated confinement of an inmate as a patient in a separate room, subject to close medical supervision.

"(7) MEDICAL STAFF.—The term 'medical staff' means State licensed psychiatrists, physicians, physician assistants, advanced practice nurses or clinical nurse specialists or, for mental health evaluations or decisions, those registered nurses with a specialty in psychiatric nursing, or comparably credentialed employees or contractors employed to provide health care.

"(8) PSYCHIATRIC EMERGENCY.—The term 'psychiatric emergency' means an acute disturbance of behavior, thought or mood of a patient which if untreated may lead to harm, either to the individual or to others in the environment.

"(9) SERIOUS MENTAL ILLNESS.—The term 'serious mental illness' means a disability based on a mental illness, a history of psychiatric hospitalization, or recently exhibited conduct, including but not limited to serious self-mutilation, indicating the need for further observation or evaluation to determine the presence of mental illness;

"(10) SOLITARY CONFINEMENT.—The term 'solitary confinement' means the involuntary confinement of an inmate to a cell or similarly confined holding or living space for approximately 22 hours or more per day, with severely restricted activity, movement, and social interaction. Solitary confinement does not include confinement due to a facility-wide or unit-wide lockdown that is required to ensure the safety of inmates and staff.

"(11) VULNERABLE PERSON.—The term 'vulnerable person' means any inmate who—

"(A) is 21 years of age or younger;

"(B) has a serious mental illness;

"(C) has a developmental disability;

"(D) has a significant neurocognitive impairment from a condition such as dementia or a traumatic brain injury;

"(E) has a serious medical condition which cannot effectively be treated in solitary confinement; or

"(F) is pregnant, or has given birth, suffered a miscarriage, or terminated a pregnancy in the previous 45 days.

"(b) Restrictions on the use of solitary confinement—

"(1) Correctional facilities shall not place any vulnerable person in solitary confinement except for the use of medical seclusion pursuant to subsection (e). No other person may be placed in solitary confinement except for disciplinary reasons pursuant to subsection (c) or for temporary emergency confinement.

"(2) No person may be placed in solitary confinement for more than 15 consecutive days, or 30 days in any 60-day period. Any person placed in solitary confinement shall

receive a personal and comprehensive medical and mental health examination conducted by a clinician pursuant to subsection (d).

"(3) No person placed in solitary confinement shall be:

"(A) subjected to corporal punishment;

"(B) placed in a cell or other holding or living space that is dark or constantly lit, or that lacks functioning sanitary facilities, proper ventilation or temperature monitoring;

"(C) denied access to appropriate medical care, including emergency medical care; or

"(D) denied, or given reduced access to: food, water, adequate clothing, or any other basic necessity. No variation of food from the standard menu shall be permitted without the inmate's consent, except for a limited period, not to exceed seven days, for an inmate who has used food or food service equipment in a manner that is hazardous to the inmate or others, provided that the food supplied is healthful, palatable, and meets basic nutritional requirements.

"(c) Disciplinary use of solitary confinement.—

"(1) Correctional facilities shall establish maximum penalties for each level of disciplinary offense, graded based on the seriousness of the offense, which should include alternatives to solitary confinement. If used for punishment, solitary confinement shall be reserved for offenses involving violence or the threat of violence, coersion involving sexual acts, involving escape, or posing a threat to institutional safety by encouraging others to engage in such misconduct.

"(2) An inmate shall not be placed in solitary confinement pending investigation of a disciplinary offense unless the inmate's presence in general population would pose a danger to the inmate, staff, other inmates, or the public.

"(A) In making this determination, officials should consider the seriousness of the alleged offense, including whether the offense would be punishable by solitary confinement pursuant to paragraph (1).

"(B) An inmate's initial placement in investigative solitary confinement should be reviewed within 24 hours by an appropriate, high-level authority who was not involved in the initial placement decision.

"(C) An inmate placed in investigative solitary confinement shall be given an initial hearing within 72 hours of placement, in the absence of exceptional circumstances, unavoidable delays, or reasonable postponements. An inmate who

demonstrates good behavior during investigative solitary confinement shall be considered for release to the general population while awaiting his or her disciplinary hearing.

"(D) Absent compelling circumstances, such as a pending criminal investigation, an inmate may not remain in investigative solitary confinement for a longer period of time than the maximum term of disciplinary solitary confinement permitted for the most serious offense charged.

"(3) A disciplinary hearing which may result in solitary confinement for an inmate shall:

"(A) provide the inmate with the ability to appear at the hearing, with any refusal to attend the hearing videotaped and made part of the record;

"(B) ensure access to legal representation for the inmate, pursuant to the Defender Services Program of the Department of Justice if the inmate does not have separate counsel;

"(C) be conducted by an independent hearing officer outside the regular chain of command at the correctional facility where the inmate is housed;

"(D) be recorded, with a transcript of the proceedings made available to the inmate or the inmate's designee; and

"(E) provide a written statement of reasons for the decision made at the hearing.

"(4) When a disciplinary hearing officer is confronted with an inmate who demonstrates symptoms of mental illness, the officer shall refer the inmate to a member of the medical staff to provide input as to:

"(A) the inmate's competence to participate in the disciplinary hearing,

"(B) any impact the inmate's mental illness may have had on his or her responsibility for the charged behavior, and

"(C) information about any known mitigating factors in regard to the behavior.

"The disciplinary hearing officer shall also consult a member of the medical staff, preferably the treating clinician, as to whether certain types of sanctions, (e.g., placement in disciplinary solitary confinement, loss of visits, or loss of phone calls) may be inappropriate because they would interfere with supports that are a part of the inmate's treatment or recovery plan. Disciplinary hearing officers shall take the psychologist's findings into account when deciding what if any sanctions to impose.

"(5) If the hearing results in an adjudication of guilt, disciplinary solitary confinement may be used only if the hearing officer concludes that other available sanctions are insufficient to serve the purposes of punishment. An inmate who is a vulnerable person described in subparagraph (E) or (F) of paragraph (a)(11), who would otherwise be placed in solitary confinement, may alternately be placed in medical seclusion.

"(6) Absent any compelling circumstances, any time spent in investigative solitary confinement shall be credited toward a punishment of disciplinary solitary confinement. Ordinarily, disciplinary sentences for offenses that arise out of the same episode should be served concurrently.

"(7) During the final 180 days of an inmate's term of incarceration, officials should avoid placing the inmate in solitary confinement. If solitary confinement becomes necessary during this time, officials shall provide targeted re-entry programming to prepare the prisoner for his or her return to the community.

"(8) To incentivize conduct that furthers institutional safety and security, inmates who demonstrate good behavior during disciplinary solitary confinement shall be given consideration for early release from solitary confinement, where appropriate.

"(d) Medical and mental health examinations.—

"(1) Except as provided in paragraph (3), no person shall be placed in solitary confinement prior to receiving a personal and comprehensive medical and mental health examination by a clinician.

"(2) A clinician shall evaluate each person placed in solitary confinement on a daily basis, in a confidential setting outside of the cell whenever possible, to determine whether they are a vulnerable person. The clinician may recommend changes to the solitary confinement of a person in order to ensure that such confinement does not exacerbate a medical condition or mental or physical disability.

"(3) A person placed in emergency confinement shall receive an initial medical and mental health evaluation within two hours of placement in emergency confinement by a member of the medical staff, and a personal and comprehensive medical and mental health evaluation within 36 hours of confinement.

"(4) If an evaluation determines the inmate is a vulnerable person, they shall immediately be removed from solitary confinement, except an inmate who is a vulnerable person described in subparagraph (E) or (F) of paragraph (a)(11) may alternately be transferred to medical seclusion. A punishment of disciplinary solitary confinement

which has been imposed on an inmate who is removed from confinement pursuant to this paragraph shall be deemed to be satisfied.

"(e) Medical seclusion.— The correctional facility may subject a person to medical seclusion—

"(1) in response to a psychiatric emergency, if de-escalation methods and less restrictive measures fail to defuse the situation. If subjecting a person to medical seclusion in response to a psychiatric emergency pursuant to this paragraph, the medical staff shall continue de-escalation efforts and end the use of medical seclusion when the threat of the serious incident or imminent physical harm has passed.

"(2) when a mental health examination, inmate conduct, or any subsequent observation identifies a risk of suicide, the inmate may be placed in a medical seclusion and promptly evaluated by a clinician, who should determine the degree of risk, appropriate level of ongoing supervision, and appropriate course of mental health treatment.

"(A) A suicidal inmate's clothing may be removed only if an individualized assessment finds such removal necessary, and the affected inmate shall be provided with suicide resistant garments that are sanitary, adequately modest, and appropriate for the temperature.

"(B) At a minimum, inmates presenting a serious risk of suicide shall be housed within sight of staff and observed by staff, face-to-face, at irregular intervals of no more than 15 minutes, with inmates currently threatening or attempting suicide under continuous staff observation. Suicide observation shall be documented, and inmates under suicide observation evaluated by a clinician prior to being removed from observation.

"(3) pursuant to paragraph (d)(4), for the fulfillment of disciplinary solitary confinement.

"(4) when medically necessary for an inmate with a readily transmissible contagious disease, if the best available objective evidence indicates that the inmate poses a direct threat to the health or safety of others and other restrictions would be insufficient. Any accommodation made to address the special needs or risks of a prisoner with a communicable disease may not unnecessarily reveal that prisoner's health condition.

"(5) In any case of medical seclusion under this subsection, a clinical review shall be conducted at least every eight hours and as indicated.".

(b) Clerical amendment.—The table of sections for such chapter is amended by adding at the end the following:

“4015. Solitary confinement.”.

(c) Rulemaking.—Not later than June 30, 2023, the Bureau of Prisons shall develop rules, guidance, and regulations useful and necessary to implement this section.

(d) Effective date.—This section shall be effective September 30, 2023.

TITLE II - INSURE DOMESTIC TRANQUILITY

SEC. 201. FINDINGS AND PURPOSE.

(a) The Congress finds the following—

(1) In the 21st century political battlefield, two of the most polarizing issues are guns and abortions. Political parties use them as wedge issues, dividing Americans by stoking fears that the other party will take away access to one of these things.

(2) Proponents of restricting access to guns and abortion are a minority of the American people. According to Gallup polls in 2021, just 19% of Americans support making all abortion illegal, and 80% oppose a handgun ban.

(3) Proponents of restricting access to guns and abortion are motivated by the idea of preventing needless deaths. Other provisions of this legislative package will reduce the demand for abortion as well as gun deaths, which are mostly suicides.

(4) By declaring a truce on these issues for a period of time, where all sides both give and gain concessions, America can better focus on addressing the root causes of needless deaths.

(b) The purpose of this title is to promote domestic tranquility by removing certain inflammatory legislative proposals from consideration for ten years.

SEC. 202. CODIFICATION OF THE HYDE AMENDMENT.

Title 1 of the United States Code is amended by adding at the end the following new chapter:

"CHAPTER 4—PROHIBITING FEDERALLY FUNDED ABORTIONS

“SEC. 301. Prohibition on funding for abortions.

“SEC. 302. Treatment of abortions related to rape, incest, or preserving the life of the mother.

"Sec. 301. Prohibition on funding for abortions.

"(a) In general.—No funds authorized or appropriated by Federal law, and none of the funds in any trust fund to which funds are authorized or appropriated by Federal law, shall be expended for any abortion.

"(b) Health benefits coverage.—No funds authorized or appropriated by Federal law, and none of the funds in any trust fund to which funds are authorized or appropriated by Federal law, shall be expended for health benefits coverage that includes coverage of abortion.

“(c) The term “health benefits coverage" means the package of services covered by a managed care provider or organization pursuant to a contract or other arrangement.

"Sec. 302. Treatment of abortions related to rape, incest, or preserving the life of the mother.

"The limitations established in section 301 shall not apply to an abortion—

"(a) if the pregnancy is the result of an act of rape or incest; or

"(b) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.".

Subtitle A - Universal Background Checks Act

SEC. 211. FIREARMS TRANSFERS.

Section 922 of title 18, United States Code, is amended—

(1) by striking subsection (s);

(2) by redesignating subsection (t) as subsection (s); and

(3) by inserting after subsection (s), as redesignated, the following:

"(t)(1)(A) It shall be unlawful for any person who is not a licensed importer, licensed manufacturer, or licensed dealer to transfer a firearm to any other person who is not so licensed, unless a licensed importer, licensed manufacturer, or licensed dealer has first taken possession of the firearm for the purpose of complying with subsection (s).

"(B) Upon taking possession of a firearm under subparagraph (A), a licensee shall comply with all requirements of this chapter as if the licensee were transferring the firearm from the inventory of the licensee to the unlicensed transferee.

"(C) If a transfer of a firearm described in subparagraph (A) will not be completed for any reason after a licensee takes possession of the firearm (including because the transfer of the firearm to, or receipt of the firearm by, the transferee would violate this chapter), the return of the firearm to the transferor by the licensee shall not constitute the transfer of a firearm for purposes of this chapter.

"(2) Paragraph (1) shall not apply to—

"(A) a law enforcement agency or any law enforcement officer, armed private security professional, or member of the armed forces, to the extent the officer, professional, or member is acting within the course and scope of employment and official duties;

"(B) a transfer that is a loan or bona fide gift between spouses, between domestic partners, between parents and their children, including step-parents and their step-children, between siblings, between aunts or uncles and their nieces or nephews, or between grandparents and their grandchildren, if the transferor has no reason to believe that the transferee will use or intends to use the firearm in a crime or is prohibited from possessing firearms under State or Federal law;

"(C) a transfer to an executor, administrator, trustee, or personal representative of an estate or a trust that occurs by operation of law upon the death of another person;

"(D) a temporary transfer that is necessary to prevent imminent death or great bodily harm, including harm to self, family, household members, or others, if the possession by the transferee lasts only as long as immediately necessary to prevent the imminent death or great bodily harm, including the harm of domestic violence, dating partner violence, sexual assault, stalking, and domestic abuse;

"(E) a transfer that is approved by the Attorney General under section 5812 of the Internal Revenue Code of 1986; or

"(F) a temporary transfer if the transferor has no reason to believe that the transferee will use or intends to use the firearm in a crime or is prohibited from possessing firearms under State or Federal law, and the transfer takes place and the transferee's possession of the firearm is exclusively—

"(i) at a shooting range or in a shooting gallery or other area designated for the purpose of target shooting;

"(ii) while reasonably necessary for the purposes of hunting, trapping, or fishing, if the transferor—

"(I) has no reason to believe that the transferee intends to use the firearm in a place where it is illegal; and

"(II) has reason to believe that the transferee will comply with all licensing and permit requirements for such hunting, trapping, or fishing; or

"(iii) while in the presence of the transferor.

"(3)(A) Notwithstanding any other provision of this chapter, the Attorney General may implement this subsection with regulations.

"(B) Regulations promulgated under this paragraph may not include any provision requiring licensees to facilitate transfers in accordance with paragraph (1).

"(C) Regulations promulgated under this paragraph may not include any provision requiring persons not licensed under this chapter to keep records of background checks or firearms transfers.

"(D) Regulations promulgated under this paragraph may not include any provision placing a cap on the fee licensees may charge to facilitate transfers in accordance with paragraph (1).

"(E) Regulations promulgated under this paragraph shall include, in the case of a background check conducted by the national instant criminal background check system in response to a contact from a licensed importer, licensed manufacturer, or licensed dealer, which background check indicates that the receipt of a firearm by a person would violate subsection (g)(5), a requirement that the system notify U.S. Immigration and Customs Enforcement.

"(4) It shall be unlawful for a licensed importer, licensed manufacturer, or licensed dealer to transfer possession of, or title to, a firearm to another person who is not so licensed unless the importer, manufacturer, or dealer has provided such other person with a notice of the prohibition under paragraph (1), and such other person has certified that such other person has been provided with this notice on a form prescribed by the Attorney General.".

SEC. 212. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Section 922.—Section 922(y)(2) of title 18, United States Code, is amended in the matter preceding subparagraph (A) as follows[39]—

(2) Exceptions.—Subsections (d)(5)(B), and *(g)(5)(B), ~~and (s)(3)(B)(v)(II)~~ do not apply to any alien who has been lawfully admitted to the United States under a nonimmigrant visa, if that alien is—*

(b) Consolidated and Further Continuing Appropriations Act, 2012.—Section 511 of title V of division B of the Consolidated and Further Continuing Appropriations Act, 2012 (Public Law 112-55) is amended by striking "subsection 922(t)" each place it appears and inserting "subsection (s) or (t) of section 922".

SEC. 213. NO FIREARM REGISTRY AUTHORIZED.

(a) Nothing in this Subtitle, or any amendment made by this Subtitle, shall be construed to—

(1) authorize the establishment, directly or indirectly, of a national firearms registry; or

(2) interfere with the authority of a State, under section 927 of title 18, United States Code, to enact a law on the same subject matter as this Subtitle.

Subtitle B - Prohibiting Introduction of Gun or Abortion Bans for 10 Years

SEC. 221. CRIMINALIZING INTRODUCTION OF GUN OR ABORTION BANS.

(a) It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would meet any of the following conditions:

(1) Amend or repeal chapter 4 of title 1, United States Code, as inserted by section 202 of this title.

(2) Amend or repeal subsection 922(t) of title 18, United States Code, as inserted by section 211 of this title.

[39] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(3) Prohibit the manufacture, sale, or possession of a firearm. "Firearm" means

(A) any weapon (including a starter gun) which will or is designed to or may readily be converted to expel a projectile by the action of an explosive;

(B) the frame or receiver of any such weapon; or

(C) any firearm muffler or firearm silencer, as defined in paragraph 921 (a)(24) of title 18, United States Code.

(4) Prohibit or restrict access to abortion.

(b) Violation of this section shall be a class B misdemeanor.

SEC. 222. PROHIBITION REPEALED IN 10 YEARS.

Section 221 of this subtitle is repealed 10 years after the date of enactment.

TITLE III - PROVIDE FOR THE COMMON DEFENCE

SEC. 301. FINDINGS AND PURPOSE.

(a) The Congress finds the following—

(1) Americans have a Constitutional duty to provide for the common defense, a large concern to the Framers who had recently fought a protracted war of independence from one of the most powerful nations in Europe. After the Constitution was proposed to the states, Delaware promptly ratified it because, as a small state with a large coastline, it was particularly vulnerable. They recognized that a union of states could accomplish more than individual and independent states could.

(2) Military spending serves an important role in our economy, serving as a source of income in most, if not all, Congressional districts. That need can be better addressed directly with the creation of universal American Union Jobs in this Act, which will offset the reduced military spending in most local economies.

(3) Military service has long been a source of pride among the American people. However, when it crosses the line into glorification, it can create cultural assumptions toward virtuous violence. According to journalist Matt Taibbi, these themes have contributed to a rise in mass shootings.

(4) As America’s global military footprint has grown, the moral high ground that we held after World War Two has been lost. Decades of detentions in Guantánamo Bay Military Prison have tarnished our reputation for justice, and the use of economic

sanctions against civilian populations has caused countless deaths around the globe. American-made bombs are used aginst the people of Yemen, such as the one in August 2018 that blew up a school bus and killed dozens of preteen boys.

(5) The servicemen and women who return home from our hundreds of foreign bases around the planet are sometimes traumatized by the experience of playing at being the world's policeman. In the two decades since 9/11, more than 30,000 have taken their own lives.

(6) The Earth is also harmed by these exploits, which require prodigious amounts of fossil fuels. The emissions of the United States military make it the largest single producer of greenhouse gases on the planet, even exceeding the national output of industrialized nations like Sweden and Denmark. Industrial chemicals scar the land at and around former military bases.

(7) These problems may not have been the exact ones the Framers were concerned about in 1787, but they did have a general aversion to standing armies. They tried to limit them in the Constitution by prohibiting Congress from appropriating money for the army for more than two years at a time. In the centuries since, however, and especially in the last 80 years, military spending has grown to such an extent that it exceeds our Constitutional mandate.

(b) The purpose of this title is to provide for the common defense in a manner closer to the Framers' intention.

Subtitle A - Reducing America's Global Military Footprint

SEC. 311. SUNSET OF 2001 AUTHORIZATION FOR USE OF MILITARY FORCE.

Effective June 30, 2023, the Authorization for Use of Military Force (Public Law 107–40) is hereby repealed. Nothing in this section shall be construed to prohibit Congress from passing a new Authorization for Use of Military Force pursuant to the War Powers Resolution (50 U.S.C. 1541 et seq.).

SEC. 312. REPEAL OF AUTHORIZATION FOR USE OF MILITARY FORCE AGAINST IRAQ.

(a) The Authorization for Use of Military Force Against Iraq Resolution (Public Law 102–1) is hereby repealed.

(b) The Authorization for Use of Military Force Against Iraq Resolution of 2002 (Public Law 107–243) is hereby repealed.

SEC. 313. REQUIRING CONGRESSIONAL AUTHORIZATION FOR USE OF FORCE AGAINST IRAN.

(a) (1) Except as provided in paragraph (2), no amounts appropriated or otherwise made available for fiscal year 2023 or fiscal year 2024 may be obligated or expended for any use of military force in or against Iran unless Congress has—

(A) declared war; or

(B) enacted specific statutory authorization for such use of military force after the date of the enactment of this section that meets the requirements of the War Powers Resolution (50 U.S.C. 1541 et seq.).

(2) The prohibition under paragraph (1) shall not apply to a use of military force that is consistent with section (2)(c) of the War Powers Resolution.

(b) Nothing in this section may be construed—

(1) to prevent the President from using necessary and appropriate force to defend United States allies and partners if Congress enacts specific statutory authorization for such use of force consistent with the requirements of the War Powers Resolution (50 U.S.C. 1541 et seq.);

(2) to relieve the executive branch of restrictions on the use of force, reporting, or consultation requirements set forth in the War Powers Resolution (50 U.S.C. 1541 et seq.); or

(3) to authorize the use of military force.

SEC. 314. CUTTING THE MILITARY BUDGET BY ONE-THIRD.

(a) The amount authorized to be appropriated for the National Defense Authorization Act for Fiscal Year 2024 is the aggregate amount authorized by the National Defense Authorization Act for Fiscal Year 2023 minus the amount equal to 10 percent of the aggregate amount.

(b) The amount authorized to be appropriated for the National Defense Authorization Act for Fiscal Year 2025 is the aggregate amount authorized for the National Defense Authorization Act For Fiscal Year 2024 pursuant to subsection (a) minus the amount equal to 10 percent of the aggregate amount.

(c) The amount authorized to be appropriated for the National Defense Authorization Act for Fiscal Year 2026 is the aggregate amount authorized by the National Defense

Authorization Act For Fiscal Year 2025 pursuant to subsection (b) minus the amount equal to 10 percent of the aggregate amount.

(d) The amount authorized to be appropriated for the National Defense Authorization Act for Fiscal Year 2027 is the aggregate amount authorized by the National Defense Authorization Act For Fiscal Year 2026 pursuant to subsection (c) minus the amount equal to 10 percent of the aggregate amount.

(e) It shall not be in order in the House of Representatives or the Senate to consider any amendment to the authorizations in this section, unless so determined by a vote of not less than two-thirds of the Members voting, such vote being a roll call and a quorum being present.

SEC. 315. REDUCING THE NUMBER OF FOREIGN MILITARY BASES.

(a)(1) No later than October 30, 2023, the Secretary of Defense ("the Secretary") shall hold local referenda for each of the United States' more than 800 foreign military bases. The question put to the native population shall be substantially, "Do you want the United States military to remain here?"

(2) In holding the referenda,

(A) the Secretary shall endeavor to demonstrate American democracy in the best possible way;

(B) secret ballots shall be used, in such manner to prevent intimidation, coercion, or reprisals in regards to casting ballots;

(C) ballots shall be printed in the local language or languages;

(D) they shall be publicized for no less than 60 days before voting concludes;

(E) the franchise shall include both men and women of adult age to the fullest extent possible;

(F) the pool of eligible voters shall include:

(i) the residential population within five miles of the base;

(ii) business owners whose establishments are within five miles of the base;

(iii) any local resident who works on the base;

(iv) residents of any larger villages, towns, or cities within five to 15 miles of the base; and

(v) any other local person or group with ties to the base, as the Secretary sees fit, provided that voters who fit into more than one category of (i), (ii), (iii), (iv), or (v) shall only be permitted one vote.

(3) The Secretary shall seek the cooperation and approval of the local government in holding the referenda.

(b)(1) After completing the referenda described in (a), but in no case later than December 31, 2023, the Secretary shall develop a base closure plan respecting the preference of the local communities around all bases where the minority of ballots indicate they want the US military to maintain their presence.

(2) No later than October 30, 2024, the Secretary shall complete the base closure plan developed in paragraph (1).

(c) The Secretary shall issue reports to the Speaker of the House, Majority Leader of the Senate, and President of the United States providing status updates, including the specific referendum results. Such reports may be made from time to time, but no less than six months apart.

PART I - DEESCALATION OF NUCLEAR PROLIFERATION

SEC. 321. FINDINGS AND PURPOSE.

(a) The Congress finds that—

(1) the operational life of the Minuteman III intercontinental ballistic missiles can be safely extended until at least 2040;

(2) the research, development, testing, and evaluation of the ground-based strategic deterrent program can be paused until 2032; and

(3) the existing nuclear arsenal is capable of producing damage far in excess of anything that reasonable, rational adults should want to inflict on other human beings.

(b) The purpose of this part is to lead by example on the world stage and avoid another nuclear arms race.

SEC. 322. LIFE EXTENSION OF MINUTEMAN III INTERCONTINENTAL BALLISTIC MISSILES.

(a) LIFE EXTENSION PROGRAM.—Beginning not later than 180 days after the date of the enactment of this section, the Secretary of Defense shall carry out a life extension program of Minuteman III intercontinental ballistic missiles to extend the life of such missiles to 2040.

(b) ELEMENTS OF PROGRAM.—In carrying out the life extension program under subsection (b), the Secretary shall ensure the following:

(1) The program will incorporate new and necessary technologies that could also be incorporated in the future ground-based strategic deterrent program, including with respect to technologies that—

(A) increase the resilience against adversary missile defenses; and

(B) incorporate new nuclear command, control, and communications systems.

(2) The program will use nondestructive testing methods and technologies similar to the testing methods used by the Navy for Trident II D5 submarine launched ballistic missiles to reduce destructive testing.

SEC. 323. PROHIBITION ON USE OF FUNDS FOR GROUND BASED STRATEGIC DETERRENT PROGRAM AND W87–1 WARHEAD MODIFICATION PROGRAM.

PROHIBITION.—None of the funds authorized to be appropriated or otherwise made available for any of fiscal years 2023 through 2032 may be obligated or expended for the ground-based strategic deterrent program (including with respect to supporting infrastructure) or the W87–1 warhead modification program, and such funds authorized to be appropriated for the W87–1 warhead modification program that are unobligated as of October 30, 2022 may not be transferred or reprogrammed.

SEC. 324. REDUCTION OF NUCLEAR STOCKPILE.

(a) Section 2523 of title 50, United States Code, is amended—

(1) in paragraph (c)(9) as follows—

(9) A summary of the status, plans, activities, budgets, and schedules for carrying out the warhead reduction plan under subparagraph (d)(1)(N).

(10) *Such other information as the Administrator considers appropriate.*

(2) in subsection (d)(1) by—

(A) redesignating subparagraphs (N) and (O) as subparagraphs (O) and (P), respectively; and

(B) inserting after subparagraph (M) the following:

"(N) a plan for reducing by half the total number of warheads reported in 2022 pursuant to subsection (c)(1), such plan to be complete no later than December 31, 2027.".

Subtitle B - Improving America's Moral Standing in the World

SEC. 331. RESTRICTING THE USE OF ECONOMIC SANCTIONS AGAINST CIVILIAN POPULATIONS.

(a) Section 8512 of title 22, United States Code, is amended as follows[40]—

(a) In general

Notwithstanding section 101 of the Iran Freedom Support Act (Public Law 109–293; 120 Stat. 1344), and in addition to any other sanction in effect, beginning on the date that is 90 days after July 1, 2010, the economic sanctions described in subsection (b) shall apply with respect to Iran.

(b) Sanctions

The sanctions described in this subsection are the following:

(1) ~~Prohibition on imports~~

~~(A) In general~~

~~Except as provided in subparagraph (B), no good or service of Iranian origin may be imported directly or indirectly into the United States.~~

~~(B) Exceptions~~

~~The exceptions provided for in section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)), including the exception for information and informational materials, shall apply to the prohibition in~~

[40] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

subparagraph (A) of this paragraph to the same extent that such exceptions apply to the authority provided under section 203(a) of that Act.

(2) Prohibition on exports

(A) In general

Except as provided in subparagraph (B), no good, service, or technology of United States origin may be exported to Iran from the United States or by a United States person, wherever located.

(B) Exceptions

(i) Personal communications; articles to relieve human suffering; information and informational materials; transactions incident to travel

The exceptions provided for in section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)), including the exception for information and informational materials, shall apply to the prohibition in subparagraph (A) of this paragraph to the same extent that such exceptions apply to the authority provided under section 203(a) of that Act.

(ii) Food; medicine; humanitarian assistance

The prohibition in subparagraph (A) shall not apply to the exportation of—

(I) agricultural commodities, food, medicine, or medical devices; or

(II) articles exported to Iran to provide humanitarian assistance to the people of Iran.

(iii) Internet communications

The prohibition in subparagraph (A) shall not apply to the exportation of—

(I) services incident to the exchange of personal communications over the Internet or software necessary to enable such services, as provided for in section 560.540 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling);

(II) hardware necessary to enable such services; or

(III) hardware, software, or technology necessary for access to the Internet.

(iv) Goods, services, or technologies necessary to ensure the safe operation of commercial aircraft

~~The prohibition in subparagraph (A) shall not apply to the exportation of goods, services, or technologies necessary to ensure the safe operation of commercial aircraft produced in the United States or commercial aircraft into which aircraft components produced in the United States are incorporated, if the exportation of such goods, services, or technologies is approved by the Secretary of the Treasury, in consultation with the Secretary of Commerce, pursuant to regulations issued by the Secretary of the Treasury regarding the exportation of such goods, services, or technologies, if appropriate.~~

~~(v) Goods, services, or technologies exported to support international organizations~~

~~The prohibition in subparagraph (A) shall not apply to the exportation of goods, services, or technologies that—~~

~~(I) are provided to the International Atomic Energy Agency and are necessary to support activities of that Agency in Iran; or~~

~~(II) are necessary to support activities, including the activities of nongovernmental organizations, relating to promoting democracy in Iran.~~

~~(vi) Exports in the national interest~~

~~The prohibition in subparagraph (A) shall not apply to the exportation of goods, services, or technologies if the President determines the exportation of such goods, services, or technologies to be in the national interest of the United States.~~

~~(3)~~ *Freezing assets*

(A) In general

At such time as the President determines that a person in Iran, including an Iranian diplomat or representative of another government or military or quasi-governmental institution of Iran (including Iran's Revolutionary Guard Corps and its affiliates), satisfies the criteria for designation with respect to the imposition of sanctions under the authority of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the President shall take such action as may be necessary to freeze, as soon as possible—

(i) the funds and other assets belonging to that person; and

(ii) any funds or other assets that person transfers, on or after the date on which the President determines the person satisfies such criteria, to any family member or associate acting for or on behalf of the person.

(B) Reports to the Office of Foreign Assets Control

The action described in subparagraph (A) includes requiring any United States financial institution that holds funds or assets of a person described in that subparagraph or funds or assets that person transfers to a family member or associate described in that subparagraph to report promptly to the Office of Foreign Assets Control information regarding such funds and assets.

(C) Reports to Congress

Not later than 14 days after a decision is made to freeze the funds or assets of any person under subparagraph (A), the President shall report the name of the person to the appropriate congressional committees. Such a report may contain a classified annex.

(D) Termination

The President shall release assets or funds frozen under subparagraph (A) if the person to which the assets or funds belong or the person that transfers the assets or funds as described in subparagraph (A)(ii) (as the case may be) no longer satisfies the criteria for designation with respect to the imposition of sanctions under the authority of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

(E) United States financial institution defined

In this paragraph, the term "United States financial institution" means a financial institution (as defined in section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note)) that is a United States person.

(c) Penalties

The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of this section or regulations prescribed under this section to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.

(d) Regulatory authority

(1) In general

The President shall prescribe regulations to carry out this section, which may include regulatory exceptions to the sanctions described in subsection (b).

~~(2) Applicability of certain regulations~~

~~No exception to the prohibition under subsection (b)(1) may be made for the commercial importation of an Iranian origin good described in section 560.534(a) of title 31, Code of Federal Regulations (as in effect on the day before July 1, 2010), unless the President—~~

~~(A) prescribes a regulation providing for such an exception on or after July 1, 2010; and~~

~~(B) submits to the appropriate congressional committees—~~

~~(i) a certification in writing that the exception is in the national interest of the United States; and~~

~~(ii) a report describing the reasons for the exception.~~

(b) Section 7201 of title 22, United States Code, is amended by inserting at the end the following—

"(8) Unilateral economic sanction.— The term "unilateral economic sanction" means any prohibition, restriction, or condition on non-specific imports or exports with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to—

"(A) a multilateral regime and the other member countries of that regime have agreed to impose substantially equivalent measures; or

"(B) a mandatory decision of the United Nations Security Council.".

(c) Section 7202 of title 22, United States Code, is amended as follows[41]—

(a) New sanctions

[41] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

Except as provided in sections 7203 and 7204 of this title and notwithstanding any other provision of law, the President may not impose a unilateral agricultural sanction, unilateral economic sanction, *or unilateral medical sanction against a foreign country or foreign entity, unless—*

(1) not later than 60 days before the sanction is proposed to be imposed, the President submits a report to Congress that—

(A) describes the activity proposed to be prohibited, restricted, or conditioned; and

(B) describes the current *actions by the foreign country or foreign entity that justify* imposing *the sanction; and*

(2) there is enacted into law a joint resolution stating the approval of Congress for the report submitted under paragraph (1).

(b) Existing sanctions

The President shall terminate any unilateral agricultural sanction, unilateral economic sanction, *or unilateral medical sanction that is in effect as of* ~~October 28, 2000~~ October 30, 2022.

(d) Section 7204 of title 22, United States Code, is amended as follows—

Any unilateral agricultural sanction, unilateral economic sanction, *or unilateral medical sanction that is imposed pursuant to the procedures described in section 7202(a) of this title shall terminate not later than 2 years after the date on which the sanction became effective unless—*

(1) not later than 60 days before the date of termination of the sanction, the President submits to Congress a report containing—

(A) the recommendation of the President for the continuation of the sanction for an additional period of not to exceed 2 years; and

(B) the request of the President for approval by Congress of the recommendation; and

(2) there is enacted into law a joint resolution stating the approval of Congress for the report submitted under paragraph (1).

(e) Sections 7205 and 7207 of title 22, United States Code, are repealed.

(f) Section 7208 of title 22, United State Code, is amended as follows[42]—

[42] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

~~Nothing in this~~ This *chapter shall be construed to* ~~alter, modify, or otherwise affect~~ nullify *the provisions of section 515.204 of title 31, Code of Federal Regulations, relating to the prohibition on the entry into the United States of merchandise that: (1) is of Cuban origin; (2) is or has been located in or transported from or through Cuba; or (3) is made or derived in whole or in part of any article which is the growth, produce, or manufacture of Cuba.*

SEC. 332. SUSPENSION OF ARMS TRANSFERS TO SAUDI ARABIA.

(a) Restriction.—Except as provided in subsection (b), during the period beginning October 30, 2022, and ending on September 30, 2027, the United States Government—

(1) may not sell, transfer, or authorize licenses for export to the Government of Saudi Arabia any item designated under Category III, IV, VII, or VIII on the United States Munitions List pursuant to section 38(a)(1) of the Arms Export Control Act (22 U.S.C. 2778(a)(1)); and

(2) shall suspend any licenses or other approvals that were issued before the date of the enactment of this Section for the export to the Government of Saudi Arabia of any item designated under Category IV of the United States Munitions List.

(b) Exception.—The prohibition under subsection (a) shall not apply to sales, transfers, or export licenses relating to ground-based missile defense systems.

(c) Waiver.—The President may waive the restriction under subsection (a) for items designated under Categories III, VII, and VIII of the United States Munitions List not earlier than 30 days after—

(1) the Secretary of State, in coordination with the Secretary of Defense, submits a written, unclassified certification to the appropriate congressional committees stating that—

(A) such waiver is in the national security interests of the United States;

(B) the Saudi-led coalition, during the 180-day period immediately preceding the date of such certification, has continuously—

(i) honored a complete cessation of hostilities in the Yemen civil war, including ending all air strikes and all offensive ground operations that are not associated with al Qaeda in the Arabian Peninsula or ISIS;

(ii) fully supported, in statements and actions, the work of United Nations Special Envoy Martin Griffiths to find a political solution to the conflict in Yemen; and

(iii) abstained from any actions to restrict, delay, or interfere with the delivery of cargo to or within Yemen unless—

(I) such action was taken exclusively to carry out inspections based on specific intelligence that a cargo shipment contains weapons prohibited under United Nations Security Council Resolution 2216 (2015); and

(II) the Saudi-led coalition timely submitted any reports required under such Resolution after the conclusion of such action; and

(C) Ansar Allah or associated forces, during the 180-day period immediately preceding the date of such certification—

(i) launched missile or unmanned aerial vehicle strikes into Saudi Arabia or the United Arab Emirates;

(ii) conducted ground incursions into the territory of Saudi Arabia or the United Arab Emirates;

(iii) accepted weapons, weapons components, funding, or military training from the Islamic Republic of Iran;

(iv) attacked vessels in the Red Sea; or

(v) prohibited or otherwise restricted, directly or indirectly, the transport or delivery of humanitarian or commercial shipments to and within Yemen; and

(2) the Comptroller General of the United States, not later than 45 days after the submission of the certification under paragraph (1), submits a written, unclassified report to the appropriate congressional committees assessing the responsiveness, completeness, and accuracy of such certification.

(d) Classified briefing.—If the Secretary of State and the Secretary of Defense determine that Ansar Allah has engaged in any of the actions described in subsection (c)(1)(C), the Secretary of State and the Secretary of Defense shall provide a classified briefing to the appropriate congressional committees not later than 10 days after submitting the certification under subsection (c)(1) to provide details to support such determination.

SEC. 333. PROHIBITION ON SUPPORT OR MILITARY PARTICIPATION AGAINST THE HOUTHIS.

(a) RESTRICTION.—Except as provided in subsection (c), no amounts appropriated or otherwise made available for fiscal years 2023 to 2027 may be made available to

provide the following forms of United States support to Saudi-led coalition's operations against the Houthis in Yemen:

(1) Sharing intelligence for the purpose of enabling offensive coalition strikes.

(2) Providing logistical support for coalition strikes, including by providing maintenance or transferring spare parts to coalition members flying warplanes engaged in anti-Houthi bombings.

(b) Prohibition Relating to Military Participation.—None of the funds authorized to be appropriated or otherwise made available for fiscal years 2023 to 2027 may be made available for any civilian or military personnel of the Department of Defense to command, coordinate, participate in the movement of, or accompany the regular or irregular military forces of the Saudi and United Arab Emirates-led coalition forces in hostilities against the Houthis in Yemen or in situations in which there exists an imminent threat that such coalition forces become engaged in such hostilities, unless and until the President has obtained specific statutory authorization, in accordance with section 8(a) of the War Powers Resolution (50 U.S.C. 1547(a)).

(c) Rule of Construction.—The prohibitions under this section may not be construed to apply with respect to United States Armed Forces engaged in operations directed at al Qaeda or associated forces.

SEC. 334. PROHIBITING PURCHASES OF LANDMINES AND LETHAL AUTONOMOUS WEAPONS.

(a) Chapter 137 of title 10, United States Code, is amended by inserting after section 2304e the following:

"Sec. 2304f. Contracts: prohibition on certain unethical weapons.

"(a) STATEMENT OF PURPOSE.—Humans, not machines, are legal and moral agents in military operations, and are responsible for ensuring and understanding that any attack complies with the laws of war.

“(b) EXCLUSION.—No contract may be negotiated, initiated, implemented, or completed if the contract includes development or procurement of unethical weapons.

"(c) DEFINITIONS.—

“(1) The term ‘unethical weapons’ means devices which are intended to kill, maim, or otherwise injure a human being without direct action initiated by a human operator. ‘Unethical weapons’ includes landmines and other lethal autonomous weapons, but do not include missile defense systems.

“(2) The term “development” means the act or process of creating, and includes designs that enable conversion from compliant to non-compliant categories solely by software updates.

“(3) The term ‘lethal autonomous weapons’ means weapons systems that, once activated, can select and engage human targets without further intervention by a human operator.

"(d) PENALTY.— On any violation of this section, the Secretary of Defense shall—

"(1) make a donation from the current year’s appropriation to The International Campaign to Ban Landmines (ICBL). The donation shall be the greater of $1,000,000 or twice the total costs incurred under the violation.

"(2) provide ICBL with the specifics of the items in violation, including quantity, cost, technical details, and the estimated casualties that would be produced by the unethical weapons.".

(b) Clerical Amendment.—The table of sections for chapter 137 of title 10, United States Code, is amended by inserting after the item relating to section 2304e the following:

"2304f. Contracts: prohibition on certain unethical weapons.".

SEC. 335. CLOSING GUANTÁNAMO BAY MILITARY PRISON.

(a) Closure Of Facility.—Notwithstanding any other provision of law, the President shall close the Department of Defense detention facility at Guantánamo Bay, Cuba, not later than February 28, 2023.

(b) Restriction On Use Of Funds.—

(1) RESTRICTION.—Except as provided in paragraph (2), no amounts appropriated or otherwise made available for fiscal year 2023 or fiscal year 2024 may be used for the Guantánamo Bay detention facility or for detention at the Guantánamo Bay detention facility of any foreign national who was detained at such facility on or after September 30, 2022.

(2) EXCEPTIONS.—Amounts appropriated or otherwise made available for fiscal year 2023 may be used for the following purposes related to the detention of foreign nationals who were detained at the Guantánamo Bay detention facility on any date between September 30, 2022 and the date of enactment:

(A) Transfer to the United States Disciplinary Barracks at Fort Leavenworth, Kansas, for purposes of pretrial detention or detention during a trial or while

serving a sentence, of any such person who, not later than February 28, 2023, is charged with an offense under chapter 47A of title 10, United States Code, as added by section 3 of the Military Commissions Act of 2006 (Public Law 109–366), or with a felony offense under title 18, United States Code, or chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), provided that any detention complies with section 172 of this Act.

(B) Continued detention at the Guantánamo Bay detention facility for an additional period, not to continue beyond June 30, 2023, upon written certification by the Secretary of Defense to the Chairmen and Ranking Members of the Committees on Armed Services of the Senate and the House of Representatives that additional time is needed to complete the investigation and preparation of charges, including a detailed factual explanation of the specific reasons why the additional time is needed.

(C) Transfer of any such person to another country, provided that—

(i) the transfer complies with the Convention Relating to the Status of Refugees, done at Geneva July 28, 1951, the United Nations Convention Against Torture and Other Forms of Cruel, Inhuman or Degrading Treatment or Punishment, done at New York December 10, 1984, and Federal law; and

(ii) an individual being so transferred who is asserting a well-founded fear of torture, abuse, or persecution has an opportunity to have the claim heard by the Executive Office for Immigration Review, subject to the same judicial review provided for in section 242(a)(4) of the Immigration and Nationality Act (8 U.S.C. 1252(a)(4)).

(D) Release of any other such person.

(c) Immigration Status.—The transfer of an individual under subparagraph (b)(2)(A) shall not be considered an entry into the United States for purposes of immigration status.

(d) Alternative Sites.—Congress may, by separate legislation after the enactment of this Act, amend the destination for detention in (b)(2)(A).

(e) Authorization Of Appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out activities under this Section related to the investigation, prosecution, and defense of cases and claims relating to foreign nationals who were detained at the Guantánamo Bay detention facility on or after

September 30, 2022, and the transfer of such persons, including for the reimbursement of costs incurred by local communities.

TITLE IV - PROMOTE THE GENERAL WELFARE

SEC. 401. FINDINGS AND PURPOSE.

(a) The Congress finds the following—

(1) Americans have a Constitutional duty to promote the general welfare, and Congress has an additional duty under Article I, Section 8, to provide for the general welfare.

(2) Welfare is defined as "health, happiness, prosperity; well-being," and a logical way to increase access to health care is to decouple employment and health insurance, by offering a public option for insurance. This will further increase happiness and prosperity by freeing employees to change jobs or start their own business without risking loss of health care.

(3) To improve the health and happiness of families, America should join the ranks of the other industrialized nations in offering paid family leave.

(4) Instituting universal basic income through the American Union Jobs Program will improve the lives of the 140,000,000 Americans who are living in or near poverty, including tens of millions of children, by ensuring basic economic security, and improve happiness for all Americans by reducing wealth inequality.

(5) Universal basic income will also improve prosperity, by putting billions of dollars into local communities, creating new customers for small businesses, and providing the start-up capital for entrepreneurs to launch their own businesses.

(b) The purpose of this title is to promote the general health, happiness, and prosperity of America.

Subtitle A - American Union Insurance

SEC. 411. ESTABLISHMENT OF A PUBLIC HEALTH INSURANCE OPTION.

(a) In General.—Part 3 of subtitle D of title I of the Patient Protection and Affordable Care Act (Public Law 111–148) is amended by adding at the end the following new section:

"Sec. 1325. Public health insurance option.

"(a) Establishment And Administration Of A Public Health Insurance Option.—

"(1) ESTABLISHMENT.—For years beginning with 2024, the Secretary of Health and Human Services (in this subtitle referred to as the 'Secretary') shall provide for the offering through Exchanges established under this title of a health benefits plan (in this Subtitle referred to as the 'public health insurance option') that ensures choice, competition, and stability of affordable, high-quality coverage throughout the United States in accordance with this section. In designing the option, the Secretary's primary responsibility is to create a low-cost plan without compromising quality or access to care.

"(2) ENROLLMENT IN PUBLIC OPTION IS VOLUNTARY.—Nothing in this division shall be construed as requiring anyone to enroll in the public option. Enrollment in such option is voluntary.

"(3) OFFERING THROUGH EXCHANGES.—

"(A) EXCLUSIVE TO EXCHANGES.—The public health insurance option shall only be made available through Exchanges established under this title.

"(B) ENSURING A LEVEL PLAYING FIELD.—Consistent with this section, the public health insurance option shall comply with requirements that are applicable under this title to health benefits plans offered through such Exchanges, including requirements related to benefits, benefit levels, provider networks, notices, consumer protections, and cost sharing.

"(C) PROVISION OF BENEFIT LEVELS.—The public health insurance option—

"(i) shall offer bronze, silver, and gold plans; and

"(ii) may offer platinum plans.

"(4) ADMINISTRATIVE CONTRACTING.—The Secretary may enter into contracts for the purpose of performing administrative functions (including functions described in subsection 1395kk–1(a)(4) of title 42, United States Code) with respect to the public health insurance option in the same manner as the Secretary may enter into contracts under subsection (a)(1) of such section. The Secretary has the same authority with respect to the public health insurance option as the Secretary has under subsections (a)(1) and (b) of 1395kk–1 of title 42, United States Code, with respect to subchapter XVIII of chapter 7 of title 42, United States Code. Contracts under this subsection shall not involve the transfer of insurance risk to such entity.

"(5) OMBUDSMAN.—The Secretary shall establish an office of the ombudsman for the public health insurance option which shall have duties with respect to the public health insurance option similar to the duties of the Medicare Beneficiary Ombudsman under section 1395b–9(c)(2) of title 42, United States Code. In addition, such office shall work with States to ensure that information and notice is provided that the public health insurance option is one of the health plans available through an Exchange.

"(6) STATE ADVISORY COUNCIL.—

"(A) ESTABLISHMENT.—A State may establish a public or nonprofit entity to serve as the State Advisory Council to provide recommendations to the Secretary on the operations and policies of the public health insurance option offered through the Exchange operating in the State.

"(B) RECOMMENDATIONS.—A State Advisory Council established under subparagraph (A) shall provide recommendations on at least the following:

"(i) Policies and procedures to integrate quality improvement and cost containment mechanisms into the health care delivery system.

"(ii) Mechanisms to facilitate public awareness of the availability of the public health insurance option.

"(iii) Alternative payment models and value-based insurance design under the public health insurance option that encourage quality improvement and cost control.

"(C) MEMBERS.—The members of any State Advisory Council shall be representatives of the public and include health care consumers and health care providers.

"(D) APPLICABILITY OF RECOMMENDATIONS.—The Secretary may apply the recommendations of a State Advisory Council to the public health insurance option in that State, in any other State, or in all States.

"(7) DATA COLLECTION.—The Secretary shall collect such data as may be required to establish premiums and payment rates for the public health insurance option and for other purposes under this section, including to improve quality and to reduce racial, ethnic, and other disparities in health and health care. Nothing in this subtitle may be construed as authorizing the Secretary (or any

employee or contractor) to create or maintain lists of non-medical personal property.

"(8) TREATMENT OF PUBLIC HEALTH INSURANCE OPTION.—With respect to the public health insurance option, the Secretary shall be treated as a qualified health benefits plan offering entity offering an Exchange-participating health benefits plan.

"(9) ACCESS TO FEDERAL COURTS.—The provisions of Medicare (and related provisions of title II of the Social Security Act) relating to access of Medicare beneficiaries to Federal courts for the enforcement of statutory benefits under Medicare, including with respect to amounts in controversy, shall apply to the public health insurance option and individuals enrolled under such option under this title in the same manner as such provisions apply to Medicare and Medicare beneficiaries.

"(b) Premiums And Financing.—

"(1) PREMIUMS.—

"(A) ESTABLISHMENT.—The Secretary shall establish geographically adjusted premium rates for the public health insurance option—

"(i) in a manner that complies with the requirement for premium rates under subparagraph (C) and considers the data collected under subsection (a)(7); and

"(ii) at a level sufficient to fully finance—

"(I) the costs of health benefits provided by the public health insurance option; and

"(II) administrative costs related to operating the public health insurance option.

"(B) CONTINGENCY MARGIN.—In establishing premium rates under subparagraph (A), the Secretary shall include an appropriate amount for a contingency margin (which shall be not less than 90 days of estimated claims).

"(C) VARIATIONS IN PREMIUM RATES.—The premium rate charged for the public health insurance option may not vary except as provided under section 2701 of the Public Health Service Act.

"(D) DIGITAL TREASURY ACCOUNTS.—The Secretary shall encourage the deduction of premiums from digital Treasury accounts created under section 433(b) of this Act.

"(2) ACCOUNT.—

"(A) ESTABLISHMENT.—There is established in the Treasury of the United States an account for the receipts and disbursements attributable to the operation of the public health insurance option, including the start-up funding under subparagraph (B). Section 1854(g) of the Social Security Act (42 U.S.C. 1395w-24) shall apply to receipts described in the previous sentence in the same manner as such section applies to payments or premiums described in such section.

"(B) START-UP FUNDING.—

"(i) IN GENERAL.—In order to provide for the establishment of the public health insurance option there is hereby appropriated to the Secretary, out of any funds in the Treasury not otherwise appropriated, $2,000,000,000. In order to provide for initial claims reserves before the collection of premiums, there is hereby appropriated to the Secretary, out of any funds in the Treasury not otherwise appropriated, such sums as necessary to cover 90 days worth of claims reserves based on projected enrollment.

"(ii) AMORTIZATION OF START-UP FUNDING.—The Secretary shall provide for the repayment of the start-up funding provided under clause (i) to the Treasury in an amortized manner over the 10-year period beginning with 2024.

"(iii) LIMITATION ON FUNDING.—Nothing in this subsection shall be construed as authorizing any additional appropriations to the account, other than such amounts as are otherwise provided with respect to other health benefits plans participating under the Exchange involved.

"(3) NO BAILOUTS.—In no case shall the public health insurance option receive any Federal funds for purposes of insolvency in any manner.

"(c) Payment Rates For Items And Services.—

"(1) RATES ESTABLISHED BY SECRETARY.—

"(A) IN GENERAL.—The Secretary shall establish payment rates for the public health insurance option for services and health care providers, consistent

with this subsection and may change such payment rates in accordance with subsection (d).

"(B) INITIAL PAYMENT RULES.—

"(i) IN GENERAL.—During 2024, 2025, and 2026, the Secretary shall set the payment rates under this subsection for services and providers described in subparagraph (A) equal to the payment rates for equivalent services and providers under parts A and B of Medicare, subject to clause (ii), paragraphs (2)(A) and (4), and subsection (d).

"(ii) EXCEPTIONS.—

"(I) PRACTITIONERS' SERVICES.—Payment rates for practitioners' services otherwise established under the fee schedule under section 1848 of the Social Security Act shall be applied without regard to the provisions under subsection (f) of such section and the update under subsection (d)(4) under such section for a year as applied under this paragraph shall be not less than 1 percent.

"(II) ADJUSTMENTS.—The Secretary may determine the extent to which Medicare adjustments applicable to base payment rates under parts A and B of Medicare for graduate medical education and disproportionate share hospitals shall apply under this section.

"(C) FOR NEW SERVICES.—The Secretary shall modify payment rates described in subparagraph (B) in order to accommodate payments for services, such as well-child visits, that are not otherwise covered under Medicare.

"(D) PRESCRIPTION DRUGS.—Payment rates under this subsection for prescription drugs shall be at rates negotiated by the Secretary pursuant to subsection 1395w–111(i) of title 42, United States Code.

"(2) INCENTIVES FOR PARTICIPATING PROVIDERS.—

"(A) INITIAL INCENTIVE PERIOD.—

"(i) IN GENERAL.—The Secretary shall provide, in the case of services described in clause (ii) furnished during 2024, 2025, and 2026, for payment rates that are 5 percent greater than the rates established under paragraph (1).

"(ii) SERVICES DESCRIBED.—The services described in this clause are items and professional services, under the public health insurance option by a physician or other health care practitioner who participates in both Medicare and the public health insurance option.

"(iii) SPECIAL RULES.—A pediatrician and any other health care practitioner who is a type of practitioner that does not typically participate in Medicare (as determined by the Secretary) shall also be eligible for the increased payment rates under clause (i).

"(B) SUBSEQUENT PERIODS.—Beginning with 2027 and for subsequent years, the Secretary shall continue to use an administrative process to set such rates in order to promote payment accuracy, to ensure adequate beneficiary access to providers, and to promote affordability and the efficient delivery of medical care consistent with subsection (a)(1). Such rates shall not be set at levels expected to increase average medical costs per enrollee covered under the public health insurance option beyond what would be expected if the process under paragraph (1)(B) and subparagraph (A) were continued, as certified by the Office of the Actuary of the Centers for Medicare & Medicaid Services.

"(C) ESTABLISHMENT OF A PROVIDER NETWORK.—

"(i) IN GENERAL.—Health care providers (including physicians and hospitals) participating in Medicare are participating providers in the public health insurance option unless they opt out in a process established by the Secretary consistent with this subparagraph.

"(ii) REQUIREMENTS FOR OPT-OUT PROCESS.—Under the process established under clause (i)—

"(I) providers described in such clause shall be provided at least a four month period prior to January 1, 2024 to opt out of participating in the public health insurance option;

"(II) no provider shall be subject to a penalty for not participating in the public health insurance option;

"(III) the Secretary shall include information on how providers participating in Medicare who chose to opt out of participating in the public health insurance option may opt back in; and

"(IV) there shall be an annual enrollment period in which providers may decide whether to participate in the public health insurance option.

"(iii) RULEMAKING.—Not later than April 30, 2023, the Secretary shall promulgate rules (pursuant to notice and comment) for the process described in clause (i).

"(3) ADMINISTRATIVE PROCESS FOR SETTING RATES.—Chapter 5 of title 5, United States Code, shall apply to the process for the initial establishment of payment rates under this subsection but not to the specific methodology for establishing such rates or the calculation of such rates.

"(4) CONSTRUCTION.—Nothing in this section shall be construed as limiting the Secretary's authority to correct for payments that are excessive or deficient, taking into account the provisions of subsection (a)(1) and any appropriate adjustments based on the demographic characteristics of enrollees covered under the public health insurance option, but in no case shall the correction of payments under this paragraph result in a level of expenditures per enrollee that exceeds the level of expenditures that would have occurred under paragraphs (1)(B) and (2)(A), as certified by the Office of the Actuary of the Centers for Medicare & Medicaid Services.

"(5) CONSTRUCTION.—Nothing in this section shall be construed as affecting the authority of the Secretary to establish payment rates, including payments to provide for the more efficient delivery of services, such as the initiatives provided for under subsection (d).

"(6) LIMITATIONS ON REVIEW.—There shall be no administrative or judicial review of a payment rate or methodology established under this subsection or under subsection (d).

"(d) Modernized Payment Initiatives And Delivery System Reform.—

"(1) IN GENERAL.—For plan years beginning with 2024, the Secretary may utilize innovative payment mechanisms and policies to determine payments for items and services under the public health insurance option. The payment mechanisms and policies under this subsection may include patient-centered medical home and other care management payments, accountable care organizations, value-based purchasing, bundling of services, differential payment rates, performance or utilization based payments, partial capitation, and direct contracting with providers. Payment rates under such payment mechanisms and policies shall not be set at levels expected to increase average medical costs per enrollee covered under the public health insurance option beyond what would be

expected if the process under paragraphs (1)(B) and (2)(A) of subsection (c) were continued, as certified by the Office of the Actuary of the Centers for Medicare & Medicaid Services.

"(2) REQUIREMENTS FOR INNOVATIVE PAYMENTS.—The Secretary shall design and implement the payment mechanisms and policies under this subsection in a manner that—

"(A) seeks to—

"(i) improve health outcomes;

"(ii) reduce health disparities (including racial, ethnic, and other disparities);

"(iii) provide efficient and affordable care;

"(iv) address geographic variation in the provision of health services; or

"(v) prevent or manage chronic illness; and

"(B) promotes care that is integrated, patient-centered, high-quality, and efficient.

"(3) ENCOURAGING THE USE OF HIGH VALUE SERVICES.—To the extent allowed by the benefit standards applied to all health benefits plans participating under the Exchange involved, the public health insurance option may modify cost sharing and payment rates to encourage the use of services that promote health and value.

"(4) PROMOTION OF DELIVERY SYSTEM REFORM.—The Secretary shall monitor and evaluate the progress of payment and delivery system reforms under this Subtitle and shall seek to implement such reforms subject to the following:

(A) To the extent that the Secretary finds a payment and delivery system reform successful in improving quality and reducing costs, the Secretary shall implement such reform on as large a geographic scale as practical and economical.

(B) The Secretary may prioritize implementation of such a reform in high cost geographic areas or otherwise in order to reduce total program costs or to promote high value care.

"(5) NON-UNIFORMITY PERMITTED.—Nothing in this subtitle shall prevent the Secretary from varying payments based on different payment structure models

(such as accountable care organizations and medical homes) under the public health insurance option for different geographic areas.

"(e) Provider Participation.—

"(1) IN GENERAL.—The Secretary shall establish conditions of participation for health care providers under the public health insurance option.

"(2) LICENSURE OR CERTIFICATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall not allow a health care provider to participate in the public health insurance option unless such provider is appropriately licensed or certified under State law.

"(B) SPECIAL RULE FOR IHS FACILITIES AND PROVIDERS.—The requirements under paragraph (1) shall not apply to—

"(i) a facility that is operated by the Indian Health Service;

"(ii) a facility operated by an Indian Tribe or tribal organization under the Indian Self-Determination Act (Public Law 93–638);

"(iii) a health care professional employed by the Indian Health Service; or

"(iv) a health care professional—

"(I) who is employed to provide health care services in a facility operated by an Indian Tribe or tribal organization under the Indian Self-Determination Act; and

"(II) who is licensed or certified in any State.

"(3) PAYMENT TERMS FOR PROVIDERS.—

"(A) PHYSICIANS.—The Secretary shall provide for the annual participation of physicians under the public health insurance option, for which payment may be made for services furnished during the year, in one of 2 classes:

"(i) PREFERRED PHYSICIANS.—Those physicians who agree to accept the payment rate established under this section (without regard to cost sharing) as the payment in full.

"(ii) PARTICIPATING, NON-PREFERRED PHYSICIANS.—Those physicians who agree not to impose charges (in relation to the payment rate described in subsection (c) for such physicians) that exceed the sum

of the in-network cost-sharing plus 15 percent of the total payment for each item and service.

"(B) OTHER PROVIDERS.—The Secretary shall provide for the participation (on an annual or other basis specified by the Secretary) of health care providers (other than physicians) under the public health insurance option under which payment shall only be available if the provider agrees to accept the payment rate established under subsection (c) (without regard to cost sharing) as the payment in full.

"(4) EXCLUSION OF CERTAIN PROVIDERS.—The Secretary shall exclude from participation under the public health insurance option a health care provider that is excluded from participation in a Federal health care program (as defined in section 1128B(f) of the Social Security Act).

"(f) APPLICATION OF HEALTH INFORMATION PRIVACY, SECURITY, AND ELECTRONIC TRANSACTION REQUIREMENTS.—Part C of title XI of the Social Security Act, relating to standards for protections against the wrongful disclosure of individually identifiable health information, health information security, and the electronic exchange of health care information, shall apply to the public health insurance option in the same manner as such part applies to other health plans (as defined in section 1171(5) of such Act).

"(g) Application Of Fraud And Abuse Provisions.—Provisions of law (other than criminal law provisions) identified by the Secretary by regulation, in consultation with the Inspector General of the Department of Health and Human Services, that impose sanctions with respect to waste, fraud, and abuse under Medicare, such as the False Claims Act (31 U.S.C. 3729 et seq.), shall also apply to the public health insurance option.

"(h) APPLICATION OF HIPAA INSURANCE REQUIREMENTS.—The requirements of sections 2701 through 2792 of the Public Health Service Act shall apply to the public health insurance option in the same manner as they apply to health insurance coverage offered by a health insurance issuer in the individual market.

"(i) Medicare Defined.—For purposes of this section, the term 'Medicare' means the health insurance programs under title XVIII of the Social Security Act.".

(b) Conforming Amendments.—

(1) TREATMENT AS QUALIFIED HEALTH PLAN.—Section 1301(a)(2) of the Patient Protection and Affordable Care Act is amended as follows[43]—

(2) Inclusion of CO–OP plans, the public health insurance option, *and multi-State qualified health plans*

Any reference in this title to a qualified health plan shall be deemed to include a qualified health plan offered through the CO–OP program under section 18042 of this title, the public health insurance option under section 1325, *and a multi-State plan under section 18054 of this title, unless specifically provided for otherwise.*

(2) LEVEL PLAYING FIELD.—Section 1324(a) of such Act is amended as follows—

(a) In general

Notwithstanding any other provision of law, any health insurance coverage offered by a private health insurance issuer shall not be subject to any Federal or State law described in subsection (b) if a qualified health plan offered under the Consumer Operated and Oriented Plan program under section 18042 of this title, the public health insurance option under section 1325, *or a multi-State qualified health plan under section 18054 of this title, is not subject to such law.*

SEC. 412. REPEALING ELIGIBILITY RESTRICTION ON SUBSIDIES.

Chapter 5000A(f)(1)(B) of title 26, United States Code, disallowing refundable credits for health insurance through the Health Insurance Exchange under chapter 36B of title 26, when a minimally qualified employer-sponsored plan is available, is repealed.

SEC. 413. REPEALING LARGE EMPLOYER'S HEALTH INSURANCE MANDATE.

Chapter 4980H of title 26, United States Code, penalizing applicable large employers who fail to offer minimum essential coverage, is repealed.

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[43] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

SEC. 414. REQUIRING NEGOTIATION OF PRESCRIPTION DRUG PRICES.

(a) Negotiation of drug prices under Medicare part D.—Subsection 1860D–11(i) of the Social Security Act (42 U.S.C. 1395w–111(i)) is amended as follows[44]—

(i) ~~Noninterference~~ Negotiation of lower drug prices.—

~~In order to promote competition under this part and in carrying out this part, the Secretary—~~

~~(1) may not interfere with the negotiations between drug manufacturers and pharmacies and PDP sponsors; and~~

~~(2) may not require a particular formulary or institute a price structure for the reimbursement of covered part D drugs.~~

"(1) In general.—Notwithstanding any other provision of law, the Secretary shall negotiate with pharmaceutical manufacturers the prices (including discounts, rebates, and other price concessions) that may be charged to PDP sponsors and MA organizations for covered part D drugs for part D eligible individuals who are enrolled under a prescription drug plan or under an MA–PD plan.

"(2) No change in rules for formularies.—

"(A) In general.—Nothing in paragraph (1) shall be construed to authorize the Secretary to establish or require a particular formulary.

"(B) Construction.—Subparagraph (A) shall not be construed as affecting the Secretary's authority to ensure appropriate and adequate access to covered part D drugs under prescription drug plans and under MA–PD plans, including compliance of such plans with formulary requirements under section 1860D–4(b)(3).

"(3) Construction.—Nothing in this subsection shall be construed as preventing the sponsor of a prescription drug plan, or an organization offering an MA–PD plan, from obtaining a discount or reduction of the price for a covered part D drug below the price negotiated under paragraph (1).

(b) Negotiation of drug prices under Medicare part B.—Section 1842 of the Social Security Act (42 U.S.C. 1395u) is amended by adding at the end the following new subsection:

[44] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

"(v) Negotiation Of Prices For Drugs And Biologicals.—

"(1) In general.—Notwithstanding any other provision of law, the Secretary shall negotiate a contract with a manufacturer to establish the amount of payment under this part for any drug or biological for which the program under this part is the majority purchaser (as determined under paragraph (2)). The Secretary shall negotiate such contracts with the goal of ensuring appropriate and adequate access to necessary drugs and biologicals for individuals enrolled under this part, while minimizing costs to such individuals and to the program under this part to the greatest extent possible.

"(2) Majority purchaser.—For purposes of paragraph (1), the Secretary shall, by regulation, establish a method to identify, based upon drug utilization rates, any drug or biological for which greater than 50 percent of the units sold by the manufacturer of such drug or biological in the preceding calendar year were provided to individuals enrolled under this part.

"(3) Definitions.—In this subsection:

"(A) Drugs and biologicals.—The term 'drug' and the term 'biological' have the same meaning as provided under section 1861(t).

"(B) Manufacturer.—The term 'manufacturer' has the same meaning as provided under section 1847A(c)(6)(A).".

(c) Payment for least costly alternative for Medicare part B drugs.—Section 1847A(b) of the Social Security Act (42 U.S.C. 1395w–3a(b)) is amended—

(1) in paragraph (1), in the matter preceding subparagraph (A), by striking "paragraph (7)" and inserting "paragraphs (7) and (9)"; and

(2) by adding at the end the following new paragraph:

"(9) TREATMENT OF FUNCTIONALLY EQUIVALENT DRUGS AND BIOLOGICALS.—In the case of a drug or biological furnished on or after the date that is 180 days after the date of enactment of this paragraph, for which payment is determined under this section, if the drug or biological is functionally equivalent (as defined by the Secretary) to another drug or biological for which payment is determined under this section, the amount of payment for both such drugs or biologicals shall be equal to the payment amount otherwise determined

under this section (without regard to the application of this paragraph) for the least costly of such drugs or biologicals.”.

Subtitle B - Paid Family Leave

SEC. 421. FINDINGS AND PURPOSE.

(a) The Congress finds the following—

(1) The United States is one of only a handful of nations that does not protect new mothers by providing paid maternal leave, which is a demonstrated way to reduce the infant mortality rate. Our rate in 2018 was 5.7 deaths per 1,000 live births, or more than 65% higher than the European Union average.

(2) If America’s infant mortality rate could be brought down to the average of the European Union, the lives of an estimated 9,000 newborns would be saved annually, or one baby every hour of every week of every month of every year.

(3) Paid family leave will better enable both men and women to take care of family members in need, strengthening families and reducing the public costs of care.

(b) It is the purpose of this subtitle to improve the health, happiness, and prosperity of working people by empowering them to take time away from work to provide care for a family member.

SEC. 422. DEFINITIONS.

(a) In this subtitle, the following definitions apply:

(1) CAREGIVING DAY.—The term "caregiving day" means, with respect to an individual, a calendar day in which the individual engaged in qualified caregiving.

(2) COMMISSIONER.—The term "Commissioner" means the Commissioner of Social Security.

(3) DEPUTY COMMISSIONER.—The term "Deputy Commissioner" means the Deputy Commissioner who heads the Office of Paid Family and Medical Leave established under section 423.

(4) ELIGIBLE INDIVIDUAL.—The term "eligible individual" means an individual who is entitled to a benefit under section 424 for a particular month, upon filing an application for such benefit for such month.

(5) INITIAL WAITING PERIOD.—The term "initial waiting period" means a period beginning with the first caregiving day of an individual occurring during the individual's benefit period and ending after the earlier of—

(A) the fifth caregiving day of the individual occurring during the benefit period; or

(B) the month preceding the first month in the benefit period during which occurs not less than 15 caregiving days of the individual.

(6) QUALIFIED CAREGIVING.—The term "qualified caregiving" means any activity engaged in by an individual, other than regular employment, for a reason for which an eligible employee would be entitled to leave under subparagraphs (A) through (E) of paragraph (1) of section 102(a) of the Family and Medical Leave Act of 1993 (29 U.S.C. 2612(a)).

(7) SELF-EMPLOYMENT INCOME.—The term "self-employment income" has the same meaning as such term in section 211(b) of such Act (42 U.S.C. 411(b)).

(8) STATE.—The term "State" means any State of the United States or the District of Columbia or any territory or possession of the United States.

(9) WAGES.—The term "wages", except as such term is used in subsection (h)(2) of section 424, has the same meaning as such term in section 209 of the Social Security Act (42 U.S.C. 409).

(10) 90-DAY LIMITATION PERIOD.—The term "90-day limitation period" means a period—

(A) beginning with the first caregiving day of an individual occurring during the individual's benefit period and after the expiration of the individual's 5-day waiting period, if applicable; and

(B) ending with the 90th caregiving day of the individual occurring during the benefit period and after the expiration of the 5-day waiting period, disregarding any caregiving day of the individual occurring during any month in the benefit period after the first 20 caregiving days of the individual occurring during such month.

SEC. 423. OFFICE OF PAID FAMILY AND MEDICAL LEAVE.

(a) Establishment of Office.—There is established within the Social Security Administration an office to be known as the Office of Paid Family and Medical Leave. The Office shall be headed by a Deputy Commissioner who shall be appointed by the Commissioner.

(b) Responsibilities of Deputy Commissioner.—The Commissioner, acting through the Deputy Commissioner, shall be responsible for—

(1) hiring personnel and making employment decisions with regard to such personnel;

(2) issuing such regulations as may be necessary to carry out the purposes of this Part;

(3) entering into cooperative agreements with other agencies and departments to ensure the efficiency of the administration of the program;

(4) determining eligibility for family and medical leave insurance benefits under section 424;

(5) determining benefit amounts for each month of such eligibility and making timely payments of such benefits to entitled individuals in accordance with such section;

(6) establishing and maintaining a system of records relating to the administration of such section;

(7) preventing fraud and abuse relating to such benefits;

(8) providing information on request regarding eligibility requirements, the claims process, benefit amounts, maximum benefits payable, notice requirements, prohibitions on discrinimation, confidentiality, coordination of leave under this Part and other laws, collective bargaining agreements, and employer policies;

(9) annually providing employers a notice informing employees of the availability of such benefits;

(10) annually making available to the public a report that includes the number of individuals who received such benefits, the purposes for which such benefits were received, and an analysis of utilization rates of such benefits by gender, race, ethnicity, and income levels; and

(11) tailoring culturally and linguistically competent education and outreach toward increasing utilization rates of benefits under such section.

(c) Availability of data.—The Commissioner shall make available to the Deputy Commissioner such data as the Commissioner determines necessary to enable the Deputy Commissioner to effectively carry out the responsibilities described in subsection (b).

SEC. 424. FAMILY AND MEDICAL LEAVE INSURANCE BENEFIT PAYMENTS.

(a) In general.—Every individual who—

(1) is insured for disability insurance benefits (as determined under section 223(c) of the Social Security Act (42 U.S.C. 423(c))) at the time such individual's application is filed;

(2) has earned income from employment during the 12 months prior to the month in which the application is filed;

(3) has filed an application for a family and medical leave insurance benefit in accordance with subsection (d); and

(4) was engaged in qualified caregiving, or anticipates being so engaged, during the period that begins 90 days before the date on which such application is filed or within 30 days after such date,

shall be entitled to such a benefit for each month in the benefit period specified in subsection (c), not to exceed 90 caregiving days per benefit period.

(b) Benefit amount.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the benefit amount to which an individual is entitled under this section for a month shall be an amount equal to the greater of—

(A) the lesser of 1/18 of the wages and self-employment income of the individual for the calendar year in which such wages and self-employment income are the highest among the most recent three calendar years, or the maximum benefit amount determined under paragraph (2); or

(B) the minimum benefit amount determined under paragraph (2), multiplied by the quotient (not greater than 1) obtained by dividing the number of caregiving days of the individual in such month by 20.

(2) ANNUAL INCREASE OF MAXIMUM AND MINIMUM BENEFIT AMOUNTS.—

(A) For individuals who initially become eligible for family and medical leave insurance benefits in 2024, the maximum monthly benefit amount and the minimum monthly benefit amount shall be $3,600 and $600, respectively.

(B) For individuals who initially become eligible for family and medical leave insurance benefits after 2024, the maximum benefit amount and the minimum benefit amount shall be, respectively, the product of the amounts in subparagraph (A) and the quotient obtained by dividing—

(i) the national average wage index (as defined in section 209(k)(1) of the Social Security Act (42 U.S.C. 409(k)(1))) for the second calendar year preceding the calendar year for which the determination is made, by

(ii) the national average wage index (as so defined) for 2023.

(3) LIMITATIONS ON BENEFITS PAID.—

(A) NONPAYABLE WAITING PERIOD.—Any calendar day during an individual's benefit period which occurs before the expiration of an initial waiting period shall not be taken into account under this subsection as a caregiving day of the individual.

(B) LIMITATION ON TOTAL BENEFITS PAID.—Any calendar day during an individual's benefit period which occurs after the expiration of a 90-day limitation period shall not be taken into account under this subsection as a caregiving day of the individual.

(4) REDUCTION IN BENEFIT AMOUNT ON ACCOUNT OF RECEIPT OF CERTAIN BENEFITS.—A benefit under this section for a month shall be reduced by the amount, if any, in certain benefits (as determined under regulations issued by the Commissioner) as may be otherwise received by an individual. For purposes of the preceding sentence, certain benefits include—

(A) periodic benefits on account of such individual's total or partial disability under a workmen's compensation law or plan of the United States or a State; and

(B) periodic benefits on account of an individual's employment status under an unemployment law or plan of the United States or a State.

(5) COORDINATION OF BENEFIT AMOUNT WITH CERTAIN STATE BENEFITS.—A benefit received under this section shall be coordinated, in a manner determined by regulations issued by the Commissioner, with the periodic benefits received from temporary disability insurance or family leave insurance programs under any law or plan of a State, a political subdivision (as that term is used in section 218(b)(2) of the Social Security Act (42 U.S.C. 418(b)(2))), or an instrumentality of

two or more States (as that term is used in section 218(g) of the Social Security Act (42 U.S.C. 418(g))).

(c) Benefit period.—

(1) IN GENERAL.—Except as provided in paragraph (2), the benefit period specified in this subsection shall begin on the 1st day of the 1st month in which the individual meets the criteria specified in paragraphs (1), (2), and (3) of subsection (a), and shall end on the date that is 365 days after the 1st day of the benefit period.

(2) RETROACTIVE BENEFITS.—In the case of an application for benefits under this section for qualified caregiving in which the individual was engaged at any time during the 90-day period preceding the date on which such application is submitted, the benefit period specified in this subsection shall begin on the later of—

(A) the 1st day of the 1st month in which the individual engaged in such qualified caregiving; or

(B) the 1st day of the 1st month that begins during such 90-day period,and shall end on the date that is 365 days after the 1st day of the benefit period.

(d) Application.—An application for a family and medical leave insurance benefit shall include—

(1) a statement that the individual was engaged in qualified caregiving, or anticipates being so engaged, during the period that begins 90 days before the date on which the application is submitted or within 30 days after such date;

(2) if the qualified caregiving described in the statement in paragraph (1) is engaged in by the individual because of a serious health condition of the individual or a relative of the individual, a certification, issued by the health care provider treating such serious health condition, that affirms the information specified in paragraph (1) and contains such information as the Commissioner shall specify in regulations, which shall be no more than the information that is required to be stated under section 103(b) of the Family and Medical Leave Act of 1993 (29 U.S.C. 2613(b));

(3) if such qualified caregiving is engaged in by the individual for any other authorized reason, a certification, issued by a relevant authority determined under regulations issued by the Commissioner, that affirms the circumstances giving rise to such reason; and

(4) an attestation from the applicant that his or her employer has been provided with written notice of the individual's intention to take family or medical leave, if the individual has an employer, or to the Commissioner in all other cases.

(e) Ineligibility; disqualification.—

(1) INELIGIBILITY FOR BENEFIT.—An individual shall be ineligible for a benefit under this section for any month for which the individual is entitled to—

(A) disability insurance benefits under section 223 of the Social Security Act (42 U.S.C. 423) or a similar permanent disability program under any law or plan of a State or political subdivision or instrumentality of a State (as such terms are used in section 218 of the Social Security Act (42 U.S.C. 418));

(B) monthly insurance benefits under section 202 of such Act (42 U.S.C. 402) based on such individual's disability (as defined in section 223(d) of such Act (42 U.S.C. 423(d))); or

(C) benefits under title XVI of such Act (42 U.S.C. 1381 et seq.) based on such individual's status as a disabled individual (as determined under section 1614 of such Act (42 U.S.C. 1382c)).

(2) DISQUALIFICATION.—An individual who has been convicted of a violation under section 208 of the Social Security Act (42 U.S.C. 408) or who has been found to have used false statements to secure benefits under this section, shall be ineligible for benefits under this section for a 1-year period following the date of such conviction.

(f) Review of eligibility and benefit payment determinations.—

(1) ELIGIBILITY DETERMINATIONS.—

(A) IN GENERAL.—The Commissioner shall provide notice to an individual applying for benefits under this section of the initial determination of eligibility for such benefits, and the estimated benefit amount for a month in which one caregiving day of the individual occurs, as soon as practicable after the application is received.

(B) REVIEW.—An individual may request review of an initial adverse determination with respect to such application at any time before the end of the 20-day period that begins on the date notice of such determination is received, except that such 20-day period may be extended for good cause. As soon as practicable after the individual requests review of the determination, the Commissioner shall provide

notice to the individual of a final determination of eligibility for benefits under this section.

(2) BENEFIT PAYMENT DETERMINATIONS.—

(A) IN GENERAL.—The Commissioner shall make any monthly benefit payment to an individual claiming benefits for a month under this section, or provide notice of the reason such payment will not be made if the Commissioner determines that the individual is not entitled to payment for such month, not later than 20 days after the individual's monthly benefit claim report for such month is received. Such monthly report shall be filed with the Commissioner not later than 15 days after the end of each month.

(B) REVIEW.—If the Commissioner determines that payment will not be made to an individual for a month, or if the Commissioner determines that payment shall be made based on a number of caregiving days in the month inconsistent with the number of caregiving days in the monthly benefit claim report of the individual for such month, the individual may request review of such determination at any time before the end of the 20-day period that begins on the date notice of such determination is received, except that such 20-day period may be extended for good cause. Not later than 20 days after the individual requests review of the determination, the Commissioner shall provide notice to the individual of a final determination of payment for such month, and shall make payment to the individual of any additional amount not included in the initial payment to the individual for such month to which the Commissioner determines the individual is entitled.

(3) BURDEN OF PROOF.—An application for benefits under this section and a monthly benefit claim report of an individual shall each be presumed to be true and accurate, unless the Commissioner demonstrates by a preponderance of the evidence that information contained in the application is false.

(4) DEFINITION OF MONTHLY BENEFIT CLAIM REPORT.—For purposes of this subsection, the term "monthly benefit claim report" means, with respect to an individual for a month, the individual's report to the Commissioner of the number of caregiving days of the individual in such month, which shall be filed no later than 15 days after the end of each month.

(5) REVIEW.—All final determinations of the Commissioner under this subsection shall be reviewable according to the procedures set out in section 205 of the Social Security Act (42 U.S.C. 405).

(g) Relationship with State law; employer benefits.—

(1) IN GENERAL.—This section does not preempt or supercede any provision of State or local law that authorizes a State or local municipality to provide paid family and medical leave benefits similar to the benefits provided under this section.

(2) GREATER BENEFITS ALLOWED.—Nothing in this Subtitle shall be construed to diminish the obligation of an employer to comply with any contract, collective bargaining agreement, or any employment benefit program or plan that provides greater paid leave or other leave options to employees than the benefits established under this subtitle.

(h) Prohibited Acts; enforcement.—

(1) IN GENERAL.—It shall be unlawful for any person to discharge or in any other manner discriminate against an individual because the individual has applied for, indicated an intent to apply for, or received family and medical leave insurance benefits.

(2) CIVIL ACTION BY AN INDIVIDUAL.—

(A) LIABILITY.—Any person who violates paragraph (1) shall be liable to any individual employed by such person who is affected by the violation—

(i) for damages equal to the sum of—

(I) the amount of—

(aa) any wages, salary, employment benefits, or other compensation denied or lost to such individual by reason of the violation; or

(bb) in a case in which wages, salary, employment benefits, or other compensation have not been denied or lost to the individual, any actual monetary losses sustained by the individual as a direct result of the violation, such as the cost of providing care, up to a sum equal to 60 calendar days of wages or salary for the individual;

(II) the interest on the amount described in subclause (I) calculated at the prevailing rate; and

(III) an additional amount as liquidated damages equal to the sum of the amount described in subclause (I) and the interest described in subclause (II), except that if a person who has violated paragraph (1) proves to the

satisfaction of the court that the act or omission which violated paragraph (1) was in good faith and that the person had reasonable grounds for believing that the act or omission was not a violation of paragraph (1), such court may, in the discretion of the court, reduce the amount of the liability to the amount and interest determined under subclauses (I) and (II), respectively; and

(ii) for such equitable relief as may be appropriate, including employment, reinstatement, and promotion.

(B) CAUSE OF ACTION.—An action to recover the damages or equitable relief prescribed in subparagraph (A) may be maintained against any person in any Federal or State court of competent jurisdiction by any individual for and on behalf of—

(i) the individual; or

(ii) the individual and other individuals similarly situated.

(C) FEES AND COSTS.—The court in such an action shall, in addition to any judgment awarded to the plaintiff, allow a reasonable attorney's fee, reasonable expert witness fees, and other costs of the action to be paid by the defendant.

(D) LIMITATIONS.—The authority provided by subparagraph (B) to bring an action by or on behalf of any individual shall terminate—

(i) on the filing of a complaint by the Commissioner in an action under paragraph (5) in which restraint is sought of any further delay in the payment of the amount described in subparagraph (A)(I) to such individual by the person responsible under subparagraph (A) for the payment; or

(ii) on the filing of a complaint by the Commissioner in an action under paragraph (3) in which a recovery is sought of the damages described in subparagraph (A)(I) owing to an individual by a person liable under subparagraph (A), unless the action described in clause (i) or (ii) is dismissed without prejudice on motion of the Commissioner.

(3) ACTION BY THE COMMISSIONER.—

(A) CIVIL ACTION.—The Commissioner may bring an action in any court of competent jurisdiction to recover the damages described in paragraph (2)(A)(I).

(B) SUMS RECOVERED.—Any sums recovered by the Commissioner pursuant to subparagraph (A) shall be held in a special deposit account and shall be paid, on order of the Commissioner, directly to each individual affected. Any such sums not paid to an individual because of inability to do so within a period of 3 years shall be deposited into the Federal Family and Medical Leave Insurance Trust Fund.

(4) LIMITATION.—

(A) IN GENERAL.—An action may be brought under this subsection not later than 3 years after the date of the last event constituting the alleged violation for which the action is brought.

(B) COMMENCEMENT.—An action brought by the Commissioner under this subsection shall be considered to be commenced on the date when the complaint is filed.

(5) ACTION FOR INJUNCTION BY COMMISSIONER.—The district courts of the United States shall have jurisdiction, for cause shown, in an action brought by the Commissioner—

(A) to restrain violations of paragraph (1), including the restraint of any withholding of payment of wages, salary, employment benefits, or other compensation, plus interest, found by the court to be due to an individual; or

(B) to award such other equitable relief as may be appropriate, including employment, reinstatement, and promotion.

(i) Special rule for railroad employees.—For purposes of subsection (a)(1), an individual shall be deemed to be insured for disability insurance benefits if the individual would be so insured if the individual's service as an employee (as defined in the section 1(b) of the Railroad Retirement Act of 1974) after December 31, 1936, were included within the meaning of the term "employment" for purposes of title II of the Social Security Act (42 U.S.C. 401 et seq.).

(j) Determination of whether an activity constitutes qualified caregiving.—

(1) IN GENERAL.—For purposes of determining whether an activity engaged in by an individual constitutes qualified caregiving under this section—

(A) the term "spouse" (as used in section 102(a) of the Family and Medical Leave Act (29 U.S.C. 2612(a))) includes the individual's domestic partner; and

(B) the term "son or daughter" (as used in such section) includes a son or daughter (as defined in section 101 of such Act) of the individual's domestic partner.

(2) DOMESTIC PARTNER.—

(A) IN GENERAL.—For purposes of paragraph (1), the term "domestic partner", with respect to an individual, means another individual with whom the individual is in a committed relationship.

(B) COMMITTED RELATIONSHIP DEFINED.—The term "committed relationship" means a relationship between two individuals (each at least 18 years of age) in which each individual is the other individual's sole domestic partner and both individuals share responsibility for a significant measure of each other's common welfare. The term includes any such relationship between two individuals, including individuals of the same sex, that is granted legal recognition by a State or political subdivision of a State as a marriage or analogous relationship, including a civil union or domestic partnership.

(k) Applicability of certain Social Security Act provisions.—The provisions of sections 204, 205, 206, and 208 of the Social Security Act shall apply to benefit payments authorized by and paid out pursuant to this section in the same way that such provisions apply to benefit payments authorized by and paid out pursuant to title II of such Act.

(l) Effective date for applications.—Applications described in this section may be filed beginning January 1, 2024.

SEC. 425. INSURANCE TRUST FUND ESTABLISHED.

(a) In general.—There is hereby created on the books of the Treasury of the United States a trust fund to be known as the "Federal Family and Medical Leave Insurance Trust Fund". The Federal Family and Medical Leave Insurance Trust Fund shall consist of such gifts and bequests as may be made as provided in section 201(i)(1) of the Social Security Act (42 U.S.C. 401(i)(1)) and such amounts as may be appropriated to, or deposited in, the Federal Family and Medical Leave Insurance Trust Fund as provided in this section.

(b) Authorization of Appropriations.—

(1) IN GENERAL.—There is authorized to be appropriated to the Federal Family and Medical Leave Insurance Trust Fund out of moneys in the Treasury not otherwise appropriated—

(A) until September 30, 2026, such sums as may be necessary for the Commissioner to administer the office established under section 423 and pay the benefits under section 424;

(B) 100 percent of the taxes imposed by sections 3101(c) and 3111(c) of the Internal Revenue Code of 1986 with respect to wages (as defined in section 3121 of such Code) reported to the Secretary of the Treasury pursuant to subtitle F of such Code, as determined by the Secretary of the Treasury by applying the applicable rate of tax under such sections to such wages;

(C) 100 percent of the taxes imposed by section 1401(c) of such Code with respect to self-employment income (as defined in section 1402 of such Code) reported to the Secretary of the Treasury on tax returns under subtitle F of such Code, as determined by the Secretary of the Treasury by applying the applicable rate of tax under such section to such self-employment income; and

(D) 100 percent of the taxes imposed by sections 3201(c), 3211(c), and 3221(c) of such Code with respect to compensation (as defined in section 3231 of such Code) reported to the Secretary of the Treasury on tax returns under subtitle F of such Code, as determined by the Secretary of the Treasury by applying the applicable rate of tax under such sections to such compensation.

(2) REPAYMENT OF INITIAL APPROPRIATION.—Amounts appropriated pursuant to subparagraph (1)(A) shall be repaid to the Treasury of the United States not later than 10 years after the first appropriation is made pursuant to such subparagraph.

(3) TRANSFER TO TRUST FUND.—The amounts described in paragraph (2) shall be transferred from time to time from the general fund in the Treasury to the Federal Family and Medical Leave Insurance Trust Fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes, specified in such paragraph, paid to or deposited into the Treasury. Proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were inconsistent with the taxes specified in such paragraph.

(c) Management of Trust Fund.—The provisions of subsections (c), (d), (e), (f), (i), and (m) of section 201 of the Social Security Act (42 U.S.C. 401) shall apply with respect to the Federal Family and Medical Leave Insurance Trust Fund in the same manner as such provisions apply to the Federal Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund.

(d) Benefits paid from Trust Fund.—Benefit payments required to be made under section 133 shall be made only from the Federal Family and Medical Leave Insurance Trust Fund.

(e) Administration.—There are authorized to be made available for expenditure, out of the Federal Family and Medical Leave Insurance Trust Fund, such sums as may be necessary to pay the costs of the administration of section 423, including start-up costs, technical assistance, outreach, education, evaluation, and reporting.

(f) Prohibition.—No funds from the Social Security Trust Fund or appropriated to the Social Security Administration to administer Social Security programs may be used for Federal Family and Medical Leave Insurance benefits or administration set forth under this Subtitle.

SEC. 426. INTERNAL REVENUE CODE PROVISIONS.

(a) In general.—

(1) EMPLOYEE CONTRIBUTION.—Section 3101 of the Internal Revenue Code of 1986 (26 U.S.C. 3101) is amended—

(A) by redesignating subsection (c) as subsection (d), and

(B) by inserting after subsection (b) the following:

"(c) Family and medical leave insurance.—

"(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on the income of every individual a tax equal to the applicable percentage of the wages (as defined in section 3121(a)) received by the individual with respect to employment (as defined in section 3121(b)).

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means 0.25 percent in the case of wages received in any calendar year.".

(2) EMPLOYER CONTRIBUTION.—Section 3111 of the Internal Revenue Code of 1986 (26 U.S.C. 3111) is amended—

(A) by redesignating subsection (c) as subsection (d), and

(B) by inserting after subsection (b) the following:

"(c) Family and medical leave insurance.—

"(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the

applicable percentage of the wages (as defined in section 3121(a)) paid by the employer with respect to employment (as defined in section 3121(b)).

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means 0.25 percent in the case of wages paid in any calendar year.".

(3) SELF-EMPLOYMENT INCOME CONTRIBUTION.—

(A) IN GENERAL.—Section 1401 of the Internal Revenue Code of 1986 (26 U.S.C. 1401) is amended—

(i) by redesignating subsection (c) as subsection (d), and

(ii) by inserting after subsection (b) the following:

"(c) Family and medical leave insurance.—

"(1) IN GENERAL.—In addition to other taxes, there is hereby imposed for each taxable year, on the self-employment income of every individual, a tax equal to the applicable percentage of the amount of the self-employment income for such taxable year.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means 0.5 percent in the case of self-employment income in any taxable year.".

(B) EXCLUSION OF CERTAIN NET EARNINGS FROM SELF-EMPLOYMENT.—Section 1402(b)(1) of title 26, United States Code, is amended as follows[45]—

(1) in the case of ~~the tax imposed by section 1401(a)~~ taxes imposed by subsections (a) and (c) of section 1401*, that part of the net earnings from self-employment which is in excess of (i) an amount equal to the contribution and benefit base (as determined under section 230 of the Social Security Act) which is effective for the calendar year in which such taxable year begins, minus (ii) the amount of the wages paid to such individual during such taxable years; or*

[45] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(b) Railroad Retirement Tax Act.—

(1) EMPLOYEE CONTRIBUTION.—Section 3201 of title 26, United States Code, is amended—

(A) by redesignating subsection (c) as subsection (d), and

(B) by inserting after subsection (b) the following:

"(c) Family and Medical Leave insurance.—

"(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on the income of each employee a tax equal to the applicable percentage of the compensation received during any calendar year by such employee for services rendered by such employee.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means 0.25 percent in the case of compensation received in any calendar year.".

(2) EMPLOYEE REPRESENTATIVE CONTRIBUTION.—Section 3211 of title 26, United States Code, is amended—

(A) by redesignating subsection (c) as subsection (d), and

(B) by inserting after subsection (b) the following:

"(c) Family and Medical Leave insurance.—

"(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on the income of each employee representative a tax equal to the applicable percentage of the compensation received during any calendar year by such employee representative for services rendered by such employee representative.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means 0.25 percent in the case of compensation received in any calendar year.".

(3) EMPLOYER CONTRIBUTION.—Section 3221 of title 26, United States Code, is amended—

(A) by redesignating subsection (c) as subsection (d), and

(B) by inserting after subsection (b) the following:

"(c) Family and Medical Leave insurance.—

"(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the applicable percentage of the compensation paid during any calendar year by such employer for services rendered to such employer.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means 0.25 percent in the case of compensation paid in any calendar year.".

(c) Conforming amendments.—

(1) Section 6413(c) of the Internal Revenue Code of 1986 is amended—

(A) in paragraph (1)—

(i) by inserting ", section 3101(c)," after "by section 3101(a)"; and

(ii) by striking "both" and inserting "each"; and

(B) in paragraph (2), by inserting "or 3101(c)" after "3101(a)" each place it appears.

(2) Section 15(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(a)) is amended as follows[46]—

(a) Maintenance of account; authorization of appropriations

The Railroad Retirement Account established by section 15(a) of the Railroad Retirement Act of 1937 [45 U.S.C. 228o(a)] shall continue to be maintained in the Treasury of the United States. There is hereby appropriated to such Account for each fiscal year, beginning with the fiscal year ending June 30, 1975, to provide for the payment of benefits to be made from such Account in accordance with the provisions of section 231f(c)(1) of this title, and to provide for expenses necessary for the Board in the administration of all provisions of this subchapter, an amount equal to amounts covered into the Treasury (minus refunds) during each fiscal year under the Railroad Retirement Tax Act [26 U.S.C. 3201 et seq.](other than secions 3201(c), 3211(c), and 3221(c)).

[46] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(d) Effective date.—The amendments made by this section shall take effect February 28, 2023.

SEC. 427. REGULATIONS.

The Commissioner, in consultation with the Secretary of Labor, shall prescribe regulations necessary to carry out this Subtitle.

Subtitle C - American Union Banking

SEC. 431. FINDINGS AND PURPOSE.

(a) The Congress finds the following—

(1) After the Revolutionary War, the first Secretary of the Treasury, Alexander Hamilton, established the first Bank of the United States. By consolidating debt and expanding the money supply, Hamilton was able to grow the economy by influencing the circulation of money through bank branches up and down the east coast. However, since sending letters was the fastest form of communication available to him, he was limited in how well he could manage the economy.

(2) Four generations later, during the Civil War, the US Treasury introduced "greenbacks" as legal tender. This sovereign money was issued directly under Congress' Constitutional authority and created the first national currency. Abraham Lincoln also signed the National Banking Acts, regulating the banking system as well as could be done when the telegraph was the fastest form of communication.

(3) Four generations later, during the Great Depression, Franklin Roosevelt decoupled the money supply from the gold standard and addressed wealth inequality through government spending. He also signed the Banking Act of 1933, increasing oversight of the banking system now that the telephone was the fastest form of communication.

(4) In the 21st century, modern technology allows for instantaneous communication around the globe, enabling real-time payment processing. Accordingly, economist Robert Hockett has proposed The Treasury Dollar Act of 2020, upgrading the national banking system again to create a public payment infrastructure, equally and efficiently accessible to all.

(5) As previous cycles have demonstrated, it is necessary to increase the money supply in the long run to maintain stable prices and maximize growth. This dividend is the result of the evolution of the US economy, and Congress finds that the systemwide profit from the economy should be distributed among its owners, the citizens of the United States. Accordingly, the money supply should be expanded to include a digital legal tender known as Treasury Dollar Bills, issued by the US Treasury.

(6) The Treasury already possesses the framework of a public payment infrastructure through their Treasury Direct accounts, which allow account holders to conduct transactions at any time of the day or night, and can be expanded to accommodate wider use by the American people.

(b) The purpose of this subtitle is to promote economic prosperity in the United States while establishing the US as a worldwide leader in digital currency.

SEC. 432. DEFINITIONS.

(a) In this subtitle, the following definitions apply—

(1) ADULT.—The term “adult” has the meaning given the term in 1398a(a) of title 42, United States Code,

(2) ANONYMIZE.—The term “anonymize” means the digital equivalent of a cash transaction; to conduct a transfer without recording a transaction history.

(3) CHILD.—The term “child” has the meaning given the term in 1398a(d) of title 42, United States Code,

(4) BASIC WAGE.—The term “basic wage” means the amount defined in paragraph 1398b(d) of title 42, United States Code.

(5) DIGITAL DOLLARS.—The term "digital dollars" means Treasury Dollar Bill balances consisting of digital ledger entries recorded as assets by the US Treasury.

(6) DIGITAL TREASURY ACCOUNT.—The term "digital Treasury account" means an account, maintained by the US Treasury, on behalf of a person for the purpose of holding digital dollars as a share of the American Value Fund.

(7) LAUNCH DATE.—The term “launch date” means the date announced by the Secretary pursuant to section 433(d)(2).

(8) MEMBER BANK.—The term "member bank" means any national bank, State bank, or bank or trust company which has become a member of one of the reserve banks created by the Federal Reserve Act (12 U.S.C. 221 et seq.).

(9) PASS-THROUGH ACCOUNT.—The term "pass-through account" means an account maintained by a member bank, State nonmember bank, the Postal Service, or credit union—

(A) whose unit of account is Federal Reserve Notes,

(B) for the purpose of withdrawing the account holder's digital dollars and exchanging them for deposit in such account,

(C) which is prominently branded in all account statements, marketing materials, and other communications as "pass-through US Treasury accounts" maintained on behalf of the United States Treasury, and

(D) provides account holders with reasonable protection against losses caused by fraud or security breaches.

(10) POSTAL RETAIL FACILITY.—The term "postal retail facility"—

(A) means post office, post office branch, post office classified station, or other facility that is operated by the Postal Service, the primary function of which is to provide retail postal services; and

(B) does not include a contractor-operated facility offering postal services.

(11) POSTAL SERVICE.—The term "Postal Service" means the United States Postal Service.

(12) QUALIFIED PERSON.—The term "qualified person" means any lawful resident of the United States, legal entity conducting business in the United States, or any other such person as the Secretary may see fit to include.

(13) RECIPIENT.—The term "recipient" has the meaning given the term in 1398a(j) of title 42, United States Code,

(14) SECRETARY.—The term "Secretary" means the Secretary of the Treasury.

(15) TRANSACTION HISTORY.—The term "transaction history"—

(A) means identifying details of a transfer into or out of a digital Treasury account, such as time, date, name or other identifying information about the other account associated with the transfer; and

(B) does not include the amount of the transfer, or the order in which the transaction took place relative to other account transactions.

(16) TREASURY DOLLAR BILL.—The term 'Treasury Dollar Bill' means a zero-interest Treasury Bill with no expiration date, valued at precisely one Federal Reserve Note.

SEC. 433. ESTABLISHMENT OF DIGITAL TREASURY ACCOUNTS.

(a) There is established in the Treasury of the United States an account to be known as the American Value Fund, whose unit of account shall be Treasury Dollar Bills.

(1) The Secretary may, if a sufficient supply of unencumbered digital dollars not otherwise associated with a digital Treasury account exist, exchange Federal Reserve Notes for Treasury Dollar Bills. Priority shall be given to accounts open pursuant to (b)(4).

(b) SECRETARY TO OPEN AND MAINTAIN DIGITAL TREASURY ACCOUNTS.—

(1) The Secretary shall, with all deliberate speed after enactment of this Subtitle and on an ongoing basis, open and maintain a unique digital Treasury account for every citizen of the United States, which shall be identifiable as being issued under this paragraph, except that any person who loses their citizenship pursuant to section 1481 or section 1451 of title 8, United States Code shall have their account terminated or redesignated as pursuant to (2) or (5).

To ensure that the program is as universal and comprehensive as possible, the Secretary shall develop a list of eligible individuals through coordination with the Internal Revenue Service, the Social Security Administration, the Federal Election Commission, and every other relevant Federal, State, and local government agency, including State Departments of Motor Vehicles. Any expenses incurred by any entity as a result of compliance with the gathering of this information and construction of this database shall be reimbursed directly by the United States Treasury.

(2) The Secretary shall open and maintain a digital Treasury account for any recipient who is not a citizen of the United States, except that any such person is no longer qualified shall have their account terminated or redesignated as pursuant to (5).

(3) The Secretary shall open and maintain a digital Treasury account for all Federal reserve banks, by which Treasury Dollar Bills may be pooled on behalf of member banks.

(4) The Secretary shall open and maintain a digital Treasury account for every department, agency, office, or any other unit of the United States where taxes, internal duties, excises, debts, or demands of every kind may be received.

(5) The Secretary may open and maintain a digital Treasury account for a qualified person.

(6) Information about accounts opened pursuant to (1) and (2) shall be shared with the American Union Jobs Program (Chapter 7 of title 42, U.S.C.)

(c) Digital Treasury accounts—

(1) opened pursuant to (b)(1) may not be restricted, or access otherwise withheld from any adult for any reason, including but not limited to: age, ancestry, arrest record, bankruptcy, criminal conviction, debt or other liability, gender, geographic location, income, marital status, occupation, race, religion, or sexual orientantion;

(2) shall be branded in all account statements, marketing materials, and other communications as "US Treasury Accounts" maintained by the United States Treasury;

(3) shall be accessible, in conjunction with the Board of Governors of the Postal Service, via automatic teller machines maintained at all postal retail facilities, provided that any withdrawal of currency shall be performed as an exchange under subparagraph 3104(d)(2)(D) of title 31, United States Code;

(4) shall include debit cards, online account access, toll-free telephone account access, automatic bill-pay, mobile banking, customer service and other such services as the Secretary determines appropriate in the public interest;

(5) may not be subject to any account fees, minimum balances, or maximum balances;

(6) shall provide account holders with reasonable protection against losses caused by fraud or security breaches;

(7) shall include the ability to transfer Treasury Dollar Bills in real time, without fees, to other digital Treasury accounts. along with protections against hacking or other unauthorized access that continually meet or exceed industry standards, or any other standards required by law;

(8) shall, for accounts opened under paragraph (b)(1) of Sec. 433,

(A) include privacy controls, including the ability to anonymize transfers or delete the account’s individual transaction history, and

(B) may not have account details, transaction history, or personally identifying information shared without the account holder’s consent, except as authorized by this subtitle or pursuant to a valid court order; and

(9) shall include the ability to buy or sell securities from the Treasury.

(d) LAUNCH DATE.—

(1) On or around the first of each month, the Secretary shall announce an estimated launch date and provide an update on progress related to (2)(A)-(2)(D).

(2) The Secretary shall announce a date certain on which the issuance of Treasury Dollar Bills shall begin, no later than one month after determining that—

(A) more than 300,000,000 individual accounts have been opened pursuant to (b)(1) and (b)(2);

(B) the requirements of (b)(3) and (b)(4) have been met;

(C) qualified people have the ability to request an account pursuant to (b)(5); and

(D) in conjunction with the US Digital Service, the account features required by (c)(4)-(9) have been developed.

(3) This subsection shall have no force or effect after the issuance of Treasury Dollar Bills begins.

(e) ACCOUNT DECLINED; PAYMENTS APPLIED AS TAX CREDIT.—No adult account holder under (b)(1) shall be obligated to accept issuances of digital dollars.

(1) Declined Accounts.—If, at the end of a calendar year, 12 months of issuances pursuant to section 3104(d)(3) of title 31, United States Code, are the only transactions in such an account, the Secretary shall, within 30 days—

(A) declare the account declined for the year;

(B) deduct from the account an amount of Treasury Dollar Bills equal to the sum of the issuances recorded as assets;

(C) notify the account holder of the deduction; and

(D) make a notification to the Internal Revenue Service pursuant to section 32A of title 26, United States Code, of the person and the amount.

(2) Tax credit for declined accounts.—

(A) Subpart C of the Internal Revenue Code (26 U.S.C 36 et seq.) is amended by inserting after section 32 the following:

"SEC. 32A. Declined digital Treasury account tax credit.

"(a) Upon notification from the Secretary of the Treasury that—

"(1) a taxpayer has, for the entire taxable year, declined to accept payments made to their digital Treasury account, and

"(2) the Secretary has deducted, from such account, an amount equal to the sum of the amounts paid to the taxpayer pursuant to section 3104(d)(3) of title 31, United States Code, during such taxable year,

"there shall be recorded as a credit for such taxpayer, without limit, against the tax imposed by this subtitle for the taxable year an amount equal to the amount in paragraph (2).".

(B) Clerical amendments.—

(i) The table of sections for subpart C of subchapter A of subtitle A of such Code is amended by inserting after the item relating to section 32 the following new item:

"32A. Declined digital Treasury account tax credit.".

(ii) Paragraph 1324(b)(2) of title 31, United States Code, is amended as follows[47]—

(2) refunds due from credit provisions of the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) enacted before January 1, 1978, or enacted by the Taxpayer Relief Act of 1997, or from section 21, 24, 25A, 32A, *35, 36,* ~~*36A,*~~ *36B,* ~~168(k)(4)(F),~~ *53(e),* ~~*54B(h)*~~*, 3131, 3132, 3134, 6428, 6428A, 6428B,* ~~*6431*~~*, or 7527A of such Code, or due under section 3081(b)(2) of the Housing Assistance Tax Act of 2008*.

(f) DIRECT DEPOSIT OPTION.—Paragraph 3332 (j)(1) of title 31, United States Code, is amended as follows—

(1) The term "electronic funds transfer" means any transfer of funds, other than a transaction originated by cash, check, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or

[47] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

credit an account. The term includes Automated Clearing House transfers, Fed Wire transfers, digital Treasury account transfers, *transfers made at automatic teller machines, and point-of-sale terminals.*

(g) LEGAL TENDER.—Section 5103 of title 31, United States Code, is amended as follows—

United States Treasury Dollar Bills, *coins and currency (including Federal reserve notes and circulating notes of Federal reserve banks and national banks) are legal tender for all debts, public charges, taxes, and dues. Foreign gold or silver coins are not legal tender for debts.*

(h) OBLIGATION OF THE UNITED STATES.—Section 8 of title 18, United States Code, is amended as follows[48]—

The term "obligation or other security of the United States" includes all bonds, certificates of indebtedness, national bank currency, Federal Reserve notes, Federal Reserve bank notes, coupons, United States notes, Treasury notes, Treasury Dollar Bills, *gold certificates, silver certificates, fractional notes, certificates of deposit, bills, checks, or drafts for money, drawn by or upon authorized officers of the United States, stamps and other representatives of value, of whatever denomination, issued under any Act of Congress, and canceled United States stamps.*

(i) Authorization of Appropriations.—There is authorized to be appropriated such sums as may be necessary for the Secretary to administer functions related to Treasury Dollar Bills and digital Treasury accounts, out of moneys in the Treasury not otherwise appropriated.

SEC. 434. ISSUANCE OF TREASURY DOLLAR BILLS.

(a) Section 3104 of title 31, United States Code, is amended by inserting after subsection (c) the following:

"(d) The Secretary shall issue, on the credit of the United States, Treasury Dollar Bills as provided by paragraph (3).

"(1) Notwithstanding section 3121(a) of this title, every Treasury Dollar Bill—

[48] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

"(A) shall be recorded on issuance as an asset among the digital Treasury accounts authorized by paragraphs (b)(1)-(2) of section 433 of the Blueprint for a Better America;

"(B) shall yield no interest;

"(C) shall never expire;

"(D) shall be valued at precisely one Federal Reserve Note;

"(E) shall be issued as digital dollars; and

"(F) shall serve as the unit of account for digital Treasury accounts.

"(2) Such issuances—

"(A) shall be a legal tender in payment of all debts, public and private, within the United States;

"(B) shall be receivable in payment of all taxes, internal duties, excises, debts, and demands of every kind due to the United States;

"(C) may be in fractional amounts pursuant to section 5101 of title 31, United States Code; and

"(D) shall be exchanged for digital or physical Federal Reserve Notes upon demand.

"(1) Upon exchange, Treasury Dollar Bills shall be recorded as unencumbered assets of the American Value Fund.

"(3) Treasury Dollar Bills may not be issued for any purpose except as authorized by this paragraph—

"(A) VOLUNTARY VALUE SHARING.—Annually, on or around December 1, the Treasurer shall issue into each (b)(1) account provided to them pursuant to subparagraph 1398b(b)(6) of title 42, United States Code, the quotient of:

"(i) the amount deposited into the fund described in section 3113(d) of title 31, United States Code, pursuant to section 1604 of title 26, United States Code; divided by:

"(ii) the number of (b)(1) accounts identified under subparagraph 1398b(b)(6).

"Any remainder may be carried over to the following year.

"(B) AMERICAN UNION JOBS PROGRAM.—

"(i) Everyone gets an American Union Job.—The Treasurer shall make regular issuances into the (b)(1) and (b)(2) accounts of recipients, pursuant to the schedule and amounts provided under subparagraph 1398(b)(5) of title 42, United States Code.

"(ii) Missed payments.—In the case of a person for whom a section 433(b)(1) account is opened after the launch date and who was eligible at the time, the Treasurer shall issue to their account an amount of Treasury Dollar Bills as would have been issued since the launch date; except that if the person is a child, as defined in section 1398a(d), such amounts of Treasury Dollar Bills shall be issued to their parents or legal guardians.

"(4) The Secretary shall make public the total number of Treasury Dollar Bills that have been issued.".

(b) Notwithstanding any other provision of law, it shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would require the Secretary to issue Treasury Dollar Bills for any purpose other than those permitted by paragraph (a)(3) or would otherwise be inconsistent with the principles and purposes of this subtitle.

(c) Notwithstanding any other provision of law, a bill, joint resolution, amendment to a bill or joint resolution, or conference report that amends this section or the provisions of 3104(d), as inserted by this bill, may not be considered as passed or agreed to by the House of Representatives or the Senate unless so determined by a vote of not less than two-thirds of the Members of the House of Representatives or the Senate (as the case may be) voting, such vote being a roll call and a quorum being present.

(d) Subsection (a) shall be effective at 12:01 a.m. on the launch date.

SEC. 435. AUTHORIZING THE POST OFFICE TO OFFER FINANCIAL SERVICES.

(a) In general.—Section 404 of title 39, United States Code, is amended—

(1) in paragraphs (a)(7) and (8) as follows[49]—

[49] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(7) to offer and pay rewards for information and services in connection with violation of the postal laws, and, unless a different disposal is expressly prescribed, to pay one-half of all penalties and forfeitures imposed for violations of law affecting the Postal Service, its revenues, or property, to the person informing for the same, and to pay the other one-half into the Postal Service Fund; ~~and~~

(8) to authorize the issuance of a substitute check for a lost, stolen, or destroyed check of the Postal Service~~.~~; and

(9) to provide basic financial services, including—

(A) low-cost, small-dollar loans, not to exceed 1/26th of the basic wage, or 1/13th of the basic wage from 1 year of the issuance of the initial loan;

(B) alone, or in partnership with depository institutions, as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813), and Federal credit unions, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752), small checking accounts, and interest-bearing savings accounts, in an amount not to exceed twice the basic wage.

(C) transactional services, including debit cards, automated teller machines compatible with digital Treasury accounts as described in section 433(c)(3) of the Blueprint for a Better America, online checking accounts, check-cashing services, automatic bill-pay, mobile banking, or other products that allows users to engage in the financial services described in this paragraph;

(D) remittance services, including the receiving and sending of money to domestic or foreign recipients;

(E) pass-through accounts pursuant to section 438 of the Blueprint for a Better America; and

(F) such other basic financial services as the Postal Service determines appropriate in the public interest;

(10) to set interest rates and fees for the financial instruments and products provided by the Postal Service that—

(A) ensures that the customer access to the products and the public interest is given significant consideration;

(B) ensures that interest rates on savings accounts are at least 100 percent of the Federal Deposit Insurance Corporation's weekly national rate on non jumbo savings accounts; and

(C) ensures that the total interest rates on small-dollar loan amounts—

(i) are inclusive of interest, fees, charges, and ancillary products and services; and

(ii) do not exceed 101 percent of the Treasury 1 month constant maturity rate; and

(11) allow capitalization of an amount deemed necessary by the Postmaster General that serve the purpose of this section, through of an account separate from products not included or allowed in this section, for the purposes of enacting the provisions of this section.; and

(2) in paragraph (e)(2) as follows[50]—

(2) Nothing in this section shall be considered to permit or require that the Postal Service provide any nonpostal service, except that the Postal Service may provide nonpostal services which were offered as of January 1, 2006, as provided under this subsection. The preceding sentence shall not apply to any financial service offered by the Postal Service under subsection (a)(9)..

(b) No bank charter.—The United States Postal Service shall not be granted a bank charter, become an insured depository institution, as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813), or engage in traditional banking activities such as lending.

(c) UCC.—The United States Postal Service shall be subject to the provisions of article 4 of the Uniform Commercial Code.

(d) Regulations.—The Postmaster General, in consultation with the Secretary of the Treasury, the Bureau of Consumer Financial Protection, the Board of Governors of the Federal Reserve System, and the Federal banking agencies, shall promulgate regulations carrying out this section and the amendments made by this section.

(e) Rule of construction.—The services offered by the United States Postal Service under section 404 of title 39, United States Code—

[50] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(1) shall be considered permissible non-banking activities in accordance with section 225.28 of title 12, Code of Federal Regulations; and

(2) shall not be considered the business of banking under the seventh paragraph of section 5136 of the Revised Statutes (12 U.S.C. 24).

(f) Funding.—Section 11 of the Federal Reserve Act (12 U.S.C. 248) is amended—

(1) by redesignating the second subsection (s) (relating to assessments, fees, and other charges for certain companies) as subsection (t); and

(2) by adding at the end the following:

"(u) Funding For Postal Financial Services.—The Board, in consultation with the Chairman of the Board and the Postmaster General, shall transfer to the Postmaster General such sums as may be necessary to carry out the services described in section 404(a)(9) of title 39, United States Code, which shall be provided to the Postmaster General through an account separate from products not included or allowed under section 404 of that title.".

SEC. 436. AUTHORITY AND MANDATE FOR FEDERAL RESERVE BANKS TO MAINTAIN DIGITAL TREASURY ACCOUNTS.

(a) Authorization.—Subject to such restrictions, limitations, and regulations as may be imposed by the Board of Governors of the Federal Reserve System, each Federal reserve bank may maintain digital Treasury accounts.

(b) Mandate.—The digital Treasury account for each Federal reserve bank shall serve as a master account for member banks.

(c) Application of recordkeeping acts.—In establishing and maintaining digital Treasury accounts, each Federal reserve bank shall comply with—

(1) section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b);

(2) chapter 2 of title I of Public Law 91–508 (12 U.S.C. 1951 et seq.); and

(3) subchapter II of chapter 53 of title 31, United States Code.

(d) Privacy.—Section 552a of title 5, United States Code (commonly known as the "Privacy Act of 1974"), shall apply to digital Treasury accounts maintained by each Federal reserve bank, and the privacy obligations applicable to each Federal reserve bank and its employees, including with respect to criminal and civil penalties, shall mirror those

applicable to Federal tax returns under sections 6103, 7213(a)(1), 7213A, and 7431 of the Internal Revenue Code of 1986.

SEC. 437. MEMBER BANKS MAY MAINTAIN PASS-THROUGH ACCOUNTS.

(a) Obligations of member banks.—

(1) IN GENERAL.—Member banks may open and maintain pass-through accounts for any person.

(2) MAINTENANCE OF ASSETS.—

(A) IN GENERAL.—Each member bank shall establish and maintain a separate legal entity for the exclusive purpose of holding all Treasury Dollar Bills not exchanged pursuant to subparagraph 3104(d)(2)(D) of title 31, United States Code.

(B) CONTENTS.—The assets of any entity described in subparagraph (A) shall consist exclusively of a balance maintained in a master account at a Federal reserve bank.

(b) Terms of pass-through accounts.— Pass-through accounts may be established by the owner of any digital Treasury account for the purpose of withdrawing digital dollars. The unit of account for pass-through accounts shall be Federal Reserve Notes. Pass-through accounts—

(1) shall be prominently branded in all account statements, marketing materials, and other communications as "pass-through US Treasury accounts" maintained by the member bank on behalf of the United States Treasury; and

(2) shall provide account holders with reasonable protection against losses caused by fraud or security breaches.

(c) Reverse transfers not prohibited.— Nothing in this section shall be construed as to prohibit a member bank from exchanging Federal Reserve Notes for unencumbered assets of subparagraph (a)(2)(A) and transferring the digital dollars to the digital Treasury account associated with a pass-through account, provided that no fee may be charged for such service.

(d) Authority of the board.—Member banks shall be subject to such regulations and obligations as may be imposed by the Board of Governors of the Federal Reserve System in connection with maintaining pass-through accounts.

SEC. 438. NONMEMBER BANKS MAY OFFER PASS-THROUGH ACCOUNTS.

(a) Nonmember banks may offer pass-through accounts for any person. As used in this section, the term “nonmember bank” means State nonmember banks, the Postal Service, and credit unions.

(b) Terms of pass-through accounts.— Pass-through accounts may be established by the owner of any digital Treasury account for the purpose of withdrawing digital dollars. The unit of account for pass-through accounts shall be Federal Reserve Notes. Pass-through accounts—

(1) shall be prominently branded in all account statements, marketing materials, and other communications as "pass-through US Treasury accounts" maintained by the nonmember bank on behalf of the United States Treasury, and

(2) shall provide account holders with reasonable protection against losses caused by fraud or security breaches.

(c) Reverse transfers not prohibited.— Nothing in this section shall be construed as to prohibit a nonmember bank from exchanging Federal Reserve Notes for unencumbered Treasury Dollar Bills and transferring the digital dollars to the digital Treasury account associated with a pass-through account, provided that no fee may be charged for such service.

SEC. 439. REGULATIONS.

The Secretary and Board of Governors of the Federal Reserve System shall promulgate regulations carrying out this Subtitle.

Subtitle D - American Union Jobs Program

SEC. 441. FINDINGS AND PURPOSE.

(a) The Congress finds the following—

(1) America has sufficient resources to ensure that none of its citizens must live in poverty. The easiest, simplest way to do so is with universal, unconditional basic income (UBI), a regular amount of cash distributed to all citizens. In *The Road to Serfdom*, Hayek advocated for assuring “some minimum of food, shelter, and clothing” to everyone. However, individuals are best suited to decide what their specific needs are; providing fungible cash gives people the liberty to make their own choices.

(2) It is the unconditionality and universality that brings many of the intangible benefits of UBI. Finland's basic income experiment found recipients experienced increased trust – something America could benefit from – when they felt supported by those around them. Many societal benefits of addressing wealth inequality have been well documented in the book *The Spirit Level:Why Greater Equality Makes Societies Stronger*.

(3) As a form of UBI, the American Union Jobs Program will establish a safety floor that no one can fall beneath, at $15,600 annually for adults, plus $5,200 for children. Allowing tens of millions of our countrymen to fall into poverty through the holes in our existing safety net demonstrates that we are failing in our Constitutional duty to promote the general welfare - health, happiness, and prosperity. When combined with Treasury Dollar Bills and a public payment infrastructure, it will also bring millions into the banking system and reduce demand for predatory lending.

(4) The health of the nation will benefit from ending poverty with UBI. In her book *Hand to Mouth: Living in Bootstrap America*, Linda Tirado observed, "Being healthy and being poor are generally mutually exclusive conditions. We all have physical weaknesses, but a rich person gets these tended to before they get out of control. Poor people don't have that luxury."

(5) Consequently, poverty is a tremendous driver of health care usage, although it hasn't always been that way. 50 years ago, average costs for poor patients were less than those for wealthy patients. In 1992, they reached parity, and by 2008, Medicare spending was 30% to 40% higher for low-income beneficiaries.

(6) Dr. Richard "Buz" Cooper examined usage rates within the Wisconsin Hospital Referral Regions, where Milwaukee has a 35% higher usage rate than the rest of the state, measured in days used per 1,000 people. However, that usage was not uniform within the city. When usage rates were broken out by zip codes, he discovered that the poorest ones had an 85% above-average utilization rate, and concluded that lifting up the poor and near-poor residents could decrease hospital utilization by as much as 35%. He wrote: "Most of this increment was due to very high rates of admission and readmission for chronic illnesses, such as congestive heart failure, chronic obstructive pulmonary disease, and diabetes, which were fourfold to sevenfold more frequent among residents of the poverty corridor than among those residing in Milwaukee's affluent suburbs."

(7) Children will gain some of the largest health benefits from UBI. When pregnant mothers are stressed, studies show they can pass along epigenetic hardships to their unborn children, leading to increased risk of many of the health issues Dr. Cooper identified in Milwaukee.

(8) Childhood development is also impacted by economic stress in a household. Adults concerned about issues like rent are less talkative, and the amount of verbal engagement children receive is a key indicator of future success. A 2018 study, *Estimating the Economic Cost of Childhood Poverty in the United States*, found that poverty also increases child maltreatment, which then drives foster care services and other child welfare programs. Their research suggested poverty was the direct cause of 30% of the children in the child welfare system.

(9) The lifetime costs of childhood poverty are tremendous: the same study estimated them at $1,030 billion for the cohort of children born in a given year. More than one-third was attributed to crime and incarceration, with another 29% coming from reduced lifetime earnings. The authors concluded that “children being raised in poverty do not have the same chances for success as children who are raised in middle- or upper-income families. This contradicts our belief in 'liberty and justice for all.'”

(10) During the 1990s, researchers in the Great Smoky Mountains of North Carolina were studying the long-term psychological impacts of poverty on children there. A few years into the study, profit sharing from a new casino boosted the family incomes of about a quarter of the participants. The resulting control group provided an insight into the familial effects of reducing poverty. Parents reported a third less arguments, less drug and alcohol usage, and the children’s behavioral disorder symptoms dropped 27%. When they grew up, they were 22% more likely to find a full-time job.

(11) Many of the health benefits are directly attributable to empowering parents to make better decisions for their children; parents all across the economic spectrum tend to spend extra money on their kids when they can. Fruits, vegetables, and other healthier foods in the house are one common result of basic income experiments. In Alaska, babies who got a $1,000 oil dividend in their first year of life were 4.5% less likely to be obese, compared to those who first benefited as toddlers.

(12) American Union Jobs recognize the value in the work that everyone does, even if it’s not employment. UBI will allow many families to consider having a parent stay home during a child’s formative years, further strengthening families. Proposals to address poverty with a higher minimum wage miss important boons like this one, because they only benefit those who work for financial compensation. UBI is an unconditional $300 a week raise for every adult, plus $100 for every child. It offers greater freedom to decide for oneself how to allocate time between work and leisure.

(13) The cliche of the starving artist is well known. With UBI to provide a minimum level of income, it is easy to imagine art colonies springing up, with people pooling their incomes and sharing a house while they pursue their art. Others will form

cooperatives around different businesses or industries. One can picture artisans working together to run small factories or farms, video game studios, or boutique offerings of all sorts. With America enmeshed in the world wide web, the demand for global entrepreneurial services can be provided from anywhere.

(14) For those engaged in traditional employment, American Union Jobs will provide greater liberty in choosing an employer, freeing people to seek right livelihood. They will also enable greater civic engagement; Occupy Wall Street needed about $1,000 each day for food in Zuccotti Park. While people made sacrifices to be there, it was unsustainable. American Union Jobs bring the power to petition our government for redress of grievances; on $300 a week, campaigns could literally occupy Washington.

(15) UBI unlocks large amounts of human potential that is currently trapped by poverty. The impact of economic stress has been tested in many ways, such as evaluating farmers in India before and after the harvest. The distraction of insecurity has been found to lower IQ by 13 points, and to increase the number of errors factory workers make.

(16) Unsurprisingly, poverty is also a driver of crime. Basic economic principles suggest people commit crimes if the benefits outweigh the cost, so poor people have a higher rate of return. Alaska discovered that property crimes fell about 8% in the two weeks after their annual oil dividend was distributed.

(17) This influence works in both directions: the criminal justice system disproportionately includes people in the lower quintiles of income. A Villanova University study concluded mass incarceration has increased the US poverty rate by an estimated 20%. A family's probability of being poor is 40% greater if the father is imprisoned.

(18) Many Americans would use their UBI to pay down student loans or other debt. As productivity has increased since the 1970s, wages have not kept up with those gains, resulting in an economic gap between the amount of wages earned in the economy and the value of goods produced for sale. That structural deficit, which has been temporarily filled in with increasing consumer debt, can only be permanently bridged by an external source of income - or, alternately, negated by widespread defaults. American Union Jobs are essential to the continued prosperity of our nation.

(19) Although they are unconditional – no one can be fired from an American Union Job any more than they can be fired from being an American – they do include job duties. They are a regular reminder of the five duties enumerated in the Preamble - establish justice, insure domestic tranquility, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.

(20) Even the rare individual who does nothing productive in a given week is promoting the general welfare [prosperity] by spending $300, bridging that structural gap between wage income and productive output. This will rejuvenate local economies all around the nation, as small businesses reap the rewards of new paying customers. An economy powered by UBI is a trickle-up economy; money is spent multiple times as it works its way up the economic ladder.

(21) As Americans, we can cooperate to ensure all of us have enough to meet our basic needs. That gives us greater freedom from economic coercion, providing the ability to walk away from abusive or exploitative relationships. The liberty to make meaningful choices about our lives is a critical component of happiness.

(b) PURPOSE.—The purpose of the American Union Jobs Program is to—

(1) promote general health, happiness, and prosperity,

(2) remind every citizen of the United States of our duties to each other, and

(3) to end poverty.

SEC. 442. AMERICAN UNION JOBS PROGRAM.

(a) Chapter 7 of title 42, United States Code, is amended by inserting after subchapter XXI the following:

“SUBCHAPTER XXII—AMERICAN UNION JOBS PROGRAM

"SEC. 1398a. Definitions.

"SEC. 1398b. American Union Job Program.

“Sec. 1398a. Defintions.

“In this subtitle, the following definitions apply—

“(a) ADULT.—The term 'adult' means any citizen of the United States who has attained the age of 18, or a minor who has been legally emancipated, at the beginning of a calendar month.

“(b) AMERICAN UNION JOB.—The term ‘American Union Job’ means a universal program issuing periodic and unconditional payments of Treasury Dollar Bills for all citizens of the United States. Payments may not be withheld for any reason, including but

not limited to: age, ancestry, arrest record, bankruptcy, criminal conviction, debt or other liability, gender, geographic location, income, marital status, occupation, race, religion, or sexual orientantion.

“(c) BASIC WAGE.—The term ‘basic wage’ means the amount calculated in 1398b(d).

“(d) CHILD.—The term ‘child’ means a citizen of the United States who is not an adult.

“(e) COMMISSIONER.—The term 'Commissioner’ means the Commissioner of the Social Security Administration.

“(f) DIGITAL TREASURY ACCOUNT.—The term 'digital Treasury account' has the meaning given the term in subtitle C.

“(g) INTERN’S WAGE.—The term 'intern’s wage' means an amount that is one-third of the basic wage.

“(h) JOB DUTIES.—The term ‘job duties’ means the five duties of Americans, individually and collectively, as enumerated in the preamble to the Constitution;

"(1) establish justice;

"(2) ensure domestic tranquility;

"(3) provide for the common defense;

"(4) promote the general welfare; and

"(5) secure the blessings of liberty to ourselves and our posterity.

"(i) POVERTY LINE.—The term 'poverty line' means the dollar amount for an individual according to the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of section 9902(2) of title 42, United States Code.

“(j) RECIPIENT.—The term ‘recipient’ means an individual who is—

“(1) an adult;

“(2) the parent or legal guardian of a child; or

“(3) a child who is a beneficiary pursuant to 1398b(e).

"(k) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

"Sec. 1398b. American Union Jobs Program.

"(a) Establishment.—There is established within the Social Security Administration an office to be known as the American Union Jobs Program whose purpose is to administer American Union Jobs. The program shall be headed by a Deputy Commissioner who shall be appointed by the Commissioner.

"(b) Responsibilities of Deputy Commissioner.—The Commissioner, acting through the Deputy Commissioner, shall be responsible for—

"(1) hiring personnel and making employment decisions with regard to such personnel;

"(2) issuing such regulations, rules, and forms as may be necessary to carry out the purposes of this subtitle;

"(3) entering into cooperative agreements with other agencies and departments to ensure the completeness of enrollment, the timely issuance of payments, and any other agreements that may be necessary for fulfillment of the program objectives;

"(4) enrolling every citizen of the United States into the American Union Jobs Program, and establishing and maintaining a system of records relating to the administration of such program, which may include—

"(A) legal name;

"(B) contact information such as mailing address, telephone number, or email address;

"(C) place and date of birth;

"(D) social security number;

"(E) digital Treasury account information;

"(F) in the case of a child, the identification of the parents or legal guardians;

"(G) the preferred frequency of payments, which may be monthly, weekly, or other approved time period;

"(H) citizenship status; and

"(I) any other relevant or necessary information;

"(5) providing the Secretary a current list of recipients, and their corresponding digital Treasury accounts, associating with each a schedule for payments in amounts, which, if extended for a 12-month period would equal the sum of—

"(A) if an adult, the basic wage; plus

"(B) if a parent or legal guardian of a child or children, the sum of all payments to which they are currently entitled under (e); and

"(C) if a child, any payment calculated under (e)(3);

"except that no change in payment amount due to a child becoming an adult shall take place until such event occurs;

"(6) providing the Secretary with a list of adults and children annually at the end of each fiscal year, and their corresponding digital Treasury accounts;

"(7) preventing fraud and abuse relating to American Union Jobs;

"(8) maintaining a website and other information portals, providing all relevant information to recipients about their digital Treasury accounts; and

"(9) reminding all adults of their voluntary job duties.

"(c) Availability of data.—The Commissioner shall make available to the Deputy Commissioner such data as the Commissioner determines necessary to enable the Deputy Commissioner to effectively carry out the responsibilities described in subsection (b).

"(d) Basic wage calculated.—

"(1) The basic wage for calendar years prior to 2024 shall be $15,600, with a cost-of-living adjustment added for each year thereafter.

"(2) The cost-of-living adjustment shall be calculated as:

"(A) in the case of calendar year 2024, the product of the basic wage for the previous year multiplied by the sum of:

"(i) the 12-month percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) ending August 31, 2023; plus

"(ii) the percentage of the value added tax imposed on January 1, 2024, by section 1602 of title 26, United States Code;

"(B) in the case of calendar year 2025, the product of the basic wage for the previous year multiplied by the difference of:

"(i) the 12-month percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) ending August 31, 2024; minus

"(ii) the percentage of the value added tax imposed on January 1, 2024, by section 1602 of title 26, United States Code;

"(C) in the case of any calendar year thereafter, the product of the 12-month change in the Consumer Price Index for All Urban Consumers (CPI-U) ending August 31 of the previous year multiplied by the greater of:

"(i) the basic wage for the previous year; or

"(ii) the poverty line for the calendar year.

"(3) Rounding.—If the cost-of-living adjustment is not a multiple of $60, it shall be rounded up to the next lowest multiple of $60, but in no case less than zero.

"(e) Intern's wage distributed.—

"(1) An intern's wage shall be issued on behalf of every child enrolled in the American Union Job Program. Such payment shall be divided equally among the parents or legal guardians, unless otherwise provided for by this section or other rules issued pursuant to (b)(2).

"(2) The distribution percentages may be adjusted unequally among the parents or legal guardians by unanimous agreement.

"(3) Any percentage of the payment may be directed to the child's digital Treasury account by unanimous agreement of the parents or legal guardians.

"(4) At the request of any parent or legal guardian, the payment shall be distributed proportionally, based on the number of days of residential responsibility each year pursuant to a current court order. For purposes of making this calculation, the 24 hours of any calendar day with shared residential responsibility shall be counted as eight, twelve, or sixteen hours for each party, whichever division is most accurate.

"(f) Payments made under this section:

"(1) shall not be considered Substantial Gainful Activity under chapter 7 of title 42, United States Code.

"(2) shall not be considered wages in section 209 of the Social Security Act (42 U.S.C. 409)—

"(3) The Social Security Administration shall apply the "XX" code specified in section 212.3 of title 31, Code of Federal Regulations, to designate all payments as benefit payments. The Secretary shall further issue such rules or guidance as needed to protect payments from garnishment.

"(g) Authorization of Appropriations.—

"(1) IN GENERAL.—There is authorized to be appropriated to the Social Security Administration out of moneys in the Treasury not otherwise appropriated—

"(A) until September 30, 2024, such sums as may be necessary for the Commissioner to administer the program; and

"(B) 1 percent of the taxes imposed by chapter 7 of the Internal Revenue Code (26 U.S. Code Subtitle A) as inserted by this Act, as reported to the Secretary of the Treasury pursuant to subtitle F of such Code.

"(2) REPAYMENT OF INITIAL APPROPRIATION.—Amounts appropriated pursuant to subparagraph (1)(A) shall be repaid to the Treasury of the United States not later than 10 years after the first appropriation is made pursuant to such subparagraph.".

(b) Section 409 of title 42, United States Code, is amended—

(1) in subparagraph (a)(19)(B), by striking "or"; and

(2) in paragraph (a)(20), as follows[51]—

(20) Any benefit or payment which is excludable from the gross income of the employee under section 139B(b) of the Internal Revenue Code of 1986) ~~.~~; or

(21) Payments from an American Union Job under section 1398c of title 42, United States Code.

SEC. 443. REPEAL OF CHILD TAX CREDIT.

Section 24 of title 26, United States Code, is repealed, effective December 31, 2023.

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[51] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

SEC. 444. UPDATING THE RESOURCE LIMIT FOR SUPPLEMENTAL SECURITY INCOME (SSI).

(a) In General.—

(1) UPDATE IN RESOURCE LIMIT FOR INDIVIDUALS AND COUPLES.—Section 1611(a)(3) of the Social Security Act (42 U.S.C. 1382(a)(3)) is amended as follows—

(3)(A) The dollar amount referred to in clause (i) of paragraph (1)(B), and in paragraph (2)(B), shall be ~~$2,250 prior to January 1, 1985, and shall be increased to $2,400 on January 1, 1985, to $2,550 on January 1, 1986, to $2,700 on January 1, 1987, to $2,850 on January 1, 1988, and to $3,000 on January 1, 1989~~ double the basic wage calculated in section 1398b(d) of this chapter.

(B) The dollar amount referred to in clause (ii) of paragraph (1)(B), shall be ~~$1,500 prior to January 1, 1985, and shall be increased to $1,600 on January 1, 1985, to $1,700 on January 1, 1986, to $1,800 on January 1, 1987, to $1,900 on January 1, 1988, and to $2,000 on January 1, 1989~~ the basic wage calculated in section 1398b(d) of this chapter.

(b) Effective Date.—The amendments made by this section shall take effect as if enacted on January 1, 2022.

Subtitle E - Treasury Dollar Bill Clawbacks

SEC. 451. FINDINGS AND PURPOSE.

(a) The Congress finds the following—

(1) The utilization of America's productive capacity has trended downward over the last fifty years, as wages have not kept up with increases in productivity. The issuance of Treasury Dollar Bills will enable an increase in purchasing power and drive further economic development by bridging the gap between wage income and productive output.

(2) Issuing Treasury Dollar Bills in sufficient quantities to end poverty will free up additional resources that are currently being diverted to address problems spurred by poverty, such as crime and increased health care usage. However, these quantities may cause inflation beyond normal targets; therefore, some of the increase should be

taxed back (“clawed back”) to remove it from circulation and fund government expenditures without borrowing money at interest.

(3) Wealth inequality distorts the marketplace and decreases the quality of life for citizens. A value added tax (VAT) is a consumption tax; those who spend the most will pay the most. Combined with universal basic income, it is a progressive tax.

(4) A 2011 report by the Congressional Research Service concluded, “The imposition of a VAT would cause a one-time increase in this country’s price level. But a VAT would not necessarily affect this country’s future rate of inflation if the Federal Reserve offset the contractionary effects of a VAT with a more expansionary monetary policy.”

(5) The United States is the only member country of the Organization for Economic Cooperation and Development (OECD) without a VAT.

(b) The purpose of the value added tax is to address wealth inequality while clawing back some of the increase in the money supply.

SEC. 452. VALUE ADDED TAX.

(a) In General.—The Internal Revenue Code (26 U.S. Code Subtitle A) is amended by inserting after chapter 6 the following new chapter and subchapters.

"CHAPTER 7 - VALUE ADDED TAX

"SUBCHAPTER A - IMPOSITION OF TAX

“SUBCHAPTER B - ACCOUNTING METHOD RULES

"SUBCHAPTER C - RULES FOR FINANCIAL PRODUCTS AND SERVICES

“SUBCHAPTER D - IMPORT TAX

“SUBCHAPTER E - RULES FOR ADMINISTRATION, CONSOLIDATED RETURNS

"SUBCHAPTER A - IMPOSITION OF TAX

"SEC. 1601. Definitions.

"SEC. 1602. Value added tax imposed.

“SEC. 1603. Tax-exempt organizations.

"SEC. 1604. Voluntary value sharing.

"Sec. 1601. Definitions.

"Any definition included in this chapter shall apply for all purposes of this chapter unless such definition is limited to the purposes of a particular chapter, section, or subsection, or the definition clearly would not be applicable in a particular context.

“Terms not defined in this chapter, chapter 1 or section 7701, but defined elsewhere in the Internal Revenue Code of 1986, shall be interpreted in a manner consistent with the Internal Revenue Code of 1986, except to the extent such interpretation would be inconsistent with the principles and purposes of this chapter.

"(a) BUSINESS ACTIVITY.—The term ‘business activity’—

“(1) includes, in the United States,—

“(A) the sale of property,

“(B) the sale of services,

“(C) the leasing of property, including real property, or

“(D) the development of property or services—

“(i) for subsequent sale, or

“(ii) use in producing property or services for subsequent sale;

“(2) but does not include—

"(A) the performance of services by an employee for an employer that is a business entity with respect to the activity in which the employee is engaged; or

"(B) casual or occasional sales of property used by an individual (other than in a business activity), such as the sale by an individual of a vehicle used by the individual.

"(b) BUSINESS ENTITY.—The term ‘business entity’ means any corporation, unincorporated association, partnership, limited liability company, proprietorship, independent contractor, individual, or any other person engaging in business activity in the United States. An individual shall be considered a business entity only with respect to the individual’s business activities. Business entity does not include—

“(1) An entity whose taxable receipts for the taxable year are less than than three times the basic wage, as calculated in section 1398b(d) of title 42, United States Code, as inserted by this Act; or

“(2) A governmental entity, when carrying out an essential government function.

"(c) BUSINESS PURCHASE.—The term ‘business purchase’ means acquiring services, the use of property, or property in the United States for use in a business activity.

“(1) Business purchases include—

"(A) purchase of supplies and inventory,

"(B) purchase of services from independent contractors,

“(C) purchase of financial intermediation services,

"(D) imports of property or services for use in a business activity, in the amount of the customs value, price, or other amount used for purposes of determining the import tax, such tax having been duly paid,

"(E) in the case of a business involving gambling, lotteries, or other games of chance, amounts paid to winners, and

“(F) in the case of a financial intermediation business under subchapter C, subparagraphs (2)(F) and (2)(G).

“(2) Except as pursuant to (1)(F), business purchases do not include—

"(A) compensation expenses for an individual (other than amounts paid to an individual in their capacity as a business entity),

"(B) purchase or rental of real property,

"(C) purchase or rental of capital equipment,

"(D) property acquired outside the United States (but such property shall be taken into account as an import if imported),

"(E) services performed outside the United States (unless treated as imported into the United States),

"(F) payments for use of money or capital, such as interest or dividends (except to the extent that a portion so paid is a fee for financial intermediation services),

"(G) the acquisition of savings assets or other financial instruments,

"(H) taxes, except product taxes paid with respect to the property or services purchased,

"(I) political contributions to candidates, campaigns, causes, or parties, or

"(J) expenses relating to advertising.

"(d) COMPENSATION EXPENSES.—The term ‘compensation expenses’ means—

"(1) wages, salaries or other cash payable for services,

"(2) any taxes imposed on the recipient that are withheld by the business entity,

"(3) the cost of property purchased to provide employees with compensation (other than property incidental to the provision of fringe benefits that are excluded from income under the individual tax),

"(4) the cost of fringe benefits which are includible in an employee’s, partner’s, or proprietor’s income, including (without limitation)—

"(A) contributions to retirement and severance benefit plans,

"(B) premiums for the cost of health, life, accident, disability and other insurance policies for which the employee, members of his family, or persons designated by him or members of his family are the beneficiaries,

"(C) rental of parking spaces or parking fees (unless the parking space is used for a vehicle that is regularly used in a business activity);

"(D) employer paid educational benefits;

"(E) employer paid housing (other than housing provided for the convenience of the employer); and

“(F) employer paid meals (other than meals provided for the convenience of the employer).

"(e) DEDUCTIBLE AMOUNTS.—The term ‘deductible amounts’ means the cost of business purchases, excluding any portion used to produce property or services whose sale is exempt from taxable receipts as an export.

"(f) EMPLOYEE.—The term ‘employee’ means a person who works for another in return for financial or other compensation, and includes an individual partner who provides services to a partnership or an individual member who provides services to a limited liability company, or a proprietor with respect to compensation for services from his proprietorship.

“(g) FINANCIAL INTERMEDIATION SERVICE.—Except as provided in subchapter C, the term ‘financial intermediation service’ shall be determined in accordance with regulations promulgated by the Secretary.

"(h) GROSS PROFITS.—The term ‘gross profits’ means for a taxable year of a business entity, the amount by which the taxable receipts of the business entity for the taxable year exceed the deductible amounts for the business entity for the taxable year.

“(i) GOVERNMENTAL ENTITY.—The term ‘governmental entity’ means the United States, any State or political subdivision thereof, the District of Columbia, a Commonwealth or possession of the United States, or any agency or instrumentality of any of the foregoing.

"(j) INTERNAL REVENUE CODE OF 1986.—The term ‘Internal Revenue Code of 1986’ means the Internal Revenue Code of 1986 as in effect immediately before the enactment of the value added tax.

“(k) IMPORT TAX.—The terms ‘import tax’ means the tax imposed by section 1661 on the import of property and the tax imposed by section 1662 on the import of services."

"(l) PRODUCT TAX.—The term ‘product tax’ means any excise tax, sales or use tax, custom duty, or other separately stated levy imposed by a Federal, State, or local government on the production, severance or consumption of property or on the provision of services, whether or not separately stated, and including any such taxes that are technically imposed on the seller of property or services, but does not include the import tax.

“(m) PROPERTY.—The term ‘property’ means a product for purchase or sale, and does not include real property unless specified or would clearly be applicable in a particular context.

"(n) SAVINGS ASSET.—The term ‘savings assets’ means stocks, bonds, securities, certificates of deposits, investments in partnerships and limited liability companies, shares of mutual funds, life insurance policies, annuities, and other similar savings or investment assets.

"(o) SECRETARY.—The term ‘Secretary’ means the Secretary of the Treasury.

"(p) TAXABLE RECEIPTS.—The term ‘taxable receipts’ means all receipts from the sale of property, or services performed, in the United States.

"(1) GAMES OF CHANCE.—Amounts received for playing games of chance by business entities engaging in the activity of providing such games shall be treated as receipts from the sale of property or services.

"(2) IN-KIND RECEIPTS.—The taxable receipts attributable to the receipt of property, use of property or services in whole or partial exchange for property, use of property or services equal the fair market value of the services or property received.

"(3) TAXES.—Taxable receipts do not include any excise tax, sales tax, custom duty, or other separately stated levy imposed by a Federal, State, or local government received by a business entity in connection with the sale of property or services or the use of property.

"(4) FINANCIAL RECEIPTS.—Taxable receipts do not include financial receipts, except as provided in the case of a financial intermediation business under subchapter C.

“(5) PERFORMANCE OF SERVICES.—The performance of services shall be treated as the sale of services, and shall include (but not be limited to)—

“(A) permitting the use of property, including the rental of real estate;

“(B) a performance for entertainment purposes;

“(C) a presentation of ads or other advertising;

“(D) creating an obligation to the performance of services or to reimbursement (including the granting of warranties, insurance, and similar items); and

“(E) the making of a covenant not to compete (or similar agreement to refrain from doing something).

“(6) EXPORTS.—Taxable receipts do not include amounts received by the exporter thereof for property, transportation of property, or services exported from the United States for use or consumption outside the United States, unless such exports are subject to chapter 39 of title 22, United States Code. If property or services are sold to a governmental entity or a tax-exempt organization for export and are exported other than in an activity of such entity which is subject to the value added tax, then the seller of such property or services is deemed to be the exporter thereof.

“(7) CONTRIBUTIONS.—Taxable receipts do not include contributions of cash to a business entity.

"(q) TAXABLE YEAR.—The term ‘taxable year’ means the period on the basis of which the business entity regularly keeps its books.

“(r) UNITED STATES.—The term ‘United States’ means the States and the District of Columbia.

“(s) UNRELATED BUSINESS ACTIVITIES.—The term ‘unrelated business activity’ means any trade or business, as the term is defined in section 1603(d), the conduct of which is not substantially related (aside from the need of such organization for income or funds or the use it makes of the profits derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under section 501, except that such term does not include any trade or business—

“(1) in which substantially all the work in carrying on such trade or business is performed for the organization without compensation; or

“(2) which is carried on, in the case of an organization described in section 501(c)(3) or in the case of a college or university described in section 1603(b), by the organization primarily for the convenience of its members, students, patients, officers, or employees, which is the selling by the organization of items of work-related clothes and equipment and items normally sold through vending machines, through food dispensing facilities, or by snack bars, for the convenience of its members at their usual places of employment; or

“(3) which is the selling of merchandise, substantially all of which has been received by the organization as gifts or contributions.

"Sec. 1602. Value added tax imposed.

"(a) A value added tax is imposed on business activities in the United States by a business entity for each taxable year, beginning January 1, 2024.

"(b) The amount of the tax is 12 percent of the gross profits of the business entity.

"(c) Not later than June 30, 2023, the Secretary shall promulgate rules, guidance, and regulations useful and necessary to implement the value added tax as consistent with this chapter.

“Sec. 1603. Tax-exempt organizations.

“(a) Exemption from taxation.—An organization described in subsection (c) or (d) of section 501 and exempt from tax under section 501(a) shall be exempt from taxation under this chapter.

“(b) Tax on unrelated business activity.—An organization exempt from taxation under subsection (a) shall be subject to the value added tax on its gross profits from its unrelated business activity to the extent provided in subsections (c) or (d), but shall be considered a tax-exempt organization for purposes of any law that refers to tax-exempt organizations.

“(c) Organizations subject to tax.—This section shall apply to—

“(1) organizations exempt from the value added tax under subsection (a), other than instrumentalities of the United States, and

“(2) colleges and universities which are instrumentalities of any government and corporations owned by one or more such colleges or universities.

“(d) Trade or business.—For purposes of this section, ‘trade or business’ includes any activity which is carried on for the production of income from the sale of goods or the performance of services. For purposes of the preceding sentence, an activity does not lose identity as a trade or business merely because it is carried on within a larger aggregate of similar activities or within a larger complex of other endeavors which may, or may not, be related to the exempt purposes of the organization. Where an activity carried on for profit constitutes an unrelated trade or business, no part of such trade or business shall be excluded from such classification merely because it does not result in profit.

“(1) CERTAIN BUSINESS ACTIVITIES.—An activity shall not be considered a ‘trade or business’ solely because the activity is a business activity (such as certain passive

rental activity) that would be subject to the value added tax if conducted by a business entity other than a tax-exempt organization.

“(2) TRADE SHOWS.—The conduct of trade shows and conventions shall not be excluded from the definition of trade or business.

“(e) REGULATIONS.—The Secretary shall prescribe regulations defining a ‘trade or business.’ Such regulations shall be consistent with the provisions under sections 511 through 513, except to the extent such provisions are inconsistent with other principles of the value added tax.

"Sec. 1604. Voluntary value sharing.

"(a) VOLUNTARY VALUE SHARING.—An entity subject to the value added tax may elect to share an amount of their gross profits in excess of the requirements of this chapter, with such an amount used to benefit the citizens of the United States by paying down the national debt before being distributed as Treasury Dollar Bills pursuant to section 3104(d)(3)(A) of title 31, United States Code.

“(b) BUSINESS ENTITIES MAY DECLARE.—A business entity may make such declaration of voluntary value sharing for a taxable year at any time, but may not reduce the rate. Such declarations shall only be effective for the taxable year for which they ae made. The Secretary shall promulgate rules to enable such declarations, which may be—

“(1) a percentage, with the resulting dollar amount to be calculated through the filing of the returns required by this chapter;

“(2) a total dollar amount that will exceed the tax due under this chapter, with the amount and percentage attributed to voluntary value sharing to be calculated through the filing of the returns required by this chapter;

“(3) a dollar amount in excess of the tax payable under this chapter, with the resulting percentage calculated through the filing of the returns required by this chapter; or

“(4) to the extent provided in regulations, any other such declaration.

“(c) DECLARATIONS TO HAVE FORCE OF LAW.—In the case of a business entity making such declaration, the tax liability under section 1602 shall be computed by substituting the percentage, as declared or calculated under subsection (b), for 12 percent.

"(d) RECOGNITION OF BUSINESS ENTITIES.—The Secretary shall—

"(1) maintain a separate accounting of the total sums paid under this section and use such sums to pay down the national debt by depositing them in the fund described in section 3113(d) of title 31, United States Code;

“(2) report such sums on October 15, 2023, and annually thereafter, the amount which was generated through voluntary value sharing in the previous fiscal year;"

“(3) maintain a publicly searchable database of business entities that have made declarations or payments pursuant to this section, including tax rates and amounts for each taxable year.

"(4) On or around July 4th of each year, publicize a ranked list of the 200 business entities with the highest voluntary value sharing for the previous year, in the following categories:

"(A) by percentage rounded to the nearest hundreth, among entities with gross profits—

“(i) less than $1,000,000,

“(ii) greater than or equal to $1,000,000, but less than $100,000,000,

“(iii) greater than or equal to $100,000,000; and

“(B) by total amount of voluntary value sharing.

“(5) If the number of business entities participating in voluntary value sharing is less than 200 in any category, the Secretary shall fill the ranked list with the business entities reporting the highest gross profits and signify that the amount contributed to voluntary value sharing was zero, except that this sentence shall not take effect until the year following the enactment of this chapter.

"(e) EFFECTIVE DATE.—This section shall be effective on passage, provided that prior to the 2024 taxable year, no tax liability pursuant to this chapter shall exist outside of the voluntary provisions of this section.

"SUBCHAPTER B - ACCOUNTING METHOD RULES

"SEC. 1611. General accounting rules.

"SEC. 1612. Use of the cash method of accounting.

"SEC. 1613. Taxable year.

"SEC. 1614. Long-term contracts.

"SEC. 1615. Post-sale price adjustments and refunds.

"SEC. 1616. Bad debts.

"Sec. 1611. General accounting rules.

"(a) In General.—Except as provided in section 1612, a business entity shall use an accrual method of accounting for purposes of determining the timing of recognition of taxable receipts and deduction of business purchases. All business purchases shall be deducted when incurred (in the case of a business entity using the accrual method of accounting) or when paid (in case of a business entity using the cash method of accounting) without regard to whether the business purchases are for or relate to—

"(1) inventory,

"(2) assets with a useful life of more than one year, or

"(3) property that will be used to produce other property.

"(b) Economic Performance.—For purposes of determining whether an amount has been incurred, the all events test shall not be treated as met any earlier than when economic performance with respect to such item occurs.

"(c) Consistent Accounting Methods.—Except as otherwise expressly provided in this chapter, a business entity shall secure the consent of the Secretary before changing the method of accounting by which it determines gross profits. This provision shall not apply to changes required by the adoption of the value added tax.

"Sec. 1612. Use of the cash method of accounting.

"(a) In General.—A business entity that was permitted to use and used the cash method of accounting under the Internal Revenue Code of 1986 shall be permitted to continue to use the cash method of accounting.

"(b) New Business Entities.—A new business entity shall be permitted to use the cash method of accounting if permitted to under regulations prescribed by the Secretary.

"(c) Change or Expansion of Business.—Subsection (a) shall cease to apply to a business entity that changes or expands its business such that under regulations prescribed by the Secretary it is no longer eligible to use the cash method of accounting.

"(d) Regulations.—

"(1) USE OF CASH METHOD.—The Secretary shall prescribe regulations defining which business entities may use the cash method of accounting. In general, those regulations shall be consistent with the rules under sections 447 and 448 of the Internal Revenue Code of 1986. The regulations shall not require a business entity described in subsection (a) to convert to the accrual method prior to January 1, 2024.

"(2) CHANGE IN ACCOUNTING METHOD.—The Secretary shall prescribe regulations to prevent double counting of taxable receipts and deductible expenses in the case of a change in accounting method.

"Sec. 1613. Taxable year.

"(a) Computation of Gross Profits.—Gross profits shall be computed on the basis of a business entity's taxable year.

"(b) Taxable Year.—'Taxable year' means—

"(1) the taxpayer's annual accounting period, if it is a calendar year or a fiscal year;

"(2) the calendar year, if subsection (g) applies; or

"(3) the period for which the return is made if the return is made for a period of less than 12 months.

"(c) Annual Accounting Period.—'Annual accounting period' means the annual period on the basis of which the business entity regularly keeps its books.

"(d) Calendar Year.—'Calendar year' means a period of 12 months ending on December 31.

"(e) Fiscal Year.—'Fiscal year' means a period of 12 months ending on the last day of any month other than December. In the case of any business entity that has made the election provided by subsection (f), the term means the annual period (varying from 52 to 53 weeks) so elected.

"(f) Election of 52–53 Week Year.—

"(1) GENERAL RULE.—A business entity which, in keeping its books, regularly computes its income or profits on a basis of an annual period which varies from 52 to 53 weeks and ends always on the same day of the week and ends always—

"(A) on whatever date such same day of the week last occurs in a calendar month, or

"(B) on whatever date such same day of the week falls which is nearest to the last day of a calendar month, may elect to compute its gross profits on the basis of such annual period.

"(2) REGULATIONS.—The Secretary shall prescribe such regulations as they deem necessary for the application of this subsection, including regulations relating to the application of effective dates to taxpayers using a 52–53 week year.

"(g) Calendar Year Required.—

"(1) NO ACCOUNTING PERIOD.—A business entity's taxable year shall be the calendar year if the business entity does not have an annual accounting period or has an annual accounting period that does not qualify as a fiscal year.

"(2) NEW BUSINESS ENTITY.—The taxable year of a business entity that begins business activity after December 31, 2022, shall be the calendar year (or a 52–53 week fiscal year ending in December) unless the business entity can demonstrate a business reason for selecting an accounting period other than the calendar year.

"(h) Transition Rule for Business Entities With a Fiscal Year.—

"(1) IN GENERAL.—A business entity with a taxable year that is not the calendar year shall have a short taxable year ending on December 31, 2023, and a subsequent taxable year beginning on January 1, 2024, and ending on the day immediately preceding the beginning of the business entity's next fiscal year.

"(2) BUSINESS ENTITIES WITH 52–53 WEEK YEAR ENDING IN DECEMBER.—

"(A) IN GENERAL.—If a business entity has a 52–53 week taxable year (under the Internal Revenue Code of 1986) that ends in December 2023, it may elect to begin its first taxable year for the value added tax on the first day immediately following the last day of such taxable year.

"(B) NO ELECTION.—If a business entity that has a 52–53 week taxable year that ends in December 2023, does not make the election under subparagraph (A) or is prohibited from making such election by subparagraph (C), the business entity's taxable year under the Internal Revenue Code of 1986 that would end in December 2023 shall end on December 31, 2023.

"(C) ANTI-ABUSE RULE.—Subparagraph (A) shall not apply to any taxpayer that enters into business transactions in 2023 following the scheduled end of its fiscal year with business entities that are not subject to the business consumption tax at

the time of such transactions if such transactions deviate from the normal course of business in order to achieve some tax benefit.

"Sec. 1614. Long-term contracts.

"(a) In General.—In the case of a long-term contract—

"(1) CONTRACTOR EXPENSES.—The contractor shall be entitled to deduct its business purchases when paid or incurred.

"(2) CONTRACTOR RECEIPTS.—The contractor shall recognize taxable receipts—

"(A) in the case of a project in which the acquirer has no ownership interest in the project until delivery—

"(i) upon delivery of the project, in the case of an accrual basis contractor, or

"(ii) upon the later of delivery of the project or the receipt of payment, in the case of a cash-basis contractor.

"(B) in the case of a project in which the acquirer obtains an ownership interest as the project is constructed—

"(i) when the contractor is entitled to payments, in the case of an accrual basis contractor, or

"(ii) upon the later of when the contractor receives the cash or is entitled to payments, in the case of a cash basis contractor.

"(3) ACQUIRER EXPENSES.—The acquirer that is a business entity shall be entitled to deduct its costs of the business purchase—

"(A) in the case of a cash-basis acquirer, at such time as a cash basis contractor would be required to treat the amounts paid as taxable receipts, or

"(B) in the case of an accrual-basis acquirer, at such time as an accrual basis contractor would be required to treat the amounts paid or due as taxable receipts.

"(b) Claim on Payments.—

"(1) IN GENERAL.—A contractor shall be treated as having a just claim to payments with respect to a project at any time to the extent that the contractor would not be required to return payments received (or would be entitled to collect payments not yet received) if the project were terminated at such time by the contractor.

"(2) CONTRACTUAL PROVISIONS.—If a long-term contract includes a procedure for paying the contractor as work is completed (for example, by reason of a draw down from a trust account), the contractual provisions shall generally govern when a contractor may claim a payment.

"(3) PERCENTAGE COMPLETION METHOD OF ACCOUNTING.—If a long-term contract does not include a mechanism for paying the contractor as work is completed, the percentage-of-completion method of accounting shall be used to determine the timing of taxable receipts of the contractor and business purchases of the acquirer.

"(c) Long-Term Contract.—

"(1) IN GENERAL.—'Long-term contract' means—

"(A) any contract that covers service or production through parts of two different calendar years if the contract includes a formal deposit and draw-down mechanism, and

"(B) any contract for the manufacture, building, installation, or construction of property or real property if such contract is not completed within the taxable year of the contractor in which such contract is entered into.

"(2) EXCEPTION.—A contract for the manufacture of property shall not be treated as a long-term contract unless such contract involves the manufacture of—

"(A) any unique item of a type which is not normally included in the finished goods inventory of the taxpayer, or

"(B) any item which normally requires more than 12 calendar months to complete.

"(d) Consistency.—The Secretary may require business entities to file statements containing such information with respect to long-term contracts as the Secretary may prescribe to ensure consistency in reporting.

"(e) Foreign Contracts.—This section shall not be construed to permit a deduction for a business purchase for the cost of property produced outside the United States pursuant to a long-term contract at any time prior to the import of such property into the United States.

"Sec. 1615. Post-sale price adjustments and refunds.

"(a) Receipt of Price Adjustment.—In the case of a post-sale price adjustment attributable to a business purchase which was taken into account in computing gross profits for a prior taxable year, the amount of such adjustment shall be treated as a reduction or increase, as the case may be, in the cost of business purchases for the taxable year in which the adjustment is made or incurred.

"(b) Issuance of Price Adjustment.—In the case of a post-sale price adjustment attributable to a sale the receipts from which were taken into account in determining taxable receipts for a prior taxable year, the amount of such adjustment shall be treated as a reduction or increase, as the case may be, in taxable receipts for the taxable year in which the adjustment is made or incurred.

"(c) Post-Sale Price Adjustment.—'Post-sale price adjustment' means a refund, rebate, or other price allowance attributable to a sale of property or services or an upward adjustment in price that was not previously taken into account under the business entity's method of accounting.

"Sec. 1616. Bad debts.

"(a) Seller.—If an amount owed to an accrual basis business entity for property or services sold—

"(1) was taken into account as a taxable receipt in a prior taxable year, and

"(2) becomes wholly or partially uncollectible during the taxable year, then the seller shall treat the amount as a reduction in taxable receipts for the taxable year in which it becomes wholly or partially uncollectible.

"(b) Notice Requirement.—No reduction shall be allowed under subsection (a) unless the seller notifies the purchaser of the amount which the seller has treated as wholly or partially uncollectible.

"(c) Subsequent Collection.—If an amount which was treated as uncollectible under subsection (a) is subsequently collected, it shall be treated as a taxable receipt when collected.

"(d) Purchaser.—If a purchaser receives notice under subsection (b) from a seller and the purchaser has treated the amount labeled uncollectible as a business purchase in a prior taxable year, then the purchaser shall treat such amount as a reduction in the cost of business purchases in the taxable year to which the notice relates. If the purchaser

subsequently repays such amount, the repayment shall constitute the cost of a business purchase.

“SUBCHAPTER C - RULES FOR FINANCIAL PRODUCTS AND SERVICES

“SEC. 1621. Definitions.

“SEC. 1622. Financial intermediation business activity taxable.

“SEC. 1623. Special rule for banks.

“SEC. 1624. Insurance companies.

“SEC. 1625. Financial pass-through entities.

“Sec. 1621. Definitions.

“(a) FINANCIAL RECEIPTS.—‘Financial receipts’ means all receipts other than amounts received as contributions to capital.

“(b) FINANCIAL EXPENSES.—‘Financial expenses’ include—

“(1) payments for principal and interest that is properly allocable to the provision of financial intermediation services,

“(2) the cost of and payments under financial instruments (other than financial instruments in the person subject to the tax imposed under this chapter and any person related to such person),

“(3) claims and cash surrender values paid in connection with insurance or reinsurance services, and

“(4) amounts paid for reinsurance."

“(c) FINANCIAL INSTRUMENT.—The term ‘financial instrument’ means any

"(1) share of stock in a corporation,

"(2) equity ownership in any widely held or publicly traded partnership, trust, or other business entity,

"(3) note, bond, debenture, or other evidence of indebtedness,

"(4) interest rate, currency, or equity notional principal contract,

"(5) evidence or interest in, or a derivative financial instrument in, any financial instrument described in paragraph (1), (2), (3), or (4), or any currency, including any option, forward contract, short position, and any similar financial instrument in such a financial instrument or currency, and

"(6) a position which—

"(A) is not a financial instrument described in paragraph (1), (2), (3), (4), or (5),

"(B) is a hedge with respect to such a financial instrument, and

"(C) is clearly identified in the dealer's records as being described in this subparagraph before the close of the day on which it was acquired or entered into.

"(d) FINANCIAL INTERMEDIATION SERVICES.—'Financial intermediation services' include—

"(1) lending services,

"(2) insurance services,

"(3) market-making and dealer services, and

"(4) any other service provided as business activity in which a person acts as an intermediary in—

"(A) the transfer of property, services, or financial assets, liabilities, risks or instruments (or income or expense derived therefrom) between two or more persons, or

"(B) the pooling of economic risk among other persons

and derives all or a portion of such person's gross receipts from streams of income or expense, discounts, or other financial flows associated with the matter with respect to which such person is acting as an intermediary.

"(e) LENDING SERVICES.—'Lending services' means the regular making of loans and providing credit to, or taking deposits from customers, but does not include an installment or delayed payment arrangement provided by a seller of property or services under which additional charges or fees are imposed by the seller for the late payment.

"(f) MARKET-MAKING OR DEALER SERVICES.—'Market-making or dealer services' means services provided by a person who—

"(1) regularly purchases financial instruments from or sells financial instruments to customers in the ordinary course of a trade or business,

"(2) regularly offers to enter into, assume, offset, assign, or otherwise terminate positions in financial instruments with customers in the ordinary course of a trade or business.

"Sec. 1622. Financial intermediation business activity taxable.

"(a) Financial intermediation business.—The providing of financial intermediation services shall be considered a business activity. The gross profit of a business entity providing financial intermediation services shall be determined by taking into account the rules of this subchapter.

"(b) Separate business activity.—The provision of financial intermediation services for unrelated persons shall be considered a separate business activity and a business shall be considered a separate entity with respect to such activity. An entity engaging in such business is referred to in this chapter as a 'financial intermediation business'.

"(c) In general.—In the case of a financial intermediation business, gross profits shall be computed by—

"(1) substituting financial receipts for taxable receipts, and

"(2) including financial expenses as business purchases.

"(d) International matters.—For purposes of this section in the case of a financial intermediation business with activity in and outside the United States—

"(1) INCLUSION REGARDLESS OF SOURCE.—

"(A) Financial receipts shall be determined without regard to whether they are received for property or service provided in or outside the United States, except that financial receipts do not include amounts that—

"(i) are not taxable receipts (as determined without regard to this section), but

"(ii) would have been taxable receipts (as determined without regard to this section) if they had been received for services or property in the United States.

"(B) Financial expenses shall be determined without regard to whether they are received for property or services acquired in or outside the United States.

"(2) ALLOCATION.—Under regulations prescribed by the Secretary, gross profits (as determined without regard to this paragraph) shall be reduced by the amount of

financial intermediation gross profit attributable to financial intermediation activity provided outside the United States.

"(3) GROSS PROFIT ATTRIBUTABLE TO FINANCIAL INTERMEDIATION ACTIVITY.—'Gross profits attributable to financial intermediation activity' means the excess of—

"(A) gross profits as determined under this section (but without regard to paragraph (2)), over

"(B) gross profits as determined without regard to this subchapter.

"Sec. 1623. Special rules for banks.

"(a) In general.—In the case of a bank, gross profits shall be determined in accordance with section 1622, except that—

"(1) FINANCIAL RECEIPTS.—Financial receipts shall include only—

"(A) taxable receipts (as determined without regard to this subchapter),

"(B) interest on loans made or acquired by the bank,

"(C) gain on the sale of loans,

"(D) discount points received, and

"(E) any explicit fees for financial or fiduciary services not included in subparagraphs (A) through (E).

"(2) FINANCIAL EXPENSES.—Financial expenses shall include only—

"(A) interest paid to depositors and on other funds borrowed by the bank, and

"(B) reasonable additions to reserves for bad debts.

"(3) FORECLOSURE PROPERTY.—Gross profits shall properly take into account proceeds from the operation or sale of foreclosure property.

"(b) Bank.—

"(1) IN GENERAL.—'Bank' means a bank or trust company incorporated and doing business under the laws of the United States, the District of Columbia, or any State, a substantial part of the business of which consists of receiving deposits and making loans and discounts, or of exercising fiduciary powers similar to those exercised by national banks under the authority of the Comptroller of the Currency, and which is

subject by law to supervision and examination by State or Federal authority having supervision over banking institutions or credit unions. Such term includes domestic building and loan associations and credit unions.

"(2) OTHER ACTIVITIES.—If a bank is engaged in significant amounts of activities other than those described in paragraph (1), the bank shall be considered as a separate business entity with respect to such other activity.

"Sec. 1624. Insurance companies.

"(a) In general.—In the case of companies providing insurance services, gross profits shall be determined in accordance with section 1622, except—

"(1) subsection (c) of section 1622 (relating to international operations) shall not apply, and

"(2) the rules of subchapter D shall apply to determine financial receipts and financial expenses.

"(b) Result inconsistent with statutory intent.—If an insurance company determines that the application of subsection (a) produces results inconsistent with the territorial approach of the value added tax, it may apply to the Secretary for permission to apply section 1622(c) in lieu of subsection (a).

"Sec. 1625. Financial pass-through entities.

"(a) In general.—In the case of a financial pass-thru entity, gross profits shall be determined in accordance with section 1622, except—

"(1) financial receipts shall include contributions to capital,

"(2) financial expenses shall include—

"(A) distributions to persons holding interests in the pass-thru entity,

"(B) investments in related entities (including wholly owned entities) engaging in real estate investment.

"(b) Pass-Thru entity.—'Pass-thru entity' means a business entity that is intended to serve as a conduit. The Secretary shall prescribe regulations defining pass-thru entity.

"SUBCHAPTER D - IMPORT TAX

"SEC. 1631. Imposition of tax on imported property.

"SEC. 1632. Imposition of tax on import of services.

“SEC. 1633. Import or export of services.

“SEC. 1634. International transportation services.

“SEC. 1635. International communications.

“SEC. 1636. Insurance.

“SEC. 1637. Banking services.

"Sec. 1631. Imposition of tax on imported property.

"(a) General Rule.—There is hereby imposed a tax equal to 12 percent of the customs value of all property entered into the United States for consumption, use or warehousing.

"(b) Liability for Tax.—The tax imposed on the import of property by subsection (a) shall be paid by the person entering the property into the United States for consumption, use or warehousing. Such tax shall be due and payable at the time of import.

"(c) Imports of Previously Exported Property.—In the case of any article that is classified under a heading or subheading of subchapter I or II of chapter 98 of the Tariff Schedules of the United States, the tax under this section shall be imposed only on that portion of the customs value of such article that is dutiable under such heading or heading.

"(d) Imports for Personal Consumption.—The import tax imposed by this section shall not apply to any article entered into the United States duty free under subchapters I through VII of chapter 98 of the Tariff Schedules of the United States for personal consumption.

“(e) Use in a business activity.—Property being held for sale or retail by a business entity that is in the business of selling goods shall be considered held for use in a business activity.

"(f) Exception for Certain Commodities and Products.—The import tax imposed by this section shall not apply to petroleum, petroleum products or such commodities or products as the President shall by Executive Order determine to be in short supply and vital to national security.

“Sec. 1632. Imposition of tax on import of services.

"(a) General Rule.—There is hereby imposed a tax equal to 12 percent of the cost of all services treated as imported into the United States during the taxable year of the service recipient.

"(b) Liability for the Tax.—The tax on the import of services imposed by subsection (a) shall be paid by the business entity who receives the imported services. The tax shall be payable as if it were an addition to the value added tax imposed by section 1602.

"(c) Imported services.—For purposes of this section, services shall be treated as imported if they are treated as imported under section 1633 or section 1636.

"Sec. 1633. Import or export of services.

"(a) In general.—Except as otherwise provided in this subchapter or in rules prescribed under subchapter C (relating to financial intermediation business), services shall not be treated as imported or exported from the location in which they are performed.

"(b) Import of services.—A business entity shall be treated as importing a service if—

"(1) the entire benefit of the service will be realized in the United States, and

"(2) the benefit will be realized in connection with the United States business activities of the business entity.

"(c) Export of services.—A business will be treated as exporting a service if—

"(1) the entire benefit of the service will be realized outside of the United States, and

"(2) the benefit will be realized solely in connection with the activities of the purchaser occurring outside the United States.

"(d) Services acquired from service provider that provides services in and outside the United States.—

"(1) IN GENERAL.—If a business entity acquires services from a service provider that provides services both in and outside the United States and the service provider shows on the invoice where the services are provided—

"(A) the business entity shall treat the services as provided where stated on the invoice, and

"(B) the service provider shall treat as taxable receipts any services listed as provided in the United States.

"(2) NO INVOICE.—If a business entity acquires services from a service provider that provides services both in and outside the United States and the service provider does not show on an invoice where such services are provided—

"(A) the business entity shall treat the services as if provided in the location to which payment is sent, and

"(B) the service provider shall treat as taxable receipts any payments received in the United States.

"Sec. 1634. International transportation services.

"(a) Transportation of property.—

"(1) TAXABLE RECEIPTS.—

"(A) EXPORTS.—Taxable receipts do not include receipts from the transportation of property exported from the United States.

"(B) IMPORTS.—Taxable receipts include receipts from transportation of property imported into the United States only if such costs are not taken into account in determining the import tax.

"(C) PRESUMPTIONS.—The Secretary shall prescribe regulations describing situations in which a transporter of property must presume that no import tax has been paid on the cost of its services.

"(2) BUSINESS PURCHASES.—

"(A) EXPORTS.—Business purchases do not include amounts paid or incurred for the cost of transportation of property exported from the United States.

"(B) IMPORTS.—Amounts paid or incurred for transportation of goods imported into the United States, shall constitute a cost of business purchase only to the extent that they are taken into account in determining the customs value for purposes of section 1631(a) (relating to the import tax).

"(b) Transportation of passengers.—

"(1) TAXABLE RECEIPTS.—Taxable receipts—

"(A) include receipts from the transportation of passengers from the United States to a destination outside the United States, but

"(B) do not include receipts from the transportation of passengers from outside the United States to a destination in the United States.

"(2) BUSINESS PURCHASES.—Business purchases—

"(A) include amounts paid or incurred in a business activity for the transportation of passengers from the United States to a destination outside the United States, but

"(B) do not include amounts paid or incurred for transportation of passengers from outside the United States to a destination in the United States.

"(3) SIMPLIFYING RULES.—The Secretary may provide rules that simplify this subsection, including rules under which—

"(A) half of receipts attributable to transportation to or from the United States are treated as taxable receipts,

"(B) half of the cost for business trips to and from the United States are treated as business purchases, and

"(C) all transportation expenses of a business entity that has no regular business outside the United States are treated as business purchases.

"Sec. 1635. International communications.

"(a) In general.—Communications services shall be treated as provided at the point of origin of the communications and shall not be treated as imported or exported.

"(b) Communications services.—Communications services include—

"(1) telephone communications services,

"(2) video conferencing services,

"(3) voice over internet protocols (VoIP),

"(4) text messaging or instant messaging services,

"(5) courier services (except in the case of transportation of property that is imported or exported),

"(6) satellite transmission services,

"(7) telegraph services,

"(8) facsimile transmission services, and

"(9) other similar services.

“Sec. 1636. Insurance.

“(a) In general.—Insurance services will be treated as provided at the location of the insurance company providing the services. Except as the Secretary may prescribe by regulations, insurance companies will be treated as providing services at the location to which insurance payments are made.

“(b) Insured risks in the United States.—If insurance services are provided outside the United States and the insured risk is located in the United States—

“(1) the insurance service shall be treated as imported,

“(2) the insurance premiums shall be subject to the import tax, and

“(3) payments of insurance benefits shall not be treated as imported.

“(c) Insured risk outside the United States.—If insurance services are provided inside the United States and the insured risk is located outside the United States—

“(1) insurance services shall be treated as exported,

“(2) payments of insurance benefits shall be treated as payments for services outside the United States, and shall not be deducted as business purchases.

“(d) Insurance services.—Insurance services means the provision of insurance and services related to insurance other than insurance that is treated as a savings asset.

“Sec. 1637. Banking services.

“The Secretary shall prescribe regulations on the location of banking services and the extent to which such services are to be treated as imported or exported.

“SUBCHAPTER E—RULES FOR ADMINISTRATION, CONSOLIDATED RETURNS

“SEC. 1641. Returns, due dates, etc.

“SEC. 1642. Consolidated returns.

“SEC. 1643. Seller liable for tax; deposits of tax.

“SEC. 1644. Secretary to be notified of certain events.

“SEC. 1645. Regulations.

"Sec. 1641. Returns, due dates, etc.

"(a) In general.—Until subtitle F is amended to reflect the adoption of this chapter, the rules of subtitle F relating to C corporations shall apply to business entities with respect to—

"(1) returns and records;

"(2) time and place for paying tax;

"(3) assessment of taxes;

"(4) collections and liens;

"(5) abatements, credits, and refunds;

"(6) interest on underpayments and overpayments;

"(7) additions to tax and penalties;

"(8) closing agreements and compromises;

"(9) crimes;

"(10) judicial proceedings;

"(11) discovery of liability and enforcement; and

"(12) estimated taxes.

"(b) Individuals engaging in business activities.—Under rules prescribed by the Secretary, individuals engaging in business activities on their own or with their spouses shall be permitted to file their business tax returns with their individual tax returns and shall be subject to estimated tax rules for individual income tax returns.

"Sec. 1642. Consolidated returns.

"(a) In general.—Business entities may file consolidated returns of business tax if they would have been permitted to file consolidated returns under section 1501 and such section were applied by treating each business entity as a corporation and its owners or partners as shareholders.

"(b) Financial institutions.—Financial intermediation businesses may be included in consolidated returns, but each financial intermediation business must compute its gross profits separately.

"(c) Intercompany transactions.—In computing the gross profits of a consolidated group, intercompany transactions can be taken into account, or at the election of the filer, be disregarded (except in the case of transactions with financial intermediation businesses).

"Sec. 1643. Seller liable for tax; deposits of tax.

"(a) Seller liable for tax.—The person selling the property or services shall be liable for the tax imposed by section 1602.

"(b) Deposits Required.—To the extent provided in regulations, deposits may be required of the estimated liability for any taxable period for the tax imposed by section 1602.

"(c) Taxable Period.—For purposes of this chapter—

"(1) IN GENERAL.—The term 'taxable period' means a calendar quarter.

"(2) EXCEPTION.—

"(A) ELECTION OF 1-MONTH PERIOD.—If the taxpayer so elects, the term 'taxable period' means a calendar month.

"(B) OTHER PERIODS.—To the extent provided in regulations, the term 'taxable period' includes a period, other than a calendar quarter or month, selected by the taxpayer.

"(d) Tax Point.—For purposes of this chapter—

"(1) CHAPTER 1 RULES WITH RESPECT TO SELLER GOVERN.—Except as provided in paragraph (2), the tax point for any sale of property or services is the earlier of—

"(A) the time (or times) when any income from the sale should be treated by the seller as received or accrued (or any loss should be taken into account by the seller) for purposes of chapter 1, or

"(B) the time (or times) when the seller receives payment for the sale.

"(2) IMPORTS.—In the case of the importing of property, the tax point is when the property is entered, or withdrawn from warehouse, for consumption in the United States.

"Sec. 1644. Secretary to be notified of certain events.

"To the extent provided in regulations, each person engaged in a business shall notify the Secretary (at such time or times as may be prescribed by such regulations) of any change in the form in which a business is conducted or any other change which might affect the

liability for the tax imposed by section 1602 or the amount of such tax or any credit against such tax, or otherwise affect the administration of such tax in the case of such person.

"Sec. 1645. Regulations.

"The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this chapter.".

SEC. 453. REVISIONS TO THE CODE.

(a) Not later than October 30, 2023, the Secretary shall submit to Congress proposed changes in the Internal Revenue Code of 1986 that—

(1) revise subtitles C through J of such Code to fully reflect the amendments to subtitle A of such Code made by this title, and

(2) include statutory definitions or rules in cases where the Secretary concludes that the definitions or rules cannot or should not be addressed by regulation,

SEC. 454. APPLICATION OF SUBTITLE F.

(a) Until such time as subtitle F of the Internal Revenue Code of 1986 is amended to reflect the amendments made by this title, the provisions of such subtitle F shall be treated as generally applying to chapter 7 of subtitle A of such Code—

(1) without regard to specific cross references,

(2) without regard to provisions relating to partnerships, and

(3) as if the value added tax under such chapter 7 were the corporate income tax and all business entities were corporations (except for purposes of collection, in which case the owners of noncorporate entities shall be obligated for taxes owned by the entities to the same extent as they would if the entity owed the tax prior to the amendment of the Code).

SEC. 455. EFFECTIVE DATES.

(a) In general.—Except as otherwise provided in this title, the amendments made by this subtitle shall be effective on and after January 1, 2024, with respect to tax years beginning on such date.

(b) Special rules for businesses with 52–53 week year.—If a business uses a 52–53 week taxable period the amendments made by this title shall apply to the business with respect to its tax year beginning in the last week in December except with respect to any

transactions occurring during 2023 that were structured to take advantage of the application of this title to such business at a time when this title did not apply to other businesses or to individuals.

Subtitle F - American Union Legal Defense

SEC. 461. FINDINGS AND PURPOSE.

(a) The Congress finds the following—

(1) Members of the legal profession are trustees of the judicial system, officers of the court who serve on the front lines of establishing justice. As guardians of legal knowledge, they have a duty to the public at large, but the injustice rampant in the judicial system demonstrates that as a group, they are failing in their duty to be stewards of justice. America must do better.

(2) Over the last 35 years, lawyers have raised their fees at twice the rate of inflation. Rather than fully utilizing their productive capacity, they have chosen to increase their prices, correctly calculating that they can earn more money with fewer-but-higher-paying customers with an inelastic demand for their services.

(3) The decision to price many Americans out of the market for legal services has fallen heaviest on the people most likely to find themselves in need of legal knowledge and representation. Those below the poverty line are three times as likely to be arrested, and the prevalence of cash bail also negatively impacts their available resources for a legal defense.

(4) Without a knowledgeable advocate to guide them, poor defendants find themselves, on average, serving longer sentences. This has led to a two-tiered system that makes a mockery of the phrase “with liberty and justice for all.” Shakespeare famously suggested killing all the lawyers, which would even the playing field, but a preferable alternative is a fee-and-dividend model to address the issue.

(5) This subtitle establishes a 12% excise tax on practitioners of legal services, and distributes the collected fees as vouchers to anyone who is arrested. There are an estimated 1.3 million lawyers in the US, earning an average of $125,000 each year. This puts the potential amount of voucher dollars at upwards of $15 billion annually.

(6) This should have two effects. First, by creating a supply of voucher dollars, a new market for legal services will be created, generating business opportunities for lawyers who would otherwise like to serve the community as stewards of justice but are unable to generate sufficient revenue. Second, by providing prompt access to legal

expertise for those who are involuntarily thrust into the legal system, justice will be promoted.

(7) Simple arrests can have cascading consequences. In 2015, Sandra Bland was arrested after a pretext stop, held for days when she could not afford bail, and missed starting her new job. Her body was discovered in her cell on July 13th.

(8) Legal vouchers will not be redeemable for cash, but they will be transferable, so that they could be donated to people in need of additional legal services. This will enable incarcerated people to seek funds for professional reevaluation of their legal situations.

(9) Last, the program director may suggest revenue thresholds where the voucher distribution could be expanded to provide resources to parties in non-criminal cases, including family court, small claims court, and other civil proceedings, where those who can not afford legal representation are frequently denied justice.

(b) The purpose of this section is to cultivate justice by rebalancing the economic forces in the legal profession.

SEC. 462. EXCISE TAX ON PROVIDERS OF LEGAL SERVICES.

(a) Excise tax on providing legal services.—Subtitle D of the Internal Revenue Code of 1986, as amended by this Act, is amended by adding at the end the following new chapter:

"CHAPTER 51—LEGAL SERVICES

"SEC. 5000D. Imposition of tax on sales of legal services.

"Sec. 5000D. Imposition of tax on sales of legal services.

"(a) In General.—There is hereby imposed on any sale of legal services a tax equal to 12 percent of the amount paid for such service (determined without regard to this section), whether paid by insurance or other private interest.

"(b) Legal Service.— For purposes of this section, the term "legal service" means a service:

"(1) involving advice to others in matters of law or representing them in court, and

"(2) provided by someone formally trained in the law and possessing a degree from an institution that provides such instruction.

“(c) Payment of Tax.—

“(1) In general.—The tax imposed by this section shall be paid by the person for whom the service is performed.

“(2) Collection.— Every person receiving a payment for services on which a tax is imposed under subsection (a) shall collect the amount of the tax from the individual on whom the service is performed and remit such tax quarterly to the Secretary of the Treasury at such time and in such manner as provided by the Secretary.

“(3) Secondary liability.—Where any tax imposed by subsection (a) is not paid at the time payments for legal services are made, then to the extent that such tax is not collected, such tax shall be paid by the person who performs the service.

“(4) In-house counsel.— When legal services are provided by an employee, the compensation for such employee shall be considered the sale price for subsection (a).

“(A) Employees of a tax exempt organization pursuant to subchapter F of chapter 1 of the Internal Revenue Code of 1986 shall be exempt from this paragraph.

“(5) For the public good.— This tax shall not apply to:

“(A) Employees of any government body or agency.

“(B) Purchases of legal services by any government body or agency.”.

(c) Clerical Amendment.—The table of chapters for subtitle D of the Internal Revenue Code of 1986, as amended by this Subtitle, is amended by inserting after the item relating to chapter 50 the following new item:

“Chapter 51—Legal Services”.

(d) Effective Date.—The amendments made by this section shall apply to services performed on or after July 1, 2023.

SEC. 463. ESTABLISHING THE LEGAL SERVICES TRUST FUND.

Subchapter A of chapter 98 of title 26, United States Code, is amended by adding at the end the following new section:

"Sec. 9513. Legal services trust fund.

"(a) Creation of Trust Fund.—There is established in the Treasury of the United States a trust fund to be known as the “Legal Services Trust Fund”, consisting of such amounts as may be appropriated or credited to such fund as provided in this section or section 9602(b).

"(b) Transfers to Legal Services Trust Fund.—There are hereby appropriated to the Legal Services Trust Fund amounts equivalent to the net revenues received in the Treasury from the taxes imposed under chapter 51 of subtitle D.

"(c) Expenditures.—Amounts in the Trust Fund shall be available, without further appropriation, only for making expenditures to carry out the purposes of Section 464 of the Blueprint for a Better America.".

SEC. 464. LEGAL SERVICES GRANT PROGRAM.

(a) DEFINITIONS.—For the purposes of this section—

(1) ACTIVITY.—The term 'activity' means any action that results in an increase or decrease of the funds underlying an account, or an adjustment due to an error or a reversal or a prior transaction.

(2) DIRECTOR.—The term 'Director' means the Director of the Legal Services Grant Program.

(3) LAW ENFORCEMENT AGENCY.—The term 'law enforcement agency' means any agency or unit of federal, state, or local government authorized to place under arrest individuals for any violation of criminal law.

(4) PROVIDER.— The term 'provider' means a provider of legal services, as defined in Section 5000D(b)(1) of title 26, United States Code.

(5) QUALIFIED INDIVIDUAL.—The term 'qualified individual' means:

(A) any person arrested within the United States, as defined in section 5 of title 18, United States Code, after January 1, 2024, and

(B) any other such person that the Director may designate by rule.

(6) VOUCHER.— The term 'voucher' means a card, code, or other means of access to a Legal Services Grant Program account associated with an unconditional grant for the purchase of legal services.

(b) Establishment.—There is established within the Office of Justice Programs a program to be known as the Legal Services Grant Program. The Program shall be headed by a Director who shall be appointed by, and report to, the Assistant Attorney General for the Office of Justice Programs.

(1) The Director shall award grants and may enter into compacts, cooperative agreements, and contracts on behalf of the Legal Services Grant Program.

(2) The Director shall carry out the program under this part using funds made available under section 9513(c) of the Internal Revenue Code.

(3)(A) Initial funding.—$12,000,000 in initial funding for this program shall be appropriated from funds authorized for fiscal year 2023 by section 1711 of title 21, United States Code.

(B) Reduction of funding.—Section 1711 of title 21, United States Code, is amended as follows[52]—

There are authorized to be appropriated to carry out this chapter except activities otherwise specified, to remain available until expended, ~~$18,400,000~~ $6,400,000 *for* ~~each of~~ *fiscal* ~~years~~ year ~~2018 through~~ *2023.*

(c) Duties And Functions.—The Legal Services Grant Program is authorized to establish a program by which qualified individuals receive a grant for legal services in the form of a voucher that is redeemable for legal services from a participating provider.

(d) In general.—The Legal Services Grant Program:

(1) shall preemptively establish individual accounts for legal services grants, prepaid with $400, and issue vouchers to law enforcement agencies to be held on behalf of qualified individuals.

(2) shall establish standards for law enforcement agencies to:

(A) promptly distribute a voucher to any individual arrested by the agency;

(B) notify the Legal Services Grant Program of:

(i) the account associated with the voucher provided,

(ii) the name and birth date of the individual provided a voucher,

(iii) a summary of the charges for which the individual was arrested, including the quantity of felonies and the quantity of lesser charges.

(iv) the number of vouchers remaining in their possession.

(3) shall, after receiving the information required by (d)(2)(B):

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[52] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

(A) update the account with the identifying information of the individual assigned to it; and

(B) if needed, increase the amount of the grant in the account to total as follows:

(i) For individuals qualified under (a)(5)(A), the sum of $200, plus $400 for each felony charge, and $200 for any lesser charge.

(ii) for any other qualified persons, such amount as the Director may develop by rule.

(4) shall establish a voucher redemption program. Such program shall:

(A) set minimum standards for provider participation, provided that any person subject to the excise tax in section 5000D of Subtitle D of the Internal Revenue Code of 1986 is a participating provider in the Legal Services Grant Program unless they opt out in a process established by the Director;

(B) ensure widespread acceptance of vouchers through collaboration with providers; and

(C) ensure prompt reimbursement to participating providers, without fees or charges, for the value used by the account holder.

(5) shall establish a process by which an account holder receives an additional grant or grants if additional charges are filed without a new arrest. Such grants shall be in the amounts designated in subparagraph (d)(3)(B).

(6) shall establish a website, which shall allow individuals to search by zip code for participating providers, check the account balance of the legal services grant, make transfers to other accounts, and provide any other information or functions that the Director deems useful.

(6) shall establish a program by which persons other than qualified individuals may open an account to accept transfers of funds from account holders. The Director shall ensure this program is accessible to incarcerated individuals.

(7) shall perform such other functions as the Assistant Attorney General for the Office of Justice Programs may delegate that are consistent with the statutory obligations of this section.

(8) shall, no later than October 30, 2023, submit to the Congress a proposed draft of legislation that, if enacted, would further clarify and implement the provisions of this section, including:

(A) what additional grants should be provided for court appearances or other milestones in criminal court proceedings; and

(B) establishing funding thresholds by which this program may be expanded to provide vouchers to parties in non-criminal cases, including family court, small claims court, and other civil proceedings.

(e) No cash rebates.— No portion of any legal services grant may be provided to the account holder as cash or used for any other purpose except the purchase of legal services.

(f) Expiration of grants.—Grants assigned under this section shall expire after one year with no account activity. Any remaining funds shall be returned to the Legal Services Trust Fund established in section 463.

(g) Regulations.—Not later than April 30, 2023, the Office of Justice Programs shall establish, and promulgate regulations to implement in accordance with this section.

(h) Grants not income.—Notwithstanding any other provision of law, the issuance of a legal services grant by the Office shall not be considered income.

(1) Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 139H the following new section:

"Sec. 139I. Legal services grants.

"Gross income shall not include the amount of any legal service grant provided by Office of Justice Programs under section 464 of the Blueprint for a Better America.".

(2) Clerical amendment.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 139H the following new item:

"139I. Legal services grants.".

TITLE V - SECURE THE BLESSINGS OF LIBERTY TO OURSELVES AND OUR POSTERITY

Subtitle A - Universal Suffrage

SEC. 501. FINDINGS AND PURPOSE.

(a) The Congress finds the following—

(1) Americans have a Constitutional duty to secure the blessings of liberty to ourselves and our posterity. The ability to vote is the most basic constitutive act of citizenship, by which people can secure the blessings of liberty.

(2) The United States is the only Western democracy that permits permanently excluding individuals with felony convictions from voting. Disenfranchising citizens who have been convicted of a criminal offense serves no compelling State interest and hinders rehabilitation and reintegration into society.

(3) Article I, Section 4, of the Constitution of the United States grants Congress ultimate supervisory power over Federal elections, an authority which has repeatedly been upheld by the Supreme Court of the United States. The 13th, 14th, 15th, 19th, 24th, and 26th Amendments to the Constitution of the United States empower Congress to enact measures to protect voting participation in Federal elections.

(4) Basic constitutional principles of fairness and equal protection require an equal opportunity for all citizens of the United States to vote in Federal elections.

(b) The purpose of this subtitle is to secure the blessings of liberty for ourselves and our posterity by including all citizens of the United States under the umbrella of civic responsibility.

SEC. 502. DEFINITIONS.

(a) DEFINITIONS: For the purposes of this subtitle:

(1) ELECTION.—The term "election" means—

(A) a general, special, primary, or runoff election;

(B) a convention or caucus of a political party held to nominate a candidate;

(C) a primary election held for the selection of delegates to a national nominating convention of a political party; or

(D) a primary election held for the expression of a preference for the nomination of persons for election to the office of President.

(2) FEDERAL OFFICE.—The term "Federal office" means the office of President or Vice President of the United States, or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States.

SEC. 503. UNIVERSAL SUFFRAGE.

(a) ALL ADULT CITIZENS ELIGIBLE TO VOTE.—Any citizen of the United States, being eighteen years of age, shall be eligible to vote in any election for Federal office.

(b) NOTIFICATION.—Each State shall notify in writing any individual who has been convicted of a criminal offense under the law of that State that such individual is eligible to vote in any election for Federal office and may register to vote in any such election; and provide such individual with—

(1) any materials that are necessary to register to vote in any such election; and

(2) information about the process of voting, including by absentee ballot.

(c) FEDERAL PRISON FUNDS.—Beginning with the 2025 fiscal year, no State, unit of local government, or other person may receive or use, to construct or otherwise improve a prison, jail, or other place of incarceration, any Federal funds unless that State, unit of local government, or person—

(1) has in effect a program under which each individual incarcerated in that person's jurisdiction who is a citizen of the United States, being eighteen years of age, is notified they are eligible to vote in any election for Federal office and may register to vote; and

(2) makes available any materials that are necessary to register to vote, and information about voting procedures.

(d) EFFECTIVE DATES AND SUNSET.—

(1) Subsections (a)-(c) shall be effective January 1, 2024.

(2) Effective January 1, 2037, subsections (b)-(c) are hereby repealed.

SEC. 504. REDUCTION OF REPRESENTATION.

(a) REDUCTION OF REPRESENTATION.—Section 6 of title 2, United States Code is amended as follows[53]—

[53] Existing text to remain is in *italics*. New text to be inserted is underlined. Existing text to be removed is ~~struck through~~.

Should any State deny or abridge the right of any of the ~~male~~ inhabitants thereof, being ~~twenty-one~~ eighteen *years of age, and citizens of the United States, to vote at any Federal election named in the amendment to the Constitution, article 14, section 2, ~~except for participation in the rebellion or other crime,~~ the number of Representatives apportioned to such State shall be reduced in the proportion which the number of such ~~male~~ citizens shall have to the whole number of ~~male~~ citizens ~~twenty-one~~* eighteen *years of age in such State,* but in no case by less than one, unless a reduction would leave such state without Representatives.

(b) EFFECTIVE DATE.—This section shall be effective January 1, 2025.

Subtitle B - Pollution Fees

SEC. 511. FINDINGS AND PURPOSE.

(a) The Congress finds the following—

(1) Americans have a Constitutional duty to secure the blessings of liberty to ourselves and our posterity. America's children are our posterity, and they are on track to inherit many environmental problems unless something is changed.

(2) Responsible adults clean up their messes - or try to avoid making them in the first place. By placing a fee on the production of plastic and carbon, an economic incentive to pollute less will be created. These fees serve as clawbacks to the payments made under the American Union Jobs Program; reducing inflation in a way that supports a long-term goal of improving our children's inheritance.

(3) America produces excessive amounts of per capita plastic waste, and only about 9% of all the plastic ever manufactured has been recycled. A fee on the production of virgin plastic resin, starting at 20%, will spur greater demand for recycled plastic, which is exempt from the fee. At the same time, a flat $.05 fee on plastic products will encourage more mindful consumption and less single-use plastic.

(4) A carbon fee is a widely recognized way to address the external costs of using fossil fuels. Most Western nations are implementing them, and US imports to Europe will soon have to pay a carbon border tax if there is no corresponding carbon fee here. The carbon fee starts at $20 per metric ton.

(b) The purpose of this subtitle is to preserve the environment for ourselves and our posterity.

SEC. 512. CARBON FEE.

(a) In general.—The Internal Revenue Code of 1986 is amended by adding at the end the following new subtitle:

"SUBTITLE L—POLLUTION FEES

"CHAPTER 101. CARBON FEES.

"CHAPTER 102. CARBON BORDER FEE ADJUSTMENT.

"CHAPTER 101—CARBON FEES

"SEC. 9901. Definitions.

"SEC. 9902. Carbon fee.

"SEC. 9903. Emissions reduction schedule.

"SEC. 9904. Decommissioning of carbon administration.

"SEC. 9905. Carbon capture and sequestration.

"SEC. 9906. Administrative authority.

"Sec. 9901. Definitions.

"For purposes of this subtitle:

"(a) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Environmental Protection Agency.

"(b) CARBON DIOXIDE EQUIVALENT OR CO_2-e.—The term 'carbon dioxide equivalent' or 'CO_2-e' means the number of metric tons of carbon dioxide emissions with the same global warming potential as one metric ton of another greenhouse gas.

"(c) CARBON-INTENSIVE PRODUCT.—The term 'carbon-intensive product' means, as identified by the Secretary by rule—

"(1) for purposes of this chapter—

“(A) any manufactured or agricultural product which the Secretary in consultation with the Administrator determines is emissions-intensive and trade-exposed, except that no covered fuel is a carbon-intensive product, and

“(B) until such time that the Secretary promulgates rules identifying carbon-intensive products, the following shall be considered carbon-intensive products: iron, steel, steel mill products (including pipe and tube), aluminum, cement, glass (including flat, container, and specialty glass and fiberglass), pulp, paper, chemicals, or industrial ceramics, and

“(2) for purposes of chapter 102, any economic sector, or product from that sector, which the Secretary in consultation with the Administrator determines is prone to carbon leakage because it is emissions-intensive and trade-exposed, along with other pertinent criteria, except that no covered fuel is a carbon-intensive product.

"(d) CARBON LEAKAGE.—The term ‘carbon leakage’ means an increase of global greenhouse gas emissions which are substantially due to the relocation of greenhouse gas sources from the United States to jurisdictions which lack comparable controls upon greenhouse gas emissions.

"(e) COST OF CARBON OR CARBON COSTS.—The term ‘cost of carbon’ or ‘carbon costs’ means a national or sub-national government policy which explicitly places a price on greenhouse gas pollution and shall be limited to either a tax on greenhouse gases or a system of cap-and-trade. The cost of carbon is expressed as the price per metric ton of CO_2-e.

"(f) COVERED ENTITY.—The term ‘covered entity’ means—

"(1) in the case of crude oil—

"(A) a refinery operating in the United States, and

"(B) any importer of any petroleum or petroleum product into the United States,

"(2) in the case of coal—

"(A) any coal mining operation in the United States, and

"(B) any importer of coal into the United States,

"(3) in the case of natural gas—

"(A) any entity entering pipeline quality natural gas into the natural gas transmission system, and

"(B) any importer of natural gas into the United States,

"(4) any entity or class of entities which, as determined by the Secretary, is transporting, selling, or otherwise using a covered fuel in a manner which emits a greenhouse gas to the atmosphere and which has not been covered by the carbon fee, the fluorinated greenhouse gas fee, or the carbon border fee adjustment.

"(g) COVERED FUEL.—The term 'covered fuel' means crude oil, natural gas, coal, or any other product derived from crude oil, natural gas, or coal which shall be used so as to emit greenhouse gases to the atmosphere.

"(h) CRUDE OIL.—The term 'crude oil' means unrefined petroleum.

"(i) EXPORT.—The term 'export' means to transport a product from within the jurisdiction of the United States to persons outside the United States.

"(j) FOSSIL FUEL.—The term 'fossil fuel' means coal, coal products, petroleum, petroleum products, or natural gas.

"(k) FULL FUEL CYCLE GREENHOUSE GAS EMISSIONS.—The term 'full fuel cycle greenhouse gas emissions' means the greenhouse gas content of a covered fuel plus that covered fuel's upstream greenhouse gas emissions.

"(l) GLOBAL WARMING POTENTIAL.—The term 'global warming potential' means the ratio of the time-integrated radiative forcing from the instantaneous release of one kilogram of a trace substance relative to that of one kilogram of carbon dioxide.

"(m) GREENHOUSE GAS.—The term 'greenhouse gas' means carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and other gases as defined by rule of the Administrator.

"(n) GREENHOUSE GAS CONTENT.—The term 'greenhouse gas content' means the amount of greenhouse gases, expressed in metric tons of CO_2-e, which would be emitted to the atmosphere by the use of a covered fuel and shall include, nonexclusively, emissions of carbon dioxide (CO_2), nitrous oxide (N_2O), methane (CH_4), and other greenhouse gases as identified by rule of the Administrator.

"(o) GREENHOUSE GAS EFFECT.—The term 'greenhouse gas effect' means the adverse effects of greenhouse gases on health or welfare caused by the greenhouse gas's heat-trapping potential or its effect on ocean acidification.

"(p) IMPORT.—Irrespective of any other definition in law or treaty, the term ‘import’ means to land on, bring into, or introduce into any place subject to the jurisdiction of the United States.

"(q) PETROLEUM.—The term ‘petroleum’ means oil removed from the earth or the oil derived from tar sands or shale.

"(r) PRODUCTION GREENHOUSE GAS EMISSIONS.—The term ‘production greenhouse gas emissions’ means the quantity of greenhouse gases, expressed in metric tons of CO_2-e, emitted to the atmosphere resulting from, nonexclusively, the production, manufacture, assembly, transportation, or financing of a product.

"(t) SECRETARY - The term ‘Secretary’ means the Secretary of the Treasury.

"(u) UPSTREAM GREENHOUSE GAS EMISSIONS.—The term ‘upstream greenhouse gas emissions’ means the quantity of greenhouse gases, expressed in metric tons of CO_2-e, emitted to the atmosphere resulting from, nonexclusively, the extraction, processing, transportation, financing, or other preparation of a covered fuel for use.

"Sec. 9902. Carbon fee.

"(a) Carbon fee.—There is hereby imposed a carbon fee on any covered entity’s emitting use, or sale or transfer for an emitting use, of any covered fuel.

"(b) Amount of the carbon fee.—The carbon fee imposed by this section is an amount equal to—

"(1) the greenhouse gas content of the covered fuel, multiplied by

"(2) the carbon fee rate.

"(c) Carbon fee rate.—For purposes of this section—

"(1) IN GENERAL.—The carbon fee rate, with respect to any use, sale, or transfer during a calendar year, shall be—

"(A) in the case of calendar year 2023, $20, and

"(B) except as provided in paragraph (2), in the case of any calendar year thereafter—

"(i) the carbon fee rate in effect under this subsection for the preceding calendar year, plus

"(ii) $10.

"(2) EXCEPTIONS.—

"(A) INCREASED CARBON FEE RATE AFTER MISSED ANNUAL EMISSIONS REDUCTION TARGET.—In the case of any year immediately following a year for which the Secretary determines under 9903(b) that the actual emissions of greenhouse gases from covered fuels exceeded the emissions reduction target for the previous year, paragraph (1)(B)(ii) shall be applied by substituting '$15' for the dollar amount otherwise in effect for the calendar year under such paragraph.

"(B) CESSATION OF CARBON FEE RATE INCREASE AFTER CERTAIN EMISSION REDUCTIONS ACHIEVED.—In the case of any year immediately following a year for which the Secretary determines under 9903(b) that actual emissions of greenhouse gases from covered fuels is not more than 10 percent of the greenhouse gas emissions from covered fuels during the year 2010, paragraph (1)(B)(ii) shall be applied by substituting '$0' for the dollar amount otherwise in effect for the calendar year under such paragraph.

"(3) INFLATION ADJUSTMENT.—In the case of any calendar year after 2023, each of the dollar amounts in paragraphs (1)(B) and (2)(A) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2022' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"(d) Exemption and refund.—The Secretary shall prescribe such rules as are necessary to ensure the fee imposed by this section is not imposed with respect to any nonemitting use, or any sale or transfer for a nonemitting use, including rules providing for the refund of any carbon fee paid under this section with respect to any such use, sale, or transfer.

"Sec. 9903. Emissions reduction schedule.

"(a) In general.—An emissions reduction schedule for greenhouse gas emissions from covered fuels is hereby established, as follows:

"(1) REFERENCE YEAR.—The greenhouse gas emissions from covered fuels during the year 2018 shall be the reference amount of emissions and shall be determined from the 'Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2010' published by the Environmental Protection Agency in April of 2012.

"(2) EMISSIONS REDUCTION TARGET.—The first emission reduction target shall be for the year 2025. The emission target for each year thereafter shall be the previous year's target emissions minus a percentage of emissions during the reference year determined in accordance with the following table:

"Year	Emissions Reduction Target
2010	Reference year
2023 to 2024	No emissions reduction target
2025 to 2032	5 percent of 2010 emissions per year
2033 to 2050	3 percent of 2010 emissions per year

"(b) Administrative determination.—Not later than 60 days after the beginning of each calendar year beginning after the enactment of this section, the Secretary, in consultation with the Administrator, shall determine whether actual emissions of greenhouse gases from covered fuels exceeded the emissions reduction target for the preceding calendar year. The Secretary shall make such determination using the same greenhouse gas accounting method as was used to determine the greenhouse gas emissions in the 'Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2010' published by the Environmental Protection Agency in April of 2012.

"Sec. 9904. Decommissioning of carbon administration.

"(a) In general.—At such time that the Secretary determines under 9903(b) that actual emissions of greenhouse gases from covered fuels is not more than 10 percent of the greenhouse gas emissions from covered fuels during the year 2010, the Secretary shall decommission in an orderly manner all bureaus and programs associated with administering the carbon fee, and the carbon border fee adjustment.

"Sec. 9905. Carbon capture and sequestration.

"(a) In general.—The Secretary, in consultation with the Administrator and the Secretary of Energy, shall prescribe regulations for making payments as provided in subsection (b) to qualified facilities which capture and sequester qualified carbon dioxide from one or more qualified facilities..

"(b) Payment amounts.—

"(1) IN GENERAL.—The Secretary shall make payments to a qualified facility in the same manner as if such payment was a refund of an overpayment of the carbon fee imposed by section 9902, in cases in which such qualified facility—

"(A) uses any covered fuel—

"(i) with respect to which the carbon fee has been paid, and

"(ii) which results in the emission of qualified carbon dioxide,

"(B) captures such emitted, or an equivalent amount of, qualified carbon dioxide, and

"(C) (i) sequesters such qualified carbon dioxide in a manner which is safe, permanent, and in compliance with any applicable local, State, and Federal laws, or

"(ii) utilizes such qualified carbon dioxide in a manner provided in paragraph (3)(C).

"(2) AMOUNT OF REFUND.—The payment determined under this section shall be an amount equal to the lesser of—

"(A) the adjusted metric tons of qualified carbon dioxide captured and sequestered or utilized, multiplied by the carbon fee rate during the year in which the carbon fee was imposed by section 9902 upon the covered fuel to which such carbon dioxide relates, or

"(B) the amount of the carbon fee imposed by section 9902 with respect to such covered fuel.

"(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(A) QUALIFIED CARBON DIOXIDE; QUALIFIED FACILITY.—

"(i) QUALIFIED CARBON DIOXIDE.—The term ‘qualified carbon dioxide’ has the same meaning given such term under section 45Q(c).

"(ii) QUALIFIED FACILITY.—The term ‘qualified facility’ means any industrial facility at which carbon capture equipment is placed in service.

"(B) ADJUSTED TOTAL METRIC TONS.—The adjusted total metric tons of qualified carbon dioxide captured and sequestered or utilized shall be the total metric tons of qualified carbon dioxide captured and sequestered or utilized, reduced by the amount of any carbon dioxide likely to escape and be emitted into the atmosphere due to imperfect storage technology or otherwise, as determined by the Secretary in consultation with the Administrator.

"(C) UTILIZATION.—The Secretary, in consultation with the Administrator, shall establish regulations providing for the methods and processes by which qualified carbon dioxide may be utilized so as to remove that qualified dioxide safely and permanently from the atmosphere. Utilization may not include the production of substances such as but not limited to plastics and chemicals. Such regulations shall minimize the escape or further emission of the qualified carbon dioxide into the atmosphere.

"(D) SEQUESTRATION.—Not later 540 days after the date of the enactment of this section, the Secretary, in consultation with the Administrator, shall prescribe regulations identifying the conditions under which carbon dioxide may be safely and permanently sequestered.

"(4) COORDINATION WITH CREDIT FOR CARBON DIOXIDE SEQUESTRATION.—At such time that the Secretary prescribes regulations implementing this section, no payment under this section shall be allowed to a taxpayer to whom a credit has been allowed for any taxable year under section 45Q.

"Sec. 9906. Administrative authority.

"(a) In general.—The Secretary in consultation with the Administrator shall prescribe such regulations, and other guidance, as may be necessary to carry out the purposes of this subtitle and assess and collect the carbon fee imposed by section 9902.

"(b) Specifically.—Such regulations and guidance shall include—

"(1) the identification of an effective point in the production, distribution, or use of a covered fuel for collecting such carbon fee, in such a manner so as to minimize

administrative burden and maximize the extent to which full fuel cycle greenhouse gas emissions from covered fuels have the carbon fee levied upon them,

"(2) the identification of covered entities which shall be liable for the payment of the carbon fee,

"(3) requirements for the monthly payment of such fees,

"(4) as may be necessary or convenient, rules for distinguishing between different types of covered fuels,

"(5) as may be necessary or convenient, rules for distinguishing between a covered fuel's greenhouse gas content and its upstream greenhouse gas emissions,

"(6) rules to ensure that no covered fuel has the carbon fee or carbon border fee adjustment imposed upon it more than once, and

"(7) rules to ensure that the domestic implementation of the carbon fee coordinates with the implementation of the carbon border fee adjustment of chapter 102.

"CHAPTER 102—CARBON BORDER FEE ADJUSTMENT

"SEC. 9911. Carbon border fee adjustment.

"SEC. 9912. Administration of the carbon border fee adjustment.

"SEC. 9913. Allocation of carbon border fee adjustment revenues.

“SEC. 9914. Treaties and international negotiations.

"Sec. 9911. Carbon border fee adjustment.

"(a) In general.—The fees imposed by, and refunds allowed under, this section shall be referred to as ‘the carbon border fee adjustment’.

"(b) Purpose.—The purpose of the carbon border fee adjustment is to protect animal, plant, and human life and health, to conserve exhaustible natural resources by preventing carbon leakage, and to facilitate the creation of international agreements.

"(c) Imports to the United States.—

"(1) IMPORTED COVERED FUELS FEE.—In the case of any person that imports into the United States any covered fuel, there shall be imposed a fee equal to the total carbon fee that would be imposed on the fuel's greenhouse gas content under the domestic carbon fee, including processing emissions.

"(2) IMPORTED CARBON-INTENSIVE PRODUCTS FEE.—In the case of any person that imports into the United States any carbon-intensive product, there shall be imposed a fee equal to the total carbon fee which would have accumulated upon the greenhouse gas content of the imported carbon-intensive product had the imported carbon-intensive product been produced domestically and subject to the domestic carbon fee.

"(3) MODIFICATIONS.—The Secretary shall make an administrative determination of whether any class of imported covered fuels or class of imported carbon-intensive product is carrying any total foreign carbon cost. The Secretary shall make a determination of whether international law or the enhancement of global greenhouse gas mitigation efforts require that those foreign costs of carbon be deducted from the carbon border fee adjustment determined in subsection (c)(1) or subsection (d)(1).

"(4) FOREIGN COST OF CARBON; FOREIGN CARBON COSTS.—For purposes of this subsection, the term 'foreign cost of carbon' or 'foreign carbon cost' means the explicit price a foreign jurisdiction places upon the emission of greenhouse gas pollution to the atmosphere through law or regulation. Such price shall be expressed as the price per metric ton of CO_2-e.

"(d) Refund on exports from United States.—

"(1) COVERED FUELS.—Under regulations prescribed by the Secretary, in the case of a covered fuel produced in the United States with respect to which the fee under section 9902 was paid, there shall be allowed as a credit or refund (without interest) to any exporter of such covered fuels an amount equal to the total carbon fee levied upon the exported covered fuel up to the time of its exportation, including processing emissions. Any such credit or refund shall be allowed in the same manner as if it were an overpayment of tax imposed by section 9902.

"(2) CARBON-INTENSIVE PRODUCTS.—Under regulations prescribed by the Secretary, there shall be allowed a credit or refund (without interest) to exporters of carbon-intensive products manufactured or produced in the United States an amount equal to 75% of the total carbon fees accumulated upon the greenhouse gas content of the exported carbon-intensive product up to the time of exportation. Any such credit

or refund shall be allowed in the same manner as if it were an overpayment of the fee imposed by section 9902.

"Sec. 9912. Administration of the carbon border fee adjustment.

"(a) Generally.—The Secretary in consultation with the Administrator shall prescribe regulations and guidance which implement the carbon border fee adjustment under section 9911.

"(b) Collaboration.—In administering the carbon border fee adjustment, it is the sense of Congress that the Secretary should collaborate with authorized officers of any jurisdiction, including sub-national governments, affected by the carbon border fee adjustment.

"(c) Methodology.—In determining the carbon border fee adjustment, the Secretary shall use methodologies, procedures, and data which, as may be necessary or convenient—

"(1) disaggregate a product's greenhouse gas content;

"(2) are consistent with international law and facilitate international cooperation;

"(3) in the case of incomplete data, use customary methods of interpolation that favor enhanced mitigation and facilitate international cooperation;

"(4) avoid the double pricing of greenhouse gas emissions; and

"(5) harmonize the carbon border fee adjustment with the domestic carbon fee so as to ensure all covered fuels used in the United States are subject to the carbon fee.

"(d) Schedule.—The Secretary shall—

"(1) begin implementation the carbon border fee adjustment for covered fuels at the same time as the implementation of the carbon fee; and

"(2) begin implementation of the carbon border fee adjustment for carbon-intensive products no later than October 30, 2024.

"(e) Procedure.—The Secretary shall

"(1) establish fair, timely, impartial, and as necessary confidential procedures by which the importer of any carbon-intensive product or any covered fuel may petition the Secretary to revise the Secretary's determination of its carbon border fee adjustment liability calculated under section 9911(c)(1);

“(2) establish fair, timely, impartial, and as necessary confidential procedures by which any exporter of any product from the United States may petition the Secretary to include that exported product on the list of carbon-intensive products; and

“(3) establish fair, timely, impartial, and as necessary confidential procedures by which the exporter of any carbon-intensive product or any covered fuel may petition the Secretary to revise the Secretary’s determination of its carbon border fee adjustment refund calculated under section 9911(d).

“(f) Shipments from the United States to the territories of the United States.—Notwithstanding any other treaty, law, or policy, shipments of covered fuels or carbon-intensive products from the United States to American Samoa shall be eligible for a refund of the carbon fee under section 9911(d), until such time as the people of American Samoa are recognized as US citizens and become eligible for American Union Jobs.

"(g) Imports to the territories of the United States.—Notwithstanding any other treaty, law, or policy, imports of covered fuels or carbon-intensive products to Guam, the United States Virgin Islands, American Samoa, Puerto Rico, and the Northern Mariana Islands shall not be subject to Section 9911(c).

"Sec. 9913. Allocation of carbon border fee adjustment revenues.

"(a) The revenues collected under this chapter may be used to supplement appropriations made available in fiscal years 2024 and thereafter—

“(1) to U.S. Customs and Border Protection, in such amounts as are necessary to administer the carbon border fee adjustment, then

“(2) to the Green Climate Fund, created by decision 3/CP.17 adopted at the 17th Conference of the Parties to the United Nation Framework Convention on Climate Change held in Durban, November 28 to December 11, 2011.

“Sec. 9914. Treaties and international negotiations.

“(a) Conformance with international treaties.—In the case that the Appellate Body of the World Trade Organization, or any other authoritative international treaty interpreter, shall find any portion of the carbon border fee adjustment under this chapter to violate any treaty to which the United States is a party, the Secretary of State is authorized to alter that aspect of such carbon border fee adjustment found to violate a treaty obligation so as to bring the carbon border fee adjustment into conformance with international law.

“(b) International negotiations.—The Congress finds the international mitigation of greenhouse gas emissions to be of national importance. Therefore, the Congress encourages the Secretary of State, or the Secretary’s designee, to commence and complete negotiations with other nations with the goal of forming treaties, environmental agreements, accords, partnerships or any other instrument that effectively reduces global greenhouse gas emissions to zero percent of 2010 levels by 2050 and which respect the principle of common but differentiated responsibilities and respective capabilities.

“(c) Suspension of the carbon border fee adjustment.—The Secretary may suspend the carbon border fee adjustment, in whole or in part—

“(1) when, in the determination of the Secretary, a country has implemented greenhouse gas mitigation policies sufficient to contribute to a global net reduction of greenhouse gas emissions to zero by 2050. In making such determination, the Secretary may partially suspend particular provisions of the carbon border fee adjustment. In making the determination, the Secretary shall consult with the importing country. In making the determination, the Secretary shall follow all existing treaty obligations. The Secretary shall review any carbon border fee adjustment suspension at least every 5 years, or

“(2) by treaty or other international agreement that meets the criteria of section 9914(c)(1) and includes provisions for the suspension of the carbon border fee adjustment.”.

(b) Coordination with carbon oxide sequestration credit.—Section 45Q(f) is amended by adding at the end the following new paragraph:

"(8) COORDINATION WITH CARBON CAPTURE AND SEQUESTRATION PAYMENTS.—No credit shall be allowed under this section to a taxpayer which has received any payment under section 9906.".

(c) The amendments made by this Section shall take effect on October 30, 2022, except the carbon fee under section 9902 of the Internal Revenue Code of 1986 shall apply to uses, sales, or transfers after September 30, 2023.

(d) In the case of ambiguity, the texts of this statute and its amending texts shall be interpreted so as to allow for the most effective abatement of greenhouse gas emissions.

(e) No preemption of State law.— Nothing in this legislation shall preempt or supersede, or be interpreted to preempt or supersede, any State law or regulation.

SEC. 513. PLASTIC FEE.

(a) In general.—Subtitle L of the Internal Revenue Code of 1986, as inserted by section 512, is further amended by adding at the end the following new chapter:

"CHAPTER 103. PLASTIC FEES.

"SEC. 9921. Definitions.

"SEC. 9922. Plastic production fee.

"SEC. 9923. Plastic consumption fee.

"SEC. 9924. Administrative authority.

"Sec. 9921. Definitions.

“In this chapter, the following definitions apply—

"(a) ADMINISTRATOR.—The term ‘Administrator’ means the Administrator of the Environmental Protection Agency.

"(b) IMPORT.—Irrespective of any other definition in law or treaty, the term ‘import’ means to land on, bring into, or introduce into any place subject to the jurisdiction of the United States.

"(c) PLASTIC PRODUCT.—The term ‘plastic product’ means any good intended for public sale which contains plastic, including as packaging.

"(d) PUBLIC SALE.—The term ‘public sale’ means the final purchase of a plastic product prior to use, whether at retail, or by a business entity for distribution in lieu of sale, or any other purpose consistent with this chapter, as may be determined by the Administrator through rules or regulation. Public sale does not include the purchase of secondhand plastic products.

"(e) MANUFACTURER..—The term ‘manufacturer’ means a business entity which produces plastic products from a petrochemical base, including but not limited to polyethylene terephthalate, polyethylene, polyvinyl chloride, polypropylene, polystyrene, polycarbonate, acrylic, acetal, nylon, acrylonitrile butadiene styrene, and fiberglass. Business entity does not include an entity whose taxable receipts for the taxable year are less than three times the basic wage, as calculated in section 1398b(d) of title 42, United States Code.

"(f) MULTIPACK.— The term ‘multipack’ means a product containing multiple items, usually identical, which are intended for individual use. ‘Multipack’ does not include items, sets, or kits which contain plastic products intended to be assembled or otherwise used together.

"(g) SECRETARY.—The term ‘Secretary’ means the Secretary of the Treasury.

"(h) VIRGIN PLASTIC RESIN.—The term ‘virgin plastic resin’ means resin produced directly from petrochemical feedstock for the purposes of manufacturing plastic products, but does not include recycled resin.

"Sec. 9922. Plastic production fee.

"(a) Plastic production fee.—There is hereby imposed a plastic production fee on the import, sale, or production of virgin plastic resin.

“(b) Amount of the plastic production fee.—The plastic production fee imposed by this section is an amount equal to—

"(1) the calculated value of the virgin plastic resin, multiplied by

“(2) the plastic production fee rate.

“(c) Plastic production fee rate.—For the purposes of this section, the plastic production fee rate, with respect to any production, sale, or import during a calendar year, shall be—

“(1) in the case of calendar year 2023, 20%, and

“(2) in the case of any calendar year thereafter—

“(A) the plastic production fee rate for the previous calendar year, plus

“(B) 3%.

“(d) Calculated value.—For the purposes of this section, the calculated value of virgin plastic resin shall be an amount equal to—

“(1) In the case of import, the declared value of the resin.

“(2) In the case of sale, the sale price of the resin.

“(3) In the case of production, the product of—

“(A) the total weight of the resin produced during a calendar month; and

“(B) a market price for the month determined by the Administrator in conjunction with the Bureau of Labor Statistics.

“(e) No double taxation.—A producer of virgin plastic resin may—

“(1) apply a production fee paid pursuant to the calculation in paragraph (d)(3) as a credit to a sale fee calculated pursuant to paragraph (d)(2), provided that—

“(A) the type and weight of the plastic resin is the same in both cases, and

“(B) such credit shall not reduce any sale fee below zero; or

“(2) request an exemption to the production fee by certifying to the Administrator that 100% of their production is for sale, and will meet the requirement of subparagraph (a) through the resulting sales fee.

"Sec. 9923. Plastic consumption fee.

"(a) Plastic consumption fee.—There is hereby imposed a plastic consumption fee on the manufacture of plastic products.

"(1) IN GENERAL.— The plastic consumption fee shall be calculated as follows:

"(A) For a single unit of plastic product, $.05; or

"(B) For multipacks containing plastic products, $.05 each for each individual plastic product included therein.

"(2) EXCEPTIONS.—

"(A) In the case of plastic products sold in bulk quantities and of minimal functionality in single units, the Secretary may by rule establish a weight or measure, of which the quantity shall be considered a single unit under subparagraph (1)(A).

"Sec. 9924. Administrative authority.

"(a) In general.—The Secretary in consultation with the Administrator shall promulgate rules, guidance, and regulations useful and necessary to carry out the purposes of this subtitle and assess and collect the plastic production fee imposed by section 9922 and the plastic consumption fee imposed by section 9923.

"(b) Specifically.—Such regulations and guidance shall include—

"(1) the identification of effective points in the production and manufacturing process for collecting such fees, in such a manner so as to minimize administrative burdens,

"(2) the identification of the entities which shall be liable for the payment of the fees,

"(3) requirements for the monthly payment of such fees, and

"(4) as may be necessary or convenient, rules for distinguishing between different types of plastic.".

(b) No preemption of State law.—Nothing in this legislation shall preempt or supersede, or be interpreted to preempt or supersede, any State law or regulation.

(c) Effective date.—This section shall be effective September 30, 2023.

TITLE VI - MISCELLANEOUS PROVISIONS

SEC. 601. SEVERABILITY.

If any provision of this Act or an amendment made by this Act, or any application of such provision to any person or circumstance, is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of this Act and the amendments made by this Act to any other person or circumstance shall not be affected.

SEC. 602. SAVINGS CLAUSE.

Nothing in this Act shall be construed—

(a) to limit legal or administrative remedies under section 1979 of the Revised Statutes of the United States (42 U.S.C. 1983), section 210401 of the Violent Crime Control and Law Enforcement Act of 1994 (34 U.S.C. 12601), title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10101 et seq.), or title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.);

(b) to affect any Federal, State, or Tribal law that applies to an Indian Tribe because of the political status of the Tribe; or

(c) to waive the sovereign immunity of an Indian Tribe without the consent of the Tribe.

SEC. 603. EFFECTIVE DATES.

Unless otherwise noted, this Act shall be effective on passage.