

AMENDMENT TO
RULES COMMITTEE PRINT 119–8
OFFERED BY MRS. TORRES OF CALIFORNIA

At the end of subtitle B of title XVII, insert the following new section:

1 **SEC. 17____. NO POLITICAL PUNISHMENT OF DONOR**
2 **STATES.**

3 (a) PROHIBITION ON POLITICAL PUNISHMENT OF
4 DONOR STATES.—

5 (1) IN GENERAL.—Notwithstanding any other
6 provision of law, the President, or any other member
7 of the executive branch, may not—

8 (A) target a donor State by imposing a
9 general prohibition on awarding a grant to, or
10 entering into a contract or other agreement
11 with, the donor State (or a political subdivision
12 of such donor State, or a public or nonprofit
13 entity in such donor State); or

14 (B) revoke or suspend any grant, contract,
15 or other agreement awarded to, or entered into
16 with, a donor State (or a political subdivision of
17 such donor State, or a public or nonprofit enti-
18 ty in such donor State), unless the Comptroller

1 General of the United States determines that
2 the donor State (or such political subdivision or
3 entity) has committed fraud, waste, or abuse
4 with respect to such grant, contract, or agree-
5 ment.

6 (2) DEFINITIONS.—In this subsection:

7 (A) The term “donor State” means any
8 State the taxpayers of which have on average,
9 over the 3-year period preceding the date of the
10 enactment of this section, paid a total amount
11 in Federal income taxes that exceeds the aver-
12 age total amount of Federal funding provided
13 to the State over such period.

14 (B) The term “public entity” includes pub-
15 lic schools and public hospitals.

16 (b) DONOR STATE PROTECTION TRUST FUND.—

17 (1) IN GENERAL.—Subchapter A of Chapter 98
18 of the Internal Revenue Code of 1986 is amended by
19 adding at the end the following new section:

20 **“SEC. 9512. DONOR STATE PROTECTION TRUST FUND.**

21 **“(a) CREATION OF TRUST FUND.—**There is hereby
22 established in the Treasury of the United States a trust
23 fund to be known as the ‘Donor State Protection Trust
24 Fund’, consisting of such amounts as may be appropriated
25 to such Trust Fund as provided in this section.

1 “(b) TRANSFER TO TRUST FUND OF AMOUNTS
2 EQUIVALENT TO CERTAIN TAXES.—There are hereby ap-
3 propriated to the Donor State Protection Trust Fund
4 amounts equivalent to the taxes received in the Treasury
5 under subtitle A paid by the taxpayers of donor States.
6 For each calendar year, if the unobligated amounts in
7 such Trust Fund exceed \$4,000,000,000,000 on Decem-
8 ber 31 of such year, such excess amounts shall be trans-
9 ferred to the general fund of the Treasury.

10 “(c) AVAILABILITY OF AND EXPENDITURES FROM
11 TRUST FUND.—

12 “(1) IN GENERAL.—Amounts in the Donor
13 State Protection Trust Fund shall be available, with-
14 out further appropriation, to a donor State—

15 “(A) if, and only if, the President, or an-
16 other member of the executive branch—

17 “(i) imposes a general prohibition on
18 awarding a grant to, or entering into a
19 contract or other agreement with, the
20 donor State (or a political subdivision of
21 such donor State, or a public or nonprofit
22 entity in such donor State), or

23 “(ii) revokes or suspends a grant, con-
24 tract, or other agreement awarded to, or
25 entered into with, the donor State (or such

1 a political subdivision or entity), unless the
2 Comptroller General of the United States
3 determines that the donor State (or such
4 political subdivision or entity) has com-
5 mitted fraud, waste, or abuse with respect
6 to such grant, contract, or agreement, and
7 “(B) for the purpose of making any ex-
8 penditures determined necessary or appropriate
9 by the donor State.

10 “(2) LIMITATION.—In the case of any grant,
11 contract, or other agreement that is revoked or sus-
12 pended, as described in paragraph (1)(A)(ii), with
13 respect to a donor State (or a political subdivision
14 of such donor State, or a public or nonprofit entity
15 in such donor State), the amounts in the Trust
16 Fund available to the donor State shall be limited to
17 the amount equal to the amount the donor State (or
18 such political subdivision or entity) would have re-
19 ceived under such grant, contract, or agreement but
20 for such revocation or suspension.

21 “(d) DEFINITIONS.—For purposes of this section—

22 “(1) DONOR STATE.—The term ‘donor State’
23 means any State the taxpayers of which have on av-
24 erage, over the 3-year period preceding the date of
25 the enactment of this section, paid a total amount

1 in Federal income taxes that exceeds the average
2 total amount of Federal funding provided to the
3 State over such period.

4 “(2) PUBLIC ENTITY.—The term ‘public entity’
5 includes public schools and public hospitals.”.

6 (2) CLERICAL AMENDMENT.—The table of sec-
7 tions for subchapter A of chapter 98 of such Code
8 is amended by adding at the end the following new
9 item:

“9512. Donor State Protection Trust Fund.”.

10 (3) EFFECTIVE DATE.—The amendments made
11 by this subsection shall apply to taxes received after
12 the date of the enactment of this subsection.

