

113TH CONGRESS  
1ST SESSION

# H. R. 3296

To authorize the United States Department of Treasury to prioritize certain payments in the event that the debt limit is reached.

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 16, 2013

Mr. GALLEGO introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To authorize the United States Department of Treasury to prioritize certain payments in the event that the debt limit is reached.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Pay America First  
5 Act”.

1 **SEC. 2. AUTHORITY TO PROTECT AMERICA'S SENIORS, VET-**  
2 **ERANS, AND OTHER DOMESTIC PAYMENTS**  
3 **PRIOR TO DEBT OBLIGATIONS TO FOREIGN**  
4 **BONDHOLDERS.**

5 This Act shall take effect if the United States Gov-  
6 ernment defaults on its legal obligations for the first time  
7 in its history, as evidenced by the Secretary of the Treas-  
8 ury taking any of the following actions:

9 (1) Withhold from making payments of debt obliga-  
10 tions to foreign bond holders, including those in China,  
11 Iran, and the Cayman Islands, before making payments  
12 of debt obligations to programs as listed below:

13 (a) Make a payment of a debt obligation to the  
14 Social Security and Medicare trust funds or redeem  
15 a debt obligation held by those trust funds.

16 (b) Redeem a debt obligation held by a trust  
17 fund providing veterans benefits, including the Vet-  
18 erans Special Life Insurance Fund, the Veterans Re-  
19 opened Insurance Fund, the Armed Forces Retirement  
20 Home Fund, and the Court of Veteran Ap-  
21 peals Retirement Fund.

22 (c) Redeem a debt obligation held by an  
23 intragovernmental fund with the purpose of assisting  
24 Americans during a natural disaster, including re-  
25 serves for the National Flood Insurance Program

1 and other disaster relief funds appropriated to the  
2 President.

3 (d) Make a payment of debt obligations to the  
4 Department of Defense, including civilian and uni-  
5 formed personnel (Army, Navy, Marines, Air Force),  
6 military active pay and military retirement benefits,  
7 and military benefits to their families.

8 **SEC. 3. REPORT ON CERTAIN ACTIONS.**

9 (1) In general, after the date of the enactment of this  
10 Act, the Secretary of Treasury exercises his or her author-  
11 ity under subsection (a), the Secretary shall thereafter  
12 submit a report each week to Congress on the payments  
13 issued and amount of revenues incoming and remaining  
14 reserves for upcoming payments issued.

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