Conservative	Legislative Bulletin
Action	June 27, 2000
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The following measures may be voted on by the House on Tuesday, June 27:

H.R. 809—FEDERAL PROTECTIVE SERVICE REFORM ACT

<u>Cost to the Taxpayer</u>: Subject to appropriations, CBO estimates that implementing H.R. 809 would cost the Federal Protective Service about \$10 million over the 2001-2005 period, including costs to provide its employees with more generous compensation, hire additional officers, establish it as a separate entity within GSA, and issue regulations. The bill authorizes "such sums" as are necessary to implement its provisions.

Does the Bill Create New Government Programs or Regulations: Yes. H.R. 809 would reorganize the Federal Protective Service (FPS) as a separate operating service of the General Services Administration (GSA). The FPS currently is part of GSA's Public Buildings Service (PBS). The bill also would require that the FPS increase the total number of its police officers to 730, issue guidelines for the contracting of security personnel in GSA-controlled buildings, and provide pay and benefits to its law enforcement personnel that are equal to or greater than those provided by the United States Capitol Police to its officers.

Constitutional Authority: The Committee cites article I, section 8 of the Constitution.

H.RES. 494-- OHIO'S STATE MOTTO

Cost to the Taxpayer: None, Sense of House Resolution

Does the Bill Create New Government Programs or Regulations: No.

<u>Constitutional Authority:</u> No Committee report was filed, and no authority is cited in the resolution.

Summary: H.Res. 494 Expresses the sense of the House that the Ohio State motto "With God All Things Are Possible" is constitutional and urges the courts to uphold its constitutionality. Excerpts from the resolution are listed below:

- C Whereas the motto does not establish, promote, endorse, advance, or discriminate against any specific set of religious beliefs;
- C Whereas the Declaration of Independence and the constitutions or preambles of 45 States make explicit reference to a divine power;
- Whereas since 1864, United States coins have borne the motto `In God We Trust', which Congress made mandatory on all gold and silver coins in 1908 (35 Stat. 164, Chap. 173) and on all United States coins and currency in 1955 (69 Stat. 290, Chap. 303);
- C Whereas in 1956, Congress declared the national motto of the United States to be `In God we

trust' (70 Stat. 732, Chap. 795); and

Resolved, That--

(1) it is the sense of the House of Representatives that--

The decision of a three-judge panel of the United States Court of Appeals for the Sixth Circuit striking down the Ohio State motto is a misinterpretation and misapplication of the United States Constitution; and

(2) the House of Representatives--

(A) finds repugnant all misinterpretations and misapplications of the Constitution by Federal courts which disregard those references to God which are well

within the American tradition and within the Constitution;

(B) supports the decision of the Governor and the Attorney General of the State of Ohio to appeal the ruling; and

(C) affirms its support for the Ohio State motto and other State mottoes making reference to a divine power.

H.CON.RES. 312—CHIEF WASHAKIE STATUE AND CEREMONY

Cost to the Taxpayer: There is no CBO estimate on the following expenses required in the resolution: transcripts of the proceedings of the ceremony shall be printed as a House document, with illustrations and suitable binding. In addition to the usual number, there shall be printed 6,555 copies of the document, of which 450 copies shall be for the use of the House of Representatives, 105 copies shall be for the use of the Senate, 2,500 copies shall be for use of the Representative from Wyoming, and 3,500 copies shall be for the use of the Senators from Wyoming.

H.CON. RES. 312 -- REGARDING TITLE PAWN AND LOAN TRANSACTIONS

Cost to the Taxpayers: None

Does the Bill Create New Government Programs or Regulations: No

Constitutional Authority: None cited.

Summary: The resolution expresses the sense of Congress that States should more closely regulate title pawn transactions (pawn shops) and outlaw the imposition of usurious interest rates on title loans to consumers.

H.R. 2614--CERTIFIED DEVELOPMENT COMPANY PROGRAM IMPROVEMENTS ACT OF 1999

<u>Cost to the Taxpayers:</u> Based on information from the Small Business Administration, CBO estimates that implementing H.R. 2614 would not have a significant impact on the federal budget.

Does the Bill Create New Government Programs or Regulations: Yes. H.R. 2614 would make numerous changes to two loan programs that the SBA operates in cooperation with certified development companies (CDCs). CDC loans, also known as section 503 and 504 loans, provide small

businesses with long-term, fixed-rate financing for the purchase of land, buildings, and equipment. Under current law, the Administrator of SBA must adjust an annual fee on 504 loans to produce an estimated subsidy rate of zero at the time loans are guaranteed. Both the program and its fee authority expire at the end of fiscal year 2000. H.R. 2614 would extend the authority to make new loans and collect such fees through fiscal year 2003. The extension of the fee authority would maintain a zero subsidy rate for this program.

The act would allow CDCs to litigate bankruptcies in place of SBA and would authorize qualified companies to liquidate loans in their portfolio that the SBA has purchased. (The act would make permanent the pilot program that allowed CDCs to liquidate such loans.) Finally, the act would increase the maximum amount that can be guaranteed from \$750,000 to \$1 million in most cases, and from \$1 million to \$1.3 million if the loan would satisfy specific policy goals.

If H.R. 2614 is enacted, the subsidy rates for previous cohorts of CDC loans or the administrative costs of SBA could be affected. (The former would affect direct spending.) However, it is unclear whether the average subsidy costs for SBA guarantees of existing loans would increase or decrease.

Other Information:

The pilot program started in October 1994 and extended in December 1997 has not produced enough information to date to allow CBO to make any determination about the amount the government would recover on defaulted loans if those loans are liquidated by CDCs instead of by SBA. In addition, it is not clear how expenses associated with liquidation would be paid. The Federal Credit Reform Act stipulates that administrative expenses cannot be paid out of the subsidy for loan programs, but expenses to foreclose, maintain, or liquidate an asset can. Many of the expenses CDCs would incur would be to foreclose, maintain, or liquidate assets. It is not clear whether SBA would have the authority to reimburse CDCs for administrative expenses, including litigation costs.

Liquidation activities under the act might cost less than under current law, thus lowering the subsidy costs on existing loan guarantees. But if litigation costs became part of the subsidy costs, those costs could increase. On balance, CBO expects that enacting H.R. 2614 would probably not lead to a significant net change in the subsidy cost for CDC loans or in SBA's administrative costs.

The act would not affect the zero subsidy rate for future CDC loans. H.R. 2614 would increase the maximum size of the guarantee, which could increase the default risk of the program. But added costs for defaults on future loans would be offset by fees paid by borrowers.

The bill adds loans to women-owned small businesses to the current list of public policy goals specified under the Act.

S. 1515 — RADIATION EXPOSURE COMPENSATION ACT AMENDMENTS (Passed the Senate November 19, 1999)

<u>Cost to Taxpayer</u>: CBO estimates that implementing the bill would result in additional discretionary spending of about \$750 million over the 2000-2005 period (\$650 million in compensation payments to victims and \$100 million in HHS grants).

Does the Bill Create New Government Programs or Regulations: Yes, the bill increases the number

of persons eligible for compensation payments under the Radiation Exposure Compensation Act by

- C Adding more qualifying occupations relating to uranium production,
- C Increasing the number of states covered and extending the time period considered for radiation exposure,
- C Adding more diseases which may qualify individuals for compensation,
- C Decreasing the level of radiation exposure that is necessary to qualify, and
- C Making certain medical criteria less stringent for potential claimants.

CBO estimates that about 9,600 persons would file claims over the next five years and that about 60% would receive payments of \$50,000 (for those down-wind of nuclear tests), \$75,000 (for those on-site at nuclear tests), or \$100,000 for other individuals, including those working mines).

The bill also authorizes the Secretary of HHS to make grants for programs to 1) screen individuals for cancer, 2) provide referrals for follow-up services, 3) develop and disseminate public information, and 4) assist applicants in the documentation of compensation claims.

<u>Constitutional Authority</u>: No committee report was filed and no Constitutional authority is cited in the bill.

The views expressed in this Legislative Bulletin do not necessarily reflect the views of all Members of the Conservative Action Team. The Conservative Action Team is a Congressional Member Organization of over 50

Republican House Members and is chaired by Representative John Shadegg (R-AZ).