

Union Calendar No. 438

103^D CONGRESS
2^D SESSION

H. R. 4525

[Report No. 103-792]

A BILL

To authorize the transfer of a certain loan contract to the Upper Yampa Water Conservancy Project, and for other purposes.

OCTOBER 3, 1994

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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IN THE HOUSE OF REPRESENTATIVES

MAY 26, 1994

Mr. McINNIS introduced the following bill; which was referred to the Committee on Natural Resources

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[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on May 26, 1994]

A BILL

To authorize the transfer of a certain loan contract to the Upper Yampa Water Conservancy Project, and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “Stagecoach Reservoir*
3 *Project Act of 1993”.*

4 **SEC. 2. SALE OF THE STAGECOACH RESERVOIR PROJECT**
5 **LOAN.**

6 (a) *AGREEMENT.*—

7 (1) *IN GENERAL.*—*As soon as practicable after*
8 *the date of enactment of this Act, the Secretary of the*
9 *Interior shall conduct appropriate investigations re-*
10 *garding, and is authorized to sell, or accept prepay-*
11 *ment on, the loan contract described in paragraph (2)*
12 *to the Upper Yampa Water Conservancy District in*
13 *Colorado (referred to in this Act as the “District”) for*
14 *the Stagecoach Reservoir Project.*

15 (2) *LOAN CONTRACT.*—*The loan contract de-*
16 *scribed in paragraph (1) is numbered 7-07-40-*
17 *R0480 and was entered into pursuant to the Small*
18 *Reclamation Projects Act of 1956 (43 U.S.C. 422a et*
19 *seq.).*

20 (b) *PAYMENT.*—*Any agreement negotiated pursuant to*
21 *subsection (a) shall realize an amount to the Federal Gov-*
22 *ernment calculated by discounting the remaining payments*
23 *due on the loans by the interest rate determined pursuant*
24 *to subsection (c).*

25 (c) *INTEREST RATE.*—

1 (1) *IN GENERAL.*—*The Secretary shall determine*
2 *the interest rate in accordance with the guidelines set*
3 *forth in Circular A–129 issued by the Office of Man-*
4 *agement and Budget concerning loan sales and pre-*
5 *payment of loans.*

6 (2) *DETERMINATION.*—*In determining the inter-*
7 *est rate, the Secretary—*

8 (A) *shall not equate an appropriate amount*
9 *of prepayment with the price of the loan if it*
10 *were to be sold on the open market to a third*
11 *party; and*

12 (B) *shall, in following the guidelines set*
13 *forth in Circular A–129 regarding an allowance*
14 *for administrative expenses and possible losses,*
15 *make such an allowance from the perspective of*
16 *the Federal Government as lender and not from*
17 *the perspective of a third party purchasing the*
18 *loan on the open market.*

19 (3) *ADJUSTMENT.*—*If the borrower or purchaser*
20 *of the loan has access to tax-exempt financing, includ-*
21 *ing tax-exempt bonds, tax-exempt cash reserves, and*
22 *cash and loans of any kind from any tax-exempt en-*
23 *tity, to finance the transaction, and if the Office of*
24 *Management and Budget grants the Secretary the*
25 *right to conduct such a transaction, then the interest*

1 *rate by which the Secretary discounts the remaining*
2 *payments due on the loan shall be adjusted by an*
3 *amount that compensates the Federal Government for*
4 *the direct or indirect loss of future tax revenues.*

5 (4) *LIMITATION.*—*Notwithstanding any other*
6 *provision of law, the interest rate shall not exceed a*
7 *composite interest rate consisting of the current mar-*
8 *ket yield on Treasury securities of comparable matu-*
9 *rities.*

10 (5) *APPROVAL.*—*The Secretary shall obtain ap-*
11 *proval from the Secretary of the Treasury and the Di-*
12 *rector of the Office of Management and Budget of the*
13 *final terms of any loan sale or prepayment made*
14 *pursuant to this title.*

15 **SEC. 3. TERMINATION AND CONVEYANCE OF RIGHTS.**

16 *Upon receipt of the payment specified in section*
17 *2(b)—*

18 (1) *the obligation of the District under the loan*
19 *contract described in section 2(a)(2) shall terminate;*

20 (2) *the Secretary of the Interior shall convey all*
21 *right and interest of the United States in the Stage-*
22 *coach Reservoir Project to the District; and*

23 (3) *the District shall absolve the United States,*
24 *and its officers and agents, of any liability associated*
25 *with the Stagecoach Reservoir Project.*

1 **SEC. 4. TERMINATION OF AUTHORITY.**

2 (a) *IN GENERAL.*—Subject to subsection (b), the au-
3 thority granted by this Act to sell loans shall terminate 2
4 years after the date of enactment of this Act.

5 (b) *TIME TO RESPOND TO OFFER.*—The borrower
6 shall have not less than 60 days to respond to any prepay-
7 ment offer made by the Secretary.