

Resolution to Protect Federal Taxpayers from Territories', States', or Municipalities' Defaults

Whereas, Because of the continued reckless spending and underfunded obligations of several Territories, States, and Municipalities, the possibility of one or more of those having to default on its obligations in the future continues to increase; and

Whereas, It should be made perfectly clear to all those relying on the payment of that debt (whether private sector bond holders, pension funds, or any other dependent of, or vendor for, that Territory, State, or Municipality) that these obligations are not the responsibility of anyone other than the constituency of the Territories, States, or Municipalities where these obligations originated; and

Whereas, Although the U.S. Government decided to bail out private sector companies with Federal dollars in the past it should be clearly stated to those who might be owed by the Territory, State, or Municipality that these entities are the sole party responsible for those obligations; and

Whereas, Taxpayers residing in Territories, States, and Municipalities which have more prudently and efficiently managed their resources and obligations should not then be asked to pay for the irresponsibility and imprudent practices and promises of other such entities; and

Whereas, FEMA would still be available for emergencies created by natural disasters such as floods, fires, earthquakes and other similar events; and

Whereas, Current law as provided by the **Pension Protection Act of 2006** should not be altered.

Therefore, be it:

Resolved, Congress should pass, and the President sign, a law providing that no debt of any Territory, State, or Municipality shall ever be paid for by Federal Taxes or become the obligation of Federal Taxpayers resulting from the default, restructuring or transfer of those obligations made by them; and

Resolved, This law should allow for, should Congress so elect to do so, the use of funds for local police, fire and other emergency personnel and equipment (to exclude pension funding) necessary to provide for the immediate security, health and safety of local citizens.