117TH CONGRESS
2D SESSION

S. 3801

To establish limitations on the amount of debt issued by the United States which may be held by foreign governments, entities, and individuals.

IN THE SENATE OF THE UNITED STATES

MARCH 10 (legislative day, MARCH 7), 2022

Ms. ERNST (for herself, Mr. BRAUN, and Mr. CASSIDY) introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To establish limitations on the amount of debt issued by the United States which may be held by foreign governments, entities, and individuals.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Debt is National Security Act".

SEC. 2. LIMIT ON PUBLIC DEBT HELD BY FOREIGN GOVERNMENTS, ENTITIES, AND INDIVIDUALS.

(a) IN GENERAL.—Subchapter I of chapter 31 of title 31, United States Code, is amended by inserting after section 3113 the following:

"§ 3114. Limit on public debt held by foreign governments, entities, and individuals

"(a) IN GENERAL.—

"(1) CUMULATIVE LIMIT.—Notwithstanding any other provision of this chapter, the amount of the national debt which is cumulatively held by foreign governments, entities organized or incorporated under the laws of a foreign country, and citizens of foreign countries shall not exceed an amount equal to one-third of the national debt.

"(2) COUNTRY-SPECIFIC LIMIT.—Notwithstanding any other provision of this chapter, with respect to any foreign country, the amount of the national debt which is cumulatively held by the government of such country, entities organized or incorporated under the laws of such country, and citizens of such country shall not exceed an amount equal to 5 percent of the national debt.

"(b) DETERMINATION.—The Secretary of the Treasury, in coordination with the Director of the Office of Management and Budget, shall issue guidance regarding implementation of this section, including calculation of the amount of the national debt held by foreign governments, entities organized or incorporated under the laws of a foreign country, and citizens of foreign countries.

"(c) PRESIDENTIAL WAIVER.—

"(1) IN GENERAL.—The President may waive the application of paragraph (1) or (2) of subsection (a) if the President determines and, pursuant to paragraph (2), so reports that the important national interest of the United States requires the exercise of such waiver authority.

"(2) CONGRESSIONAL NOTIFICATION.—Not later than the date of the exercise of a waiver under paragraph (1), the President shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate of the waiver or the intention to exercise the waiver, together with a detailed justification thereof.

"(d) NATIONAL DEBT.—For purposes of this section, the term 'national debt' means the face amount of obligations issued under this chapter and the face amount of obligations whose principal and interest are guaranteed by the United States Government (except guaranteed obligations held by the Secretary of the Treasury).".

(b) CLERICAL AMENDMENT.—The table of sections of subchapter I of chapter 31 of title 31, United States Code, is amended by inserting after the item relating to section 3113 the following:

"3114. Limit on public debt held by foreign governments, entities, and individuals.".

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