

purposes of directing remedies or consenting to proposed amendments or modifications as provided in the applicable documents pursuant to which such Insured Bond was issued and insured.

(4) Insured Bond

The term “Insured Bond” means a bond subject to a financial guarantee or similar insurance contract, policy and/or surety issued by a monoline insurer.

(5) Property of the estate

The term “property of the estate”, when used in a section of title 11 made applicable in a case under this subchapter by subsection (a), means property of the debtor.

(6) State

The term “State”¹ when used in a section of title 11 made applicable in a case under this subchapter by subsection (a)¹ means State or territory when used in reference to the relationship of a State to the municipality of the State or the territorial instrumentality of a territory, as applicable.

(7) Trustee

The term “trustee”, when used in a section of title 11 made applicable in a case under this subchapter by subsection (a), means the Oversight Board, except as provided in section 926 of title 11. The term “trustee” as described in this paragraph does not mean the U.S. Trustee, an official of the United States Trustee Program, which is a component of the United States Department of Justice.

(d) Reference to subchapter

Solely for purposes of this subchapter, a reference to “this title”, “this chapter”, or words of similar import in a section of title 11 made applicable in a case under this subchapter by subsection (a) or to “this title”, “title 11”, “Chapter 9”, “Chapter 11”, “the Code”, or words of similar import in the Federal Rules of Bankruptcy Procedure made applicable in a case under this subchapter shall be deemed to be a reference to this subchapter.

(e) Substantially similar

In determining whether claims are “substantially similar” for the purpose of section 1122 of title 11, made applicable in a case under this subchapter by subsection (a), the Oversight Board shall consider whether such claims are secured and whether such claims have priority over other claims.

(f) Operative clauses

A section made applicable in a case under this subchapter by subsection (a) that is operative if the business of the debtor is authorized to be operated is operative in a case under this subchapter.

(Pub. L. 114–187, title III, §301, June 30, 2016, 130 Stat. 577.)

§ 2162. Who may be a debtor

An entity may be a debtor under this subchapter if—

(1) the entity is—

(A) a territory that has requested the establishment of an Oversight Board or has had an Oversight Board established for it by the United States Congress in accordance with section 2121 of this title; or

(B) a covered territorial instrumentality of a territory described in paragraph (1)(A);

(2) the Oversight Board has issued a certification under section 2146(b) of this title for such entity; and

(3) the entity desires to effect a plan to adjust its debts.

(Pub. L. 114–187, title III, §302, June 30, 2016, 130 Stat. 579.)

§ 2163. Reservation of territorial power to control territory and territorial instrumentalities

Subject to the limitations set forth in subchapters I and II of this chapter, this subchapter does not limit or impair the power of a covered territory to control, by legislation or otherwise, the territory or any territorial instrumentality thereof in the exercise of the political or governmental powers of the territory or territorial instrumentality, including expenditures for such exercise, but whether or not a case has been or can be commenced under this subchapter—

(1) a territory law prescribing a method of composition of indebtedness or a moratorium law, but solely to the extent that it prohibits the payment of principal or interest by an entity not described in section 109(b)(2) of title 11, may not bind any creditor of a covered territory or any covered territorial instrumentality thereof that does not consent to the composition or moratorium;

(2) a judgment entered under a law described in paragraph (1) may not bind a creditor that does not consent to the composition; and

(3) unlawful executive orders that alter, amend, or modify rights of holders of any debt of the territory or territorial instrumentality, or that divert funds from one territorial instrumentality to another or to the territory, shall be preempted by this chapter.

(Pub. L. 114–187, title III, §303, June 30, 2016, 130 Stat. 579.)

Editorial Notes

REFERENCES IN TEXT

This chapter, referred to in par. (3), was in the original “this Act”, meaning Pub. L. 114–187, June 30, 2016, 130 Stat. 549, known as the Puerto Rico Oversight, Management, and Economic Stability Act and also as PROMESA, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 2101 of this title and Tables.

§ 2164. Petition and proceedings relating to petition

(a) Commencement of case

A voluntary case under this subchapter is commenced by the filing with the district court of a petition by the Oversight Board pursuant to the determination under section 2146 of this title.

¹ So in original. Probably should be followed by a comma.