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(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To direct the Director of the Office of Management and Budget to require the disclosure of violations of Federal law with respect to human trafficking or alien smuggling, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. GOODEN of Texas introduced the following bill; which was referred to the Committee on _____

A BILL

To direct the Director of the Office of Management and Budget to require the disclosure of violations of Federal law with respect to human trafficking or alien smuggling, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protecting Federal
5 Funds from Human Trafficking and Smuggling Act of
6 2023”.

1 **SEC. 2. MANDATORY DISCLOSURES OF HUMAN TRAF-**
2 **FICKING AND ALIEN SMUGGLING.**

3 (a) **LIMITATION ON AWARD OF FEDERAL FUNDS.—**

4 (1) **FUTURE RECIPIENTS.—**Beginning not later
5 than 120 days after the date of the enactment of
6 this Act, no Federal funds may be awarded to a
7 non-profit entity unless such entity submits to the
8 Director of the Office of Management and Budget a
9 certification that the entity is in compliance with
10 Federal law with respect to human trafficking, alien
11 smuggling, fraud, bribery, or gratuity and has not
12 been convicted of an offense under section 274 of
13 the Immigration and Nationality Act (8 U.S.C.
14 1324).

15 (2) **CURRENT AND PRIOR RECIPIENTS.—**Not
16 later than 60 days after the date of the enactment
17 of this Act, each non-profit entity that is in receipt
18 of awarded Federal funds as of the date of the en-
19 actment of this Act, or was awarded Federal funds
20 prior to January 1, 2021, shall submit to the Direc-
21 tor of the Office of Management and Budget a cer-
22 tification that the entity is in compliance with Fed-
23 eral law with respect to human trafficking, alien
24 smuggling, fraud, bribery, or gratuity and has not
25 been convicted of an offense under section 274 of
26 the Immigration and Nationality Act (8 U.S.C.

1 1324). If the entity does not submit the certifi-
2 cation, or is determined by the Director of the Office
3 of Management and Budget to have violated section
4 274 of the Immigration and Nationality Act (8
5 U.S.C. 1324), the entity shall repay any such funds
6 awarded.

7 (b) DENIAL OF TAX EXEMPTION.—Section 503 of
8 the Internal Revenue Code of 1986 is amended by adding
9 at the end the following new subsection:

10 “(g) DENIAL OF EXEMPTION FOR NOT MEETING
11 CERTAIN CERTIFICATION REQUIREMENT.—

12 “(1) IN GENERAL.—An organization described
13 in section 501(c) shall not be exempt from taxation
14 under section 501(a) if such organization does not
15 submit the certification required pursuant to section
16 2(a) of the ‘Protecting Federal Funds from Human
17 Trafficking and Smuggling Act of 2023’, or is deter-
18 mined by the Director of the Office of Management
19 and Budget to have violated section 274 of the Im-
20 migration and Nationality Act (8 U.S.C. 1324).

21 “(2) RE-APPLICATION FOR EXEMPTION.—Not
22 sooner than one year after the date on which an or-
23 ganization described in section 501(c) is not exempt
24 pursuant to paragraph (1), such organization may

1 reapply to be exempt from taxation under section
2 501(a).”.

3 (c) REPORTING REQUIREMENT.—Not later than 120
4 days after the date of the enactment of this Act, the Sec-
5 retary of Homeland Security shall—

6 (1) develop a written strategy and best prac-
7 tices guide for non-profit entities to ensure they are
8 in compliance with Federal law, including how to de-
9 tect, deter, and report human trafficking and alien
10 smuggling;

11 (2) publish on the internet website of the De-
12 partment of Homeland Security information on vio-
13 lations of any non-profit entity as it pertains to com-
14 pliance with State and Federal laws with respect to
15 human trafficking, and alien smuggling; and

16 (3) develop a written strategy to improve co-
17 operation with non-profit entities, State, and Fed-
18 eral law enforcement agencies with respect to im-
19 proving cooperation on deterring, detecting, report-
20 ing, and removing aliens.

21 (d) REPORT BY COMPTROLLER GENERAL.—Not later
22 than 180 days after the date of the enactment of this Act,
23 and annually thereafter, the Comptroller General of the
24 United States shall report to Congress on each violation
25 by a non-profit entity to certify under subsection (a).

1 (e) APPLICABILITY.—The requirement under sub-
2 section (a) shall apply to any non-profit entity awarded
3 Federal funding, including a non-profit entity who has an
4 agreement, contract, award, or relationship with the Fed-
5 eral Government on the date of the enactment of this Act.

6 **SEC. 3. VERIFICATION REQUIREMENT FOR NONPROFIT**
7 **CHARITABLE ORGANIZATIONS-.**

8 Section 432 of the Personal Responsibility and Work
9 Opportunity Reconciliation Act of 1996 (8 U.S.C. 1642)
10 is amended by striking subsection (d).