118TH CONGRESS
2D SESSION

H. R. 6954

To reauthorize and amend the Nicaraguan Investment Conditionality Act of 2018 and the Reinforcing Nicaragua's Adherence to Conditions for Electoral Reform Act of 2021, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 11, 2024

Mr. SMITH of New Jersey (for himself and MS. SALAZAR) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To reauthorize and amend the Nicaraguan Investment Conditionality Act of 2018 and the Reinforcing Nicaragua's Adherence to Conditions for Electoral Reform Act of 2021, and for other purposes.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Restoring Sovereignty and Human Rights in Nicaragua Act of 2024".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.
Sec. 3. Sense of Congress.

TITLE I—REAUTHORIZATION AND AMENDMENT OF THE NICARAGUAN INVESTMENT CONDITIONALITY ACT OF 2018 AND THE REINFORCING NICARAGUA'S ADHERENCE TO CONDITIONS FOR ELECTORAL REFORM ACT OF 2021

Sec. 101. Extension of authorities of the Nicaraguan Investment Conditionality Act of 2018.
Sec. 102. Enhancing sanctions on sectors of the Nicaraguan economy that generate revenue for the Ortega family.
Sec. 103. Imposition of sanctions with respect to the Ortega administration's abuses against the Catholic Church, political prisoners, and support for the invasion of Ukraine.
Sec. 104. Coordinated diplomatic strategy to restrict investment and loans that benefit the Government of Nicaragua from the Central American Bank for Economic Integration.

TITLE II—ADDITIONAL ECONOMIC MEASURES TO HOLD THE GOVERNMENT OF NICARAGUA ACCOUNTABLE FOR HUMAN RIGHTS ABUSES

Sec. 201. Statement of policy.
Sec. 202. Review of participation of Nicaragua in the Dominican Republic-Central America-United States free trade agreement.
Sec. 203. Prohibition on new United States investment in Nicaragua.
Sec. 204. Termination.

TITLE III—PROMOTING THE HUMAN RIGHTS OF NICARAGUANS

Sec. 301. Support for human rights and democracy programs.
Sec. 302. Support for Nicaraguan human rights at the United Nations.

SEC. 2. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means—

(A) the Committee on Foreign Relations and the Committee on Banking of the Senate; and

(B) the Committee on Foreign Affairs and the Committee on Financial Services of the House of Representatives.

(2) UNITED STATES PERSON.—The term ''United States person'' means—

(A) an individual who is a citizen or national of the United States or an alien lawfully admitted for permanent residence in the United States; and

(B) any corporation, partnership, or other entity organized under the laws of the United States or the laws of any jurisdiction within the United States.

SEC. 3. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the Secretary of State, working through the head of the Office of Sanctions Coordination, and in consultation with the Secretary of the Treasury, should engage in diplomatic efforts with partners of the United States, including the Government of Canada, governments of countries in the European Union, and governments of countries in Latin America and the Caribbean, to impose targeted sanctions with respect to the persons subject to sanctions authorized by the Nicaraguan Investment Condition-

following:

"(2) to operate or have operated in the

sector of the Nicaraguan economy or in any

sector of the Nicaraguan economy identified p

Secretary of the Treasury, in consultation wit

Secretary of State, for purposes of this paragr

SEC. 103. IMPOSITION OF SANCTIONS WITH RESPEC

THE ORTEGA ADMINISTRATION'S AB

AGAINST THE CATHOLIC CHURCH, INCLU

PRISONERS, AND SUPPORT FOR THE I

SION OF UKRAINE.

"(5) The arrest or prosecution of a person, including a person who is a member of or an officer of the Catholic Church, because of the legitimate exercise by such person of the freedom of religion.

"(6) The conviction and sentencing of a person who is a member of an opposition party or independent civil society organization under politically motivated charges.

"(7) Gross violations of the internationally recognized human rights of prisoners.

"(8) Acts of providing significant goods, services, or technology to or expressing support for the invasion of Ukraine by the Russian Federation that began on February 24, 2022.".

(b) MODIFICATION OF TARGETED SANCTIONS PRIORITIZATION.—Section 5(b)(2)(B) of the Reinforcing Nicaragua's Adherence to Conditions for Electoral Reform Act of 2021 (Public Law 117–54; 50 U.S.C. 1701 note) is amended—

(1) by redesignating clauses (viii) and (ix) as clauses (ix) and (x), respectively; and

(2) by inserting after clause (vii) the following new clause (viii):

"(viii) Officials of the Instituto de Previsión Social Militar (IPSM), commonly

known as the Military Institute of Social Security of Nicaragua.''.

SEC. 104. COORDINATED DIPLOMATIC STRATEGY TO RESTRICT INVESTMENT AND LOANS THAT BENEFIT THE GOVERNMENT OF NICARAGUA FROM THE CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION.

Section 4 of the Nicaragua Investment Conditionality Act of 2018 (Public Law 115–335; 50 U.S.C. 1701 note) is amended—

(1) by redesignating subsection (f) as subsection (g);

(2) by inserting after subsection (e) the following new subsection (f):

''(f) DIPLOMATIC STRATEGY TO RESTRICT INVESTMENT IN NICARAGUA AT THE CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION.—The Secretary of State, in consultation with the Secretary of the Treasury, shall engage in diplomatic efforts with governments of countries that are partners of the United States and members of the Central American Bank for Economic Integration (referred to in this section as 'CABEI'), including the governments of Mexico, Taiwan, Argentina, Colombia, Spain, and the Republic of Korea—

"(1) to oppose the extension by CABEI of any loan or financial or technical assistance to the Government of Nicaragua for any project in Nicaragua;

"(2) to increase the scrutiny of any loan or financial or technical assistance provided by CABEI to any project in Nicaragua; and

"(3) to ensure that any loan or financial or technical assistance provided by CABEI to a project in Nicaragua is administered through an entity with full technical, administrative, and financial independence from the Government of Nicaragua."; and

(3) in subsection (g), as so redesignated—

(A) in paragraph (4), by striking "; and" and inserting a semicolon;

(B) by redesignating paragraph (5) as paragraph (6); and

(C) by inserting after paragraph (4) the following new paragraph (5):

"(5) a description of the results of the diplomatic strategy mandated by subsection (f); and".

TITLE II—ADDITIONAL ECONOMIC MEASURES TO HOLD THE GOVERNMENT OF NICARAGUA ACCOUNTABLE FOR HUMAN RIGHTS ABUSES

SEC. 201. STATEMENT OF POLICY.

It is the policy of the United States to seek a resolution to the political crisis in Nicaragua that includes—

(1) a commitment by the Government of Nicaragua to hold free and fair elections that meet democratic standards and permit credible international electoral observation to replace the Ortega administration;

(2) the cessation of the violence perpetrated against civilians by the National Police of Nicaragua and by armed groups supported by the Government of Nicaragua; and

(3) independent investigations into the killings of protesters in Nicaragua.

SEC. 202. REVIEW OF PARTICIPATION OF NICARAGUA IN THE DOMINICAN REPUBLIC-CENTRAL AMERICA-UNITED STATES FREE TRADE AGREEMENT.

(a) REPORT REQUIRED.—

ns 53, 5

and

(5) approved by Congress under se

1101(a)(1) of the Dominican Republic-Central A

ican-United States Free Trade Agreement Im

ntation Act (19 U.S.C. 4011(a)(1)).

SEC. 503. PROHIBITION ON NEW UNITED STATES INV

MENT IN NICARAGUA.

(a) PROHIBITION.—After the date of the enactm

of this Act, a United States person, whether located,

not make any investment in any sector of the econ

of Nicaragua.

(b) IMPLEMENTATION.—The President may exe

all authorities provided to the President under sec

503 and 505 of the International Emergency Econ

Powers Act (50 U.S.C. 1701 and 1704) to carry out

section.

national Emergency Economic Powers Act (50 U.S.C. 1705) to the same extent as a person that commits an unlawful act described in subsection (a) of that section.

(d) EXCEPTIONS.—

(1) EXCEPTION FOR INTELLIGENCE ACTIVITIES.—This section shall not apply with respect to activities subject to the reporting requirements under title V of the National Security Act of 1947 (50 U.S.C. 3091 et seq.) or any authorized intelligence activities of the United States.

(2) HUMANITARIAN EXCEPTION.—The prohibition under subsection (a) does not apply with respect to any person for conducting or facilitating a transaction for the sale of agricultural commodities, food, medicine, or medical devices to Nicaragua, or for the provision of humanitarian assistance to the people of Nicaragua.

(e) NATIONAL SECURITY WAIVER.—The President may waive the application of the prohibition under subsection (a) with respect to a person if the President—

(1) determines that such a waiver is in the national security interests of the United States; and

(2) submits to the appropriate congressional committees a notification of the waiver and the reasons for the waiver.

SEC. 204. TERMINATION.

The provisions of this title shall cease to have effect upon certification by the President to the appropriate congressional committees that a resolution to the political crisis in Nicaragua as described in section 201 has been reached.

TITLE III—PROMOTING THE HUMAN RIGHTS OF NICARAGUANS

SEC. 301. SUPPORT FOR HUMAN RIGHTS AND DEMOCRACY PROGRAMS.

(a) GRANTS.—

(1) IN GENERAL.—The President may provide grants to private, nonprofit organizations to support programs that promote human rights, democracy, and the rule of law in Nicaragua, including programs that document human rights abuses committed by the Ortega regime since April 2018.

(2) ADMINISTRATION OF PROGRAMS.—Any program that receives a grant under paragraph (1) shall be administered in consultation with members of the Nicaraguan opposition, including individuals in exile in Costa Rica and the United States.

(3) FUNDING LIMITATION.—Any entity owned, controlled, or otherwise affiliated with the Ortega re-

gime is not eligible to receive a grant under this section.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, and annually thereafter through fiscal year 2028, the Secretary of State, in consultation with the heads of other appropriate Federal agencies, shall submit to the appropriate congressional committees a report on actions taken pursuant to this section.

SEC. 302. SUPPORT FOR NICARAGUAN HUMAN RIGHTS AT THE UNITED NATIONS.

(a) SUPPORT TO EXTEND MANDATE OF THE GROUP OF HUMAN RIGHTS EXPERTS ON NICARAGUA.—The President shall direct the United States Permanent Representative to the United Nations to use the voice, vote, and influence of the United States in the United Nations Human Rights Council and the United Nations General Assembly—

(1) to seek to extend the mandate of the Group of Human Rights Experts on Nicaragua under Human Rights Council Resolution 49/3 (2022) until a peaceful solution to the current political crisis in Nicaragua is reached, including—

(A) a commitment to hold elections that meet democratic standards and permit credible international electoral observation;

(B) the cessation of the violence perpetrated against civilians by the National Police of Nicaragua and by armed groups supported by the Government of Nicaragua; and

(C) independent investigations into the killings of protesters;

(2) to encourage international support to empower the Group of Human Rights Experts on Nicaragua to fulfil its mission to conduct thorough and independent investigations into all alleged human rights violations and abuses committed in Nicaragua since April 2018; and

(3) to provide investigative and technical assistance to the Group of Human Rights Experts on Nicaragua as requested and as permitted under United Nations rules and regulations and United States law.

(b) SUPPORT FOR FURTHER ACTION.—The President may direct the United States Permanent Representative to the United Nations to use the voice, vote, and influence of the United States to urge the United Nations to

provide greater action with respect to human rights violations in Nicaragua by—

(1) urging the United Nations General Assembly to consider a resolution, consistent with prior United Nations resolutions, condemning the exile of political prisoners and attacks on religious freedom by the Ortega regime; and

(2) assisting efforts by the relevant United Nations Special Envoys and Special Rapporteurs to promote respect for human rights and encourage dialogue towards a peaceful and democratic transfer of power in Nicaragua.