

118TH CONGRESS
2D SESSION

H. R. 9666

To require the President to seize Azerbaijani assets and create a process for Armenians displaced from Artsakh to claim such assets as compensation for lost revenue, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 2024

Mr. SCHIFF (for himself, Ms. ESHOO, Mr. PALLONE, Mr. AMO, Mrs. BEATTY, Mr. COSTA, Mr. GOTTHEIMER, Mr. LAMALFA, Mr. MAGAZINER, Mr. MCGOVERN, Ms. MENG, Mr. MULLIN, Mrs. NAPOLITANO, Ms. NORTON, Ms. SÁNCHEZ, Ms. SCHAKOWSKY, Mr. SHERMAN, Ms. TITUS, and Mrs. TRAHAN) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on the Judiciary, 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 require the President to seize Azerbaijani assets and create a process for Armenians displaced from Artsakh to claim such assets as compensation for lost revenue, 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 “Artsakh Revenue Re-
5 covery Act of 2024”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) Between September 19 and 20, 2023, the
4 Republic of Azerbaijan launched an unprovoked mili-
5 tary assault on the Republic of Artsakh, also known
6 as Nagorno-Karabakh. The massive invasion was
7 preceded by a year-long blockade of the region,
8 which created the conditions for a humanitarian cri-
9 sis even before the military assault. The blockade
10 and the military invasion of Artsakh resulted in over
11 120,000 Armenians displaced from their homes,
12 forcing them to seek refuge in neighboring Republic
13 of Armenia.

14 (2) Azerbaijan's military offensive into Artsakh
15 has been described as the ethnic cleansing of all Ar-
16 menians from the area in violation of the United
17 Nations International Convention on the Elimination
18 of All Forms of Racial Discrimination.

19 (3) The Armenians, forcibly displaced from
20 Artsakh, lost their jobs and were separated from
21 their property, consisting of 14,772 businesses,
22 142,000 acres of farmland, and 2,729 commerical
23 vehicles.

24 (4) The jobs and property previously provided
25 a source of revenue for the Armenians who lived in

1 Artsakh, a means to support a livelihood and the
2 well-being of families with dignity and respect.

3 (5) The annual gross domestic product (GDP)
4 from Artsakh in 2022 was approximately
5 \$628,705,000.

6 (6) While this property continues to be owned
7 by the Armenians who were forced to leave Artsakh,
8 it is not under their direct control and, therefore, is
9 not providing the previously generated source of rev-
10 enue to its owners.

11 (7) The displaced Armenians from Artsakh who
12 are now refugees in Armenia under Temporary Pro-
13 tected Status have limited ability to earn a living
14 wage for themselves and their families. The Govern-
15 ment of Armenia is providing financial assistance to
16 these refugees. However, this financial assistance is
17 insufficient to satisfy the rising cost of housing and
18 other basic needs.

19 (8) The State Oil Fund of the Republic of
20 Azerbaijan, a sovereign wealth fund, has an invest-
21 ment portfolio of over \$57,000,000,000, of which
22 \$32,100,000,000 is in United States dollar-denomi-
23 nated investments.

24 **SEC. 3. SENSE OF CONGRESS.**

25 It is the sense of Congress that—

1 (1) Azerbaijan committed acts of unprovoked
2 aggression when it implemented a blockade against
3 Artsakh in December 2022 and then executed a full-
4 scale military assault in September 2023, acts which
5 were violations of international law and gross viola-
6 tions of the human rights of the Armenians residing
7 in Artsakh;

8 (2) as a result of Azerbaijan’s aggression, Ar-
9 menians were forcibly displaced from Artsakh, leav-
10 ing behind their jobs, businesses, and property that
11 had previously generated revenue and livelihoods,
12 which the Armenians have been unable to recover
13 since;

14 (3) the Government of Azerbaijan should bear
15 the full responsibility and liability for the damages
16 caused by the military assault into Artsakh, which
17 includes the loss of revenue from jobs, businesses,
18 and property;

19 (4) the Government of Azerbaijan must honor
20 the rights to the property of all displaced Armenians
21 from Artsakh and the right for these owners to re-
22 claim their property at an appropriate time following
23 the implementation of a peace agreement between
24 Azerbaijan and Armenia;

1 (5) until such time that the property owners ei-
2 ther return to Artsakh to reclaim their property or
3 dispose of their property through fair market and le-
4 gally sufficient means, the Government of Azer-
5 baijan should be responsible for compensating all
6 displaced Armenians from Artsakh due to their lost
7 revenue;

8 (6) if Azerbaijan refuses to pay compensation
9 for lost revenue, a funding mechanism should be es-
10 tablished by the President, which would seize and
11 then transfer Azerbaijan's sovereign assets in the
12 United States for the purpose of paying compensa-
13 tion for lost revenue to the victims of Azerbaijan's
14 aggression; and

15 (7) the Government of Azerbaijan should settle
16 to the satisfaction and agreement of property owners
17 the irrevocable damage to property in Artsakh,
18 which prohibits the future use of the property as a
19 source of generating revenue or for personal recre-
20 ation, as the result of Azerbaijan's military assault.

21 **SEC. 4. SANCTIONS WITH RESPECT TO THE REPUBLIC OF**
22 **AZERBAIJAN.**

23 (a) AZERBAIJANI ASSETS REPORT REQUIREMENT.—
24 Not later than 60 days after the date of the enactment
25 of this Act, the President shall require any United States

1 financial institution holding an Azerbaijani sovereign asset
2 to promptly provide notice of such asset to the Director
3 of the Office of Foreign Assets Control of the Department
4 of the Treasury.

5 (b) SANCTIONS.—

6 (1) ASSET BLOCKING.—Not later than 60 days
7 after the date of enactment of this Act, and notwith-
8 standing the requirements of section 202 of the
9 International Emergency Economic Powers Act (50
10 U.S.C. 1701), the President shall exercise all powers
11 granted to the President by that Act to block and
12 prohibit all transactions in all Azerbaijani sovereign
13 assets if such assets are in the United States, come
14 within the United States, or are or come within the
15 possession or control of a United States person.

16 (2) ASSET SEIZURE.—Not later than 90 days
17 after the President blocks and prohibits transactions
18 under paragraph (1), the President shall seize any
19 Azerbaijani sovereign assets described in such para-
20 graph.

21 (3) VISAS AND ADMISSION.—

22 (A) IN GENERAL.—The President may, in
23 accordance with section 212(f) of the Immigra-
24 tion and Nationality Act (8 U.S.C. 1182(f)),

1 deny to any senior official of Azerbaijan or im-
2 mediate family member of such official—

3 (i) a visa or other documentation to
4 enter the United States; and

5 (ii) admission into the United States.

6 (B) PUBLIC AVAILABILITY.—The Secretary
7 of State shall make publicly available on the
8 website of the Department of State the name of
9 each individual denied admission into the
10 United States pursuant to subparagraph (A).

11 (c) WAIVER.—The President may, on a case-by-case
12 basis, waive the application of sanctions under subsection
13 (b) with respect to the Government of Azerbaijan or a sen-
14 ior official of Azerbaijan if, prior to the application and
15 enforcement of such sanctions—

16 (1) the President submits to the appropriate
17 congressional committees a request for such waiver;
18 and

19 (2) after the date of the enactment of this Act,
20 a law is enacted specifically approving such waiver.

21 (d) TERMINATION.—The requirement to impose
22 sanctions under subsection (b) shall terminate when each
23 of the following has occurred:

1 (1) Not less than 90 days have passed since the
2 date Azerbaijan and the Republic of Armenia have
3 concluded a peace agreement.

4 (2) Azerbaijan and Armenia have begun imple-
5 menting such agreement.

6 (3) Each eligible person that has submitted an
7 eligible claim for which an amount has been deter-
8 mined under section 6(a)(3) has been paid such
9 amount by the Government of Azerbaijan or the
10 Artsakh Revenue Recovery Fund established under
11 section 5.

12 **SEC. 5. ESTABLISHMENT OF THE ARTSAKH REVENUE RE-**
13 **COVERY FUND.**

14 (a) IN GENERAL.—Not later than 180 days after the
15 date of the enactment of this Act, the President shall es-
16 tablish an account, to be known as the “Artsakh Revenue
17 Recovery Fund” (in this Act referred to as the “Fund”),
18 to consist of the funds deposited into the account under
19 subsection (d) and any amounts appropriated pursuant to
20 the authorization of appropriations under subsection (f).

21 (b) PURPOSE.—The purpose of the Fund is to receive
22 assets seized pursuant to section 4(b)(2) and to provide
23 compensation for lost revenue from eligible property to
24 certain Armenians displaced from Artsakh in the absence
25 of such compensation from the Government of Azerbaijan.

1 (c) BOARD OF DIRECTORS.—

2 (1) ESTABLISHMENT.—The Secretary of State
3 shall establish a board of directors to manage the
4 Fund (in this Act referred to as the “Board”).

5 (2) COMPOSITION.—The Board shall be com-
6 posed of citizens of the United States and include
7 citizens of Armenia.

8 (d) LIQUIDATION AND DEPOSIT.—The President
9 shall—

10 (1) not later than 90 days after seizing Azer-
11 baijani sovereign assets that are funds under section
12 4(b)(2), deposit such funds into the Fund; and

13 (2) not later than 180 days after seizing Azer-
14 baijani sovereign assets that are property under sec-
15 tion 4(b)(2)—

16 (A) liquidate or sell such property; and

17 (B) deposit the funds resulting from such
18 liquidation or sale, less any costs incurred by
19 such liquidation or sale, into the Fund.

20 (e) USE OF SEIZED PROPERTY.—Subject to sub-
21 section (g), amounts in the Fund shall be available, with-
22 out subsequent appropriation, to be used only—

23 (1) to make payments to eligible persons for
24 revenue lost during the period beginning on Sep-
25 tember 19, 2023, and ending on the date that is 90

1 days after a peace agreement between Azerbaijan
2 and Armenia is concluded; and

3 (2) to pay for routine expenses incurred in the
4 operation of the Fund, including the work of the
5 claims processing team described in section 6(a)(2).

6 (f) AUTHORIZATION OF APPROPRIATIONS.—There
7 are authorized to be appropriated to the Fund
8 \$100,000,000.

9 (g) AMOUNTS RETURNED TO THE TREASURY.—
10 Upon deposit of total amounts into the Fund under sub-
11 section (d) equal to or exceeding the amount appropriated
12 to the Fund by Congress (if any), the Board shall transfer
13 to the general fund of the Treasury an amount equal to
14 the amount appropriated pursuant to the authorization of
15 appropriations under subsection (f).

16 (h) REPORT TO CONGRESS.—The Board shall annu-
17 ally submit to the appropriate congressional committees
18 a report on the operation of the Fund for activities in the
19 year prior to the submission of the report, including a de-
20 scription of—

21 (1) amounts transferred to the Fund;
22 (2) operational expenses of the Fund; and
23 (3) disbursement of amounts in the Fund.

24 (i) TERMINATION.—

1 (1) IN GENERAL.—The Fund shall terminate on
2 the later of—

3 (A) the date that is one year after a peace
4 agreement between Azerbaijan and Armenia has
5 been signed; or

6 (B) the date on which each eligible person
7 that has submitted an eligible claim for which
8 an amount has been determined under section
9 6(a)(3) has been paid such amount by the Gov-
10 ernment of Azerbaijan or the Fund.

11 (2) DISPOSITION OF FUNDS.—

12 (A) IN GENERAL.—Any amounts remain-
13 ing in the Fund on the date of termination
14 under paragraph (1) shall be returned to the
15 Government of Azerbaijan or to the senior offi-
16 cials from which such amounts originated.

17 (B) AMOUNT.—The amount to be provided
18 to the Government of Azerbaijan and each offi-
19 cial described in subparagraph (A) shall be re-
20 duced on a proportionate basis based on—

21 (i) the amount of overall compensa-
22 tion payments, to be calculated as a pro-
23 portion of total assets seized and the total
24 amount of compensation paid; and

1 (ii) the total operating expenses for
2 the Fund

3 **SEC. 6. SUBMISSION OF REVENUE RECOVERY CLAIMS.**

4 (a) CLAIM PROCESS FOR RECOVERY OF REVENUE.—

5 The Secretary of State shall coordinate with relevant
6 countries near Azerbaijan and international organizations
7 to establish a streamlined process by which—

8 (1) eligible persons shall have the opportunity
9 to submit to the Government of Azerbaijan, through
10 the Fund's claims processing team described in
11 paragraph (2), eligible claims described in subsection
12 (b) beginning on the date that is 90 days after the
13 date of the enactment of this Act;

14 (2) a claims processing team, to be established
15 by the Board and composed to the extent possible of
16 former officials of the Government of Artsakh and
17 supported as necessary by appropriate
18 nongovernmental organizations, shall verify the em-
19 ployment or the partial or full ownership of the
20 property described in each eligible claim submitted
21 under paragraph (1) to a reasonable standard
22 through attestation that does not require the presen-
23 tation of an employment contract, an original owner-
24 ship document, or a deed;

1 (3) the claims processing team described in
2 paragraph (2) shall verify or reasonably estimate the
3 amount of revenue from the employment or property
4 verified under paragraph (2) that the eligible person
5 lost as a result of the Azerbaijani military assault in
6 September 2023 in Artsakh;

7 (4) the Government of Azerbaijan can—

8 (A) take receipt of eligible claims that have
9 been verified under paragraphs (2) and (3);

10 (B) seek clarification with respect to any
11 claim that is not related to the validity of the
12 claim or the amount of compensation deter-
13 mined by the claims processing team; and

14 (C) pay, within 90 days of receipt of such
15 claim, the eligible person that submitted the
16 claim, the amount determined under paragraph
17 (3); and

18 (5) not later than 90 days after the Govern-
19 ment of Azerbaijan fails to pay any eligible person
20 the full amount determined under paragraph (3),
21 such eligible person shall be paid such amount from
22 the Fund, less any amount paid by the Government
23 of Azerbaijan.

24 (b) ELIGIBLE CLAIM DESCRIBED.—An eligible claim
25 described in this paragraph is a claim for compensation

1 for lost revenue associated with an eligible employment or
2 property from the period of September 19, 2023, through
3 the date that is 90 days after the conclusion of a peace
4 agreement between Azerbaijan and Armenia, including
5 proportional compensation for revenue lost from eligible
6 property owned by multiple owners, if such property—

7 (1) is not irrevocably damaged or destroyed; or

8 (2) is irrevocably damaged or destroyed, and—

9 (A) such damage or destruction occurred
10 in Artsakh as a result of the Azerbaijani mili-
11 tary assault in September 2023; and

12 (B) the owner of such property has not re-
13 ceived compensation for the loss of the prop-
14 erty, including compensation from a govern-
15 ment or from commercial insurance.

16 **SEC. 7. REPORT TO CONGRESS.**

17 Not later than 120 days after the date of the enact-
18 ment of this Act, the President shall submit to the appro-
19 priate congressional committees a report that includes—

20 (1) a list of all Azerbaijani sovereign assets
21 subject to sanction under section 4(a)(1);

22 (2) a plan for the seizure of such assets and de-
23 posit of such assets into the Fund; and

1 (3) a plan for establishing the Fund, including
2 the actions taken to appoint the initial members of
3 the Board.

4 **SEC. 8. RULES OF CONSTRUCTION.**

5 (a) PRESIDENTIAL SANCTIONS AUTHORITY.—Noth-
6 ing in this Act may be construed to limit the authority
7 of the President to designate persons for the imposition
8 of sanctions pursuant to an Executive order issued under
9 the International Emergency Economic Powers Act (50
10 U.S.C. 1701 et seq.) or otherwise pursuant to that Act.

11 (b) OWNERSHIP OF PROPERTY.—No payment made
12 pursuant to this Act, including with respect to damaged
13 or destroyed eligible property, may be construed to trans-
14 fer ownership of such property.

15 **SEC. 9. DEFINITIONS.**

16 In this Act:

17 (1) APPROPRIATE CONGRESSIONAL COMMIT-
18 TEES.—The term “appropriate congressional com-
19 mittees” means—

20 (A) the Committee on Foreign Affairs of
21 the House of Representatives; and

22 (B) the Committee on Foreign Relations of
23 the Senate.

24 (2) AZERBAIJANI SOVEREIGN ASSET.—The
25 term “Azerbaijani sovereign asset” means any

1 funds, property, or interest in property owned or
2 controlled by—

3 (A) the Government of Azerbaijan; or

4 (B) a senior official of Azerbaijan.

5 (3) ELIGIBLE PERSON.—The term “eligible per-
6 son” means an individual who—

7 (A) is an individual displaced from Artsakh
8 as a result of Azerbaijan’s military offensive in
9 September 2023;

10 (B) is residing in—

11 (i) the United States; or

12 (ii) Armenia;

13 (C) is an individual who—

14 (i) had eligible employment for at
15 least 30 days from the date of September
16 19 2023, in a part-time or full-time posi-
17 tion in Artsakh, and has lost the revenue
18 from that employment; or

19 (ii) owns part or all of an eligible
20 property, including property subject to a
21 debt or lien held by a financial institution
22 or other private party; and

23 (D) has lost revenue from eligible property
24 and has not received compensation for such lost

1 revenue, other than compensation from the
2 Fund.

3 (4) ELIGIBLE EMPLOYMENT.—The term “eligi-
4 ble employment” means a job, either part-time or
5 full-time, that provided a payment for work per-
6 formed as a condition of the job, and for which the
7 employer is no longer in possession of the means to
8 continue carrying out its government functions or
9 business operations in Artsakh, including—

10 (A) all forms of employed work in manu-
11 facturing, professional services, hospitality in-
12 dustry, food services, agriculture, and govern-
13 ment, which resulted in the payment of income
14 taxes to the Republic of Artsakh; and

15 (B) all forms of fixed-benefit retirement
16 pensions, including from previous employment
17 with the government, military, or private sector
18 in Artsakh.

19 (5) ELIGIBLE PROPERTY.—The term “eligible
20 property” means physical property that was used to
21 generate revenue in Artsakh prior to September 19,
22 2023, including the following:

23 (A) Land used for farming or generating
24 rental income.

1 (B) Buildings used by businesses for man-
2 ufacturing or other services.

3 (C) Vehicles used by businesses for trans-
4 portation of goods or completion of services.

5 (D) Tools and special equipment used by
6 businesses for manufacturing or the completion
7 of services.

8 (E) Livestock and other animals used by
9 farmers or businesses.

10 (6) FINANCIAL INSTITUTION.—The term “fi-
11 nancial institution” has the meaning given that term
12 in section 5312 of title 31, Code of Federal Regula-
13 tions.

14 (7) IMMEDIATE FAMILY MEMBER.—The term
15 “immediate family member” means, with respect to
16 an individual, a spouse, child, parent, or sibling of
17 such individual.

18 (8) REVENUE.—The term “revenue” means the
19 total amount of income generated by the sale of
20 goods or services.

21 (9) SENIOR OFFICIAL OF AZERBAIJAN.—The
22 term “senior official of Azerbaijan” means an indi-
23 vidual who, at any time between December 1, 2022,
24 and the date Azerbaijan and Armenia conclude a
25 peace agreement, has occupied in the Government of

1 Azerbaijan one of the following positions or an
2 equivalent position:

3 (A) President.

4 (B) Vice President.

5 (C) Head of the Administration.

6 (D) Assistant to the President.

7 (E) Head of the Secretariat of the First
8 Vice-President.

9 (F) Press Secretary of the President.

10 (G) Chief of the Protocol Service of the
11 President.

12 (H) The head of any department.

13 (I) Plenipotentiary Representative of the
14 President in the Nakhchivan Autonomous Re-
15 public.

16 (J) Special Representative of the President
17 in the Shusha district.

18 (K) An officer of the military of Azerbaijan
19 at the rank of General, Colonel General, or Ad-
20 miral, or any other military officer implicated in
21 war crimes against the former residents of
22 Artsakh.

23 (L) An official of the Government of Azer-
24 baijan determined by the Department of State
25 to have had substantial influence in the plan-

1 ning or execution of the attack of September
2 19, 2023, on the Republic of Artsakh.

3 (10) UNITED STATES FINANCIAL INSTITU-
4 TION.—The term “United States financial institu-
5 tion” has the meaning given that term in section
6 561.309 of title 15, Code of Federal Regulations.

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