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A BILL FOR AN ACT

To further amend title 19 of the Code of the Federated States of Micronesia, as amended, by amending section 302, to eliminate the requirement that a vessel must begin and end the majority of its voyages in the Federated States of Micronesia in order to be registered in the Federated States of Micronesia, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1           Section 1. Section 302 of title 19 of the Code of the  
2 Federated States of Micronesia, as enacted by Public Law  
3 No. 10-76 and amended by Public Law No. 10-137, is hereby  
4 further amended to read as follows:

5           "Section 302. Qualifications for vessel  
6 registration.

7           (1) For the purposes of this title, a Qualified  
8 Person is:

9           (a) a person who is a citizen of the  
10 Federated States of Micronesia, or a corporation  
11 which is established in accordance with the laws of  
12 the Federated States of Micronesia or any of its  
13 States, wholly owned by citizens, whose principal  
14 place of business is in the Federated States of  
15 Micronesia;

16           (b) a person holding a current and valid  
17 foreign investment permit duly issued by the

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1 National Government to operate a vessel in  
2 interstate or international commerce who or which  
3 has its principal place of business in the  
4 Federated States of Micronesia; or

5 (c) the National and State Governments of the  
6 Federated States of Micronesia and their  
7 instrumentalities.

8 ~~(2) Every vessel which is owned by a Qualified~~  
9 ~~Person as defined under subsection (1) (b) shall~~  
10 ~~only be registered in the Federated States of~~  
11 ~~Micronesia if it operates from, and the majority of~~  
12 ~~its voyages begin or end, in the Federated States~~  
13 ~~of Micronesia.~~

14 ~~(3)~~ (2) The Registrar shall require the production of  
15 satisfactory documentary evidence demonstrating  
16 that the owner is a Qualified Person and the vessel  
17 meets the requirements for registration.

18 ~~(4)~~ (3) Ownership of any share of a vessel by a  
19 person who is not a Qualified Person shall  
20 constitute cause for removal of the vessel from the  
21 Register and forfeiture to the National Government.

22 ~~(5)~~ (4) A vessel which has ceased to meet the  
23 requirements for registration under this chapter  
24 shall be struck off the Register.

25 ~~(6)~~ (5) Any person who is not a Qualified Person who

1           purports to be a Qualified Person for the purpose  
2           of registering a vessel under this title commits a  
3           national offense punishable by a fine not exceeding  
4           \$100,000 or imprisonment of not more than 1 year,  
5           or both."

6           Section 2. This act shall become law upon approval by  
7           the President of the Federated States of Micronesia or upon  
8           its becoming law without such approval.

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10   Date: 9/27/06

Introduced by: /s/ Peter M. Christian  
Peter M. Christian

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