

A BILL FOR AN ACT

To amend Title 55 of the Code of the Federated States of Micronesia, by amending section 326 thereof, to preserve previously allocated capital projects funds for the municipalities, and for other purposes.

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

1 Section 1. Section 326 of title 55 of the Code of the
2 Federated States of Micronesia, is hereby amended to read as
3 follows:

4 "Section 326. Transition - Original Compact.

5 (1) Until all funds received under the Original
6 Compact categories have been exhausted, each State
7 Government shall, no later than December 15 of each
8 year, submit to the President a report setting forth
9 expenditures made and year-end fund balances by Original
10 Compact category_for the previous Fiscal Year; provided
11 however, that this subsection (1) shall not apply to
12 funds received pursuant to section 211 of the Original
13 Compact.

14 (2) Available capital project funds that were allotted
15 to any of the State or the National Governments pursuant
16 to section 211 of the Original Compact that subsequently
17 lapse or are de-appropriated pursuant to the laws of the
18 respective State or National Government shall revert to

1 the current account of the respective government
2 following submission of the relevant lapse provision or
3 de-appropriation legislation to the Secretary.

4 (3) Notwithstanding subsection (2), capital projects
5 funds that were allocated to any municipalities, and
6 which were deposited in financial institutions or
7 invested outside the Federated States of Micronesia,
8 shall not revert to the government of the States in
9 which said municipalities are located, but shall remain
10 allocated to the capital accounts of the municipalities.
11 The Secretary of Finance and Administration shall
12 establish procedures by which those capital project
13 funds shall be disbursed to the municipalities.

14 ~~(3)~~(4) Each State finance officer shall promptly close
15 out Original Compact capital project accounts upon
16 project completion. Unused spending authority resulting
17 from project close-out shall revert to the current
18 account of the respective government."

19 Section 2. This act shall become law upon approval by the
20 President of the Federated States of Micronesia or upon its
21 becoming law without such approval.

22
23
24 Date: 11/6/06

Introduced by: /s/ Peter Sitan
Peter Sitan

- 1
- 2
- 3