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:

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

"Section 326. Transition – Original Compact.

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

(2) Available capital project funds that were allotted to any of the State or the National Governments pursuant to section 211 of the Original Compact that subsequently lapse or are de-appropriated pursuant to the laws of the respective State or National Government shall revert to
the current account of the respective government following submission of the relevant lapse provision or de-appropriation legislation to the Secretary.

(3) Notwithstanding subsection (2), capital projects funds that were allocated to any municipalities, and which were deposited in financial institutions or invested outside the Federated States of Micronesia, shall not revert to the government of the States in which said municipalities are located, but shall remain allocated to the capital accounts of the municipalities.

The Secretary of Finance and Administration shall establish procedures by which those capital project funds shall be disbursed to the municipalities.

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

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