

STANDING COMMITTEE REPORT NO. 14-130

RE: C.B. NO. 14-228/W&M

SUBJECT: AMENDING TITLE 55, SECTION 326

NOVEMBER 07, 2006

The Honorable Peter M. Christian  
Speaker, Fourteenth Congress  
Federated States of Micronesia  
Fifth Regular Session, 2006

Dear Mr. Speaker:

Your Committee on Ways and Means ("W&M"), to which was referred C.B. No. 14-228 entitled:

"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.",

begs leave to report as follows:

The intent and purpose of the bill are expressed in its title.

During the recently adjourned regular session, Congress passed Congressional Act No. 14-104 that was intended to amend Section 317 of Title 55 of the FSM Code. In Presidential Communication No. 14-301, the President vetoed Congressional Act No. 14-104 (C.B. No. 14-228) because of the technical defects contained therein. The subject bill, as introduced, would cure such technical defects.

The subject bill would allocate capital projects funds provided under the Compact of Free Association, which were deposited in financial institutions or invested outside the Federated States of Micronesia, to municipalities. The Secretary of Finance and Administration shall establish procedures by which capital accounts funds are disbursed to the municipalities.

The rationale behind such transfer of capital projects funds to the municipalities is to preserve the capital funds for the municipalities as provided by the State Constitutions.

Your Committee on Ways and Means is in accord with the intent and purpose of C.B. No.14-228 and recommends its passage on First Reading, and that it be placed on the Calendar for Second and Final Reading.

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Respectfully submitted,

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Isaac V. Figir, chairman

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/s/ Roosevelt D. Kansou  
Roosevelt D. Kansou, vice chairman

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Peter M. Christian, member

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Dohsis Halbert, member

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/s/ Manny Mori  
Manny Mori, member

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/s/ Claude H. Phillip  
Claude H. Phillip, member

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/s/ Simiram Sipenuk  
Simiram Sipenuk, member