

---

---

A BILL FOR AN ACT

To amend title 209 and 210 of title 55 of the code of the Federated States of Micronesia to conform to the Constitution of the Federated States of Micronesia, the treaty obligations of the Government of the Federated States of Micronesia under the terms of the Compact of Free Association, as amended, and related agreements, and to the current organizational structure of the Executive Branch; and for other purposes.

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

1           Section 1. Section 209 of title 55 of the code of the  
2 Federated States of Micronesia is hereby amended to read as  
3 follows:

4           "Section 209. Deposits to the General Fund.

5           ~~[(1)]~~ Unless otherwise provided by this chapter or  
6 other law, the following shall be deposited in the  
7 General Fund: ~~[(a)]~~ all local revenues [~~public~~  
8 ~~moneys~~] raised, collected or received by the  
9 Federated States of Micronesia National Government  
10 pursuant to laws of the Federated States of  
11 Micronesia imposing taxes on income, or other  
12 taxes, duties, or tariffs based on imports, or  
13 other revenues collected based on fines, fees,  
14 licenses, interests, rents, or other collections of  
15 the Federated States of Micronesia. [~~made~~  
16 ~~specifically applicable within the jurisdiction of~~  
17 ~~the Federated States of Micronesia;~~

18           ~~(b) all funds allotted to the Federated~~

---

1           ~~States of Micronesia National Government from the~~  
2           ~~Compact Financial Assistance Fund; and~~  
3                     ~~(c) all other funds received by the~~  
4           ~~Federated States of Micronesia National Government~~  
5           ~~from the United States Government and designated~~  
6           ~~for the Federated States of Micronesia National~~  
7           ~~Government.~~

8           ~~(2) Compact of Free Association financial assistance~~  
9           ~~shall be accounted for in accordance with financial~~  
10           ~~accounting and reporting requirements of the Compact.~~

11           ~~(3) All balances of the United States Grant Special~~  
12           ~~Fund are hereby transferred to, and deposited in, the~~  
13           ~~General Fund of the Federated States of Micronesia"]~~

14           Section 2. Section 210 of title 55 of the code of the  
15 Federated States of Micronesia as amended by Public Laws Nos. 6-22  
16 and 9-74, is hereby amended to read as follows:

17           "Section 210. Foreign Assistance Fund.

18           (1) Definitions.

19                     (a) "Agreement" shall refer to any  
20 arrangement, understanding, covenant, compact,  
21 transaction or other agreement, in any form,  
22 entered into by and between an official of the  
23 National Government, or the National Government's  
24 designee, and a foreign governmental entity, for  
25 the receipt or acceptance of financial assistance

---

1 or aid, on behalf of any National or State  
2 governmental entity.

3 (b) "Foreign financial assistance" shall  
4 refer to currency, money, accounts or notes  
5 receivable, offered as aid or assistance to the  
6 National Government of the Federated States of  
7 Micronesia, ~~[other than foreign aid or assistance~~  
8 ~~received from the United States of America pursuant~~  
9 ~~to, or authorized by, the provisions of the Compact~~  
10 ~~of Free Association between the Federated States of~~  
11 ~~Micronesia and the United States of America]~~.

12 (c) "Foreign in-kind assistance" shall refer  
13 to any and all foreign assistance in the form of  
14 goods, services, or other modes of assistance not  
15 covered under subsection (1) (b) hereof.

16 (2) Approval by Congress.

17 (a) The President shall submit any agreement  
18 for the acceptance or receipt of foreign financial  
19 assistance to the Congress no later than the first  
20 regular or special session of Congress convened  
21 immediately subsequent to the execution of such  
22 agreement, for approval by resolution.

23 ([a]b) No such agreement shall be valid, and no  
24 funds may be received pursuant to such agreement,  
25 unless and until Congress approves the agreement by

---

1 resolution.

2 ([b]c) Should the Congress not approve such  
3 agreement by resolution before the adjournment of  
4 the first regular session following the President's  
5 submission of the agreement to Congress, that  
6 agreement shall be deemed disapproved.

7 (3) Foreign Assistance Fund. There is hereby  
8 established within the National Treasury of the  
9 Federated States of Micronesia a Foreign Assistance  
10 Fund which shall initially consist of all  
11 unobligated balances of foreign assistance funds  
12 from the preceding fiscal year, and all foreign  
13 assistance funds designated for the National  
14 Government and made available beginning October 1,  
15 1996. Thereafter, the Department of Finance shall  
16 receive, maintain a complete record of, and where  
17 applicable, deposit all foreign financial  
18 assistance as defined in subsection (1) of this  
19 section into the Fund, pursuant to the Financial  
20 Management Act of 1997.

21 (a) The President or the President's  
22 designee shall notify the Congress of the receipt  
23 of foreign financial assistance, the amount thereof  
24 in U.S. dollars, and, where applicable, the deposit  
25 of such assistance into the Fund, no later than the

---

1 first session of Congress, be it regular or  
2 special, convened subsequent to such receipt.

3 (b) Where the foreign financial assistance  
4 received is denominated in the form of goods or  
5 services, the President or the President's designee  
6 shall notify the Congress of the value thereof in  
7 U.S. dollars, and the destination where such goods  
8 have been delivered, or location where such  
9 services have been rendered, no later than the  
10 first session of the Congress convened subsequent  
11 to such receipt.

12 (4) Development of Fund:

13 ([~~a~~]) Duties of the Department of Finance.  
14 The Division of Investment Management of the  
15 Department of Finance shall [~~upon approval of the~~  
16 ~~President and in cooperation with the Department of~~  
17 ~~Foreign, actively seek foreign assistance funding,]~~  
18 foster productive use of foreign assistance, and  
19 produce reports on the acquisition, use,  
20 expenditure of, and fiscal obligations attendant  
21 upon, foreign assistance available to or received  
22 by the National Government of the Federated States  
23 of Micronesia.

24 (b) Upon approval of the President, the  
25 duties of the Office of Statistics, Budget and

1           Economic Management, Overseas Development  
2           Assistance and Compact Management include actively  
3           seeking foreign assistance funding in coordination  
4           with the Department of Foreign Affairs.

5           (5) Reports. No later than April 1 of each year,  
6           the President shall submit to the Congress a report  
7           on the status of the Foreign Assistance Fund, which  
8           report shall include:

9                   (a) a complete and accurate accounting of  
10                   all foreign financial assistance received;

11                   (b) a complete and accurate record of the  
12                   manner in which the foreign financial assistance  
13                   was distributed as among and between the States and  
14                   the National Government, and

15                   (c) whether such distribution comports with  
16                   the provisions of article XII, section 1(b) of the  
17                   Constitution."

18           Section 3. This act shall become law upon approval by the  
19           President of the Federated States of Micronesia or upon its  
20           becoming law without such approval.

21  
22   Date: 5/12/09

Introduced by: /s/ Joe N. Suka

Joe N. Suka  
(by request)