



The President
Palikir, Pohnpei
Federated States of Micronesia

February 3, 2015

The Honorable Dohsis Halbert
Speaker
Eighteenth Congress
Federated States of Micronesia
Palikir, Pohnpei FM 96941



PRESIDENTIAL COMM. NO. 18-452
FSM CONGRESS

Dear Speaker Halbert:

I am transmitting the following Congressional Act, which I signed to become Public Law No. 18-107:

Congressional Act No. 18-111, "AN ACT TO FURTHER AMEND TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED BY PUBLIC LAWS NOS. 10-68, 13-21, 13-60, AND 15-24, BY AMENDING SECTION 805 THEREOF, TO INCREASE THE STATE SHARE OF TAXES COLLECTED FROM FIFTY PERCENT (50%) TO SEVENTY PERCENT (70%) WITH THE ADDITIONAL TWENTY PERCENT (20%) DEPOSITED BY THE ADDITIONAL GOVERNMENT INTO THE STATE SUB-ACCOUNT A TO OF THE FSM TRUST FUND, AND FOR OTHER PURPOSES."

In my communication to Congress during this session, I recommended for the passage of an amendment increasing the revenue share of the States from 50% to 70%. If that bill were approved, the States could have used the additional funding to help grow their economies and improve and sustain the delivery of essential services to our citizens.

I congratulate Congress for its diligent efforts on the passage of this important piece of legislation. I reiterate support for this new revenue sharing scheme for the states. And, in as much as I support building the state sub-accounts in the FSM Trust Fund, I still firmly believe that this new scheme should also include targeted economic infrastructure projects.

For that reason, I urge Congress to condition any additional revenue sharing to the adoption by the States of pending reform measures that are essential ingredients of the 2023 Action Plan. For example, passage of enabling legislations for the tax reform, foreign direct investment legislation, improved land dispute resolution systems, and the establishment of time standards based on the FSM Supreme Court.

In view of the foregoing consideration, I will soon transmit to Congress proposed amendments that will incorporate the conditions explained above.

The Honorable Dohsis Halbert
February 3, 2015
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PRESIDENTIAL COMM. NO. 18452
FSM CONGRESS

In the meantime, I have signed the Act to become public law since the Act remains aligned with the setting aside of funds that I have recommended to Congress as an immediate response to the fiscal deficit experienced by the States.

Sincerely,


Manny Mori
President

xc: Chief Justice, FSM Supreme Court
Secretary, Department of Justice
Director, Office of SBOC
Legislative Counsel, CFSM
Library, CFSM
PIO, FSM



CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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Office of the Chief Clerk

PRESIDENTIAL COMM. NO. 18-452
FSM CONGRESS

January 28, 2015

His Excellency Manny Mori
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941



Dear President Mori:

I have the honor to transmit herewith Congressional Act No. 18-111, "AN ACT TO FURTHER AMEND TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED BY PUBLIC LAWS NOS. 10-68, 13-21, 13-60, AND 15-24, BY AMENDING SECTION 805 THEREOF, TO INCREASE THE STATE SHARE OF TAXES COLLECTED FROM FIFTY PERCENT (50%) TO SEVENTY PERCENT (70%) WITH THE ADDITIONAL TWENTY PERCENT (20%) DEPOSITED BY THE ADDITIONAL GOVERNMENT INTO THE STATE SUB-ACCOUNT A TO OF THE FSM TRUST FUND, AND FOR OTHER PURPOSES.", which was passed by the Eighteenth Congress of the Federated States of Micronesia, Sixth Regular Session, 2015, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures



PUBLIC LAW No. 18- 107

EIGHTEENTH CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
SIXTH REGULAR SESSION
JANUARY 23 – FEBRUARY 11, 2015

PRESIDENTIAL COMM. NO. 18-452
FSM CONGRESS

An Act

TO FURTHER AMEND TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED BY PUBLIC LAWS NOS. 10-68, 13-21, 13-60, AND 15-24, BY AMENDING SECTION 805 THEREOF, TO INCREASE THE STATE SHARE OF TAXES COLLECTED FROM FIFTY PERCENT (50%) TO SEVENTY PERCENT (70%) WITH THE ADDITIONAL TWENTY PERCENT (20%) DEPOSITED BY THE ADDITIONAL GOVERNMENT INTO THE STATE SUB-ACCOUNT A TO OF THE FSM TRUST FUND, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: ISAAC V. FIGIR

DATE: JUNE 24, 2013

REFERRED TO: COMMITTEE ON WAYS AND MEANS

S.C.R. NO. 18-240 – OCTOBER 03, 2014

FIRST READING: NOVEMBER 27, 2014

SECOND READING: JANUARY 26, 2015

A handwritten signature in black ink, appearing to read "Liwiana Ramon Ioanis", is written over a horizontal line.

Liwiana Ramon Ioanis
Chief Clerk, FSM Congress



CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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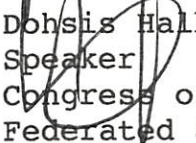
Office of the Speaker


PRESIDENTIAL COMM. NO. 18-452
FSM CONGRESS

ACT NO. 18-111

(CONGRESSIONAL BILL NO. 18-21, C.D.1, C.D.2)

We hereby certify that on January 26 the foregoing act passed Second and Final Reading of the Eighteenth Congress of the Federated States of Micronesia, Sixth Regular Session, 2015, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.


Dohsis Halbert
Speaker
Congress of the
Federated States of Micronesia


Liwiana Ramon Ioanis
Chief Clerk
Congress of the
Federated States of Micronesia

EIGHTEENTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FIRST SPECIAL SESSION, 2013 CONGRESSIONAL BILL NO. 18-21, C.D.1, C.D.2

PUBLIC LAW No. 18- 107

AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 10-68, 13-21, 13-60, and 15-24, by amending section 805 thereof, to increase the state share of taxes collected from fifty percent (50%) to seventy percent (70%) with the additional twenty percent (20%) deposited by the additional Government into the state sub-account A to of the FSM Trust Fund, and for other purposes.

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

1 Section 1. Section 805 of title 54 of the Code of the
2 Federated States of Micronesia, as amended by Public Laws Nos.
3 10-68, 13-21, 13-60, and 15-24 is hereby further amended to
4 read as follows:

5 "Section 805. Distribution of revenues.

6 (1)(a) The treasurer of the Federated States of
7 Micronesia shall pay eighty percent of the net taxes
8 collected pursuant to section 221(9) of this title,
9 and fifty percent at the National Government's share
10 of all other net taxes collected pursuant to sections
11 121, 141, and 221 of this title into the treasury of
12 the State government to which the taxes are
13 attributable for appropriation by the State
14 legislature.

15 (b) An additional twenty percent of the total
16 of all other net taxes collected pursuant to sections
17 121, 141, and 221 of this title after the Treasurer

1 of the Federated States of Micronesia has
2 administered distribution under subsection (A) shall
3 be deposited by the treasurer of the Federated States
4 of Micronesia into the State sub-account "A" of the
5 FSM Trust Fund on behalf of the National Government
6 for the State government to which the taxes are
7 attributable. The additional twenty percent (20%)
8 deposited by the National Government into individual
9 States sub-account A may not be withdrawn by the
10 States.

11 (c) Twenty-five percent of the amount
12 remaining, after the transfer of funds pursuant to
13 subsections 1(a) and 1(b) of this section, of the net
14 taxes collected pursuant to subsection 221(1) of this
15 title shall be placed in an account to be used solely
16 for post-graduate school scholarships or full-time
17 post-secondary courses of study leading to commercial
18 Federal Aviation Administration (FAA) licenses,
19 ratings and certifications. The allottee of the
20 scholarship funds shall be the President of the
21 Federated States of Micronesia or his designee;

22 (d) Except as specifically provided in parts
23 (a), (b) and (c) of this subsection, all net taxes
24 collected shall be part of the General Fund of the
25 Federated States of Micronesia, subject to

1 appropriation by Congress pursuant to title 55 of the
2 Code of the Federated States of Micronesia.

3 (2) 'Net taxes' as used in subsection (1) of this
4 section means gross collections of taxes, penalties,
5 interest, or other related charges less refunds."

6 Section 2. This act will come into effect on October 1,
7 2015.

8 Section 3. This act shall become law upon approval by the
9 President of the Federated States of Micronesia or upon its
10 becoming law without such approval.

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14 February 3, 2015
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19 Manny Mori
20 President
21 Federated States of Micronesia
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