June 18th, 2020

The Honorable Wesley W. Simina
Speaker
Twenty-First Congress
Federated States of Micronesia
Palikir, Pohnpei, FM 96941

Dear Speaker Simina:

I am pleased to transmit the following Congressional Act, which I have signed to become Public Law No. 21-120:

Congressional Act No. 21-119, entitled: “AN ACT TO FURTHER AMEND CHAPTER 6 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, BY ADDING A NEW SUBSECTION (A) TO SECTION 609A (3), FOR THE PURPOSE OF ENSURING THAT TOURISM SECTOR BUSINESSES ARE PROPERLY COMPENSATED FOR THEIR LOSSES DURING THE COVID-19 PANDEMIC, AND FOR OTHER PURPOSES.”

I would like to take the opportunity to thank the FSM Congress for the passage of this act.

Sincerely,

[Signature]

David W. Panuelo
President

xc: Chief Justice, FSM Supreme Court
June 01, 2020

His Excellency David W. Panuelo  
President  
Federated States of Micronesia  
Palikir, Pohnpei FM 96941

Dear President Panuelo:

I have the honor to transmit herewith Congressional Act No. 21-119, "AN ACT TO FURTHER AMEND CHAPTER 6 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, BY ADDING A NEW SUBSECTION (A) TO SECTION 609A (3), FOR THE PURPOSE OF ENSURING THAT TOURISM SECTOR BUSINESSES ARE PROPERLY COMPENSATED FOR THEIR LOSSES DURING THE COVID-19 PANDEMIC, AND FOR OTHER PURPOSES.", which was passed by the Twenty-First Congress of the Federated States of Micronesia, Fourth Regular Session, 2020, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

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

Enclosures
An Act

TO FURTHER AMEND CHAPTER 6 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, BY ADDING A NEW SUBSECTION (A) TO SECTION 609A (3), FOR THE PURPOSE OF ENSURING THAT TOURISM SECTOR BUSINESSES ARE PROPERLY COMPENSATED FOR THEIR LOSSES DURING THE COVID-19 PANDEMIC, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: WESLEY W. SIMINA

DATE: MAY 14, 2020

REFERRED TO: COMMITTEE ON WAYS AND MEANS
WITHDRAWN – MAY 14, 2020
FIRST READING: – MAY 14, 2020
SECOND READING: – MAY 21, 2020

Liwiana Ramon Imanis
Chief Clerk, FSM Congress
ACT NO. 21-119

(CONGRESSIONAL BILL NO. 21-192, C.D.1)

We hereby certify that on May 21 the foregoing act passed Second and Final Reading of the Twenty-First Congress of the Federated States of Micronesia, Fourth Regular Session, 2020, 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.

Wesley W. Simina
Speaker
Congress of the Federated States of Micronesia

Liwiana Ramon Ioanis
Chief Clerk
Congress of the Federated States of Micronesia
It is hereby certified that the undersigned is a representative of the organization named [Name of Organization].

[Signature]

[Name of Representative]

[Title]

[Date]

[Local Authority or Certification Body]
AN ACT

To further amend chapter 6 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, by adding a new subsection (a) to section 609A (3), for the purpose of ensuring that tourism sector businesses are properly compensated for their losses during the COVID-19 pandemic, and for other purposes.

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

1. Section 1. Chapter 6 of title 55 of the Code of the
2. Federated States of Micronesia (Annotated), as amended, is hereby
3. amended by adding new subsection(a) to section 609A(3) to read as
4. follows:

"Section 609A. Tourism Sector Mitigation Fund.

(1) There is created a Tourism Sector Mitigation
Fund to be used to partially offset the economic losses
of the businesses in the tourism industry and
individuals working in the tourism industry who were
laid off in the Federated States of Micronesia during
the coronavirus epidemic.

(2) Moneys for the Tourism Sector Mitigation Fund
shall be derived from coronavirus epidemic
appropriations by the Congress of the Federated States
of Micronesia and the State legislatures, United States
grants, funds designated for such purposes from
international organizations and from any and all other
appropriate sources."
(3) Tourism sector businesses operating in the Federated States of Micronesia seeking relief from the Tourism Sector Mitigation Fund must show tax returns from the previous year in order to establish their losses claimed under this fund. Individuals in the tourism sector, who are seeking compensation for lost wages due to being laid off as a result of the economic downturn, must submit their last paycheck stub and a statement from their employer in the tourism industry, who laid them off, evidencing their unemployment. The President shall issue regulations for equitable compensation for affected businesses, including a possible cap on the amount of a valid claim.

(a) A tourism sector business will be eligible for the following relief in the relevant quarter to be calculated as follows:

(i) a rebate for reimbursement purposes equivalent to 100% of the Wages and Salaries paid by the taxpayer to the employees of the tourism sector business for personal services relating to producing the Gross Revenue for the business;

(ii) a rebate for reimbursement purposes equivalent to 100% for the Social Security contributions paid by the tourism sector business in respect of its employees in the quarter pursuant to section 902 of
title 53 of the FSM Code (Annotated);

(iii) a rebate for reimbursement purposes equivalent to 100% for the Gross Revenue Tax (plus any penalties and interest) payable by the tourism sector business in the relevant quarter pursuant to section 141 of title 54 of the FSM Code (Annotated);

(iv) a rebate for reimbursement purposes equivalent to 100% for the bank interest on business loans paid by the tourism sector business to a FSM domiciled branch of a FSM registered bank;

(v) additional relief may be added per regulations; and

(vi) businesses that can show a direct economic loss as a result in the downturn experienced by the tourism sector are eligible to receive assistance under this section subject to the requirements under 609A(3)(i)-(v).

(4) The distributions from the funds shall be managed and administered by a committee named by the President comprising representatives of the Departments of Resources and Development; Finance and Administration; Justice; and Environment, Climate Change and Emergency Management. The committee shall report quarterly to Congress on the status of the fund and distributions therefrom.
(5) For the purposes of this fund tourism sector businesses shall include hotel operators, car rentals, tour operators, resorts, dive shops, airlines or any other tourist specific business not mentioned above.

(6) The Tourism Sector Mitigation Fund shall expire at the end of fiscal year 2021. Any unexpended funds shall lapse into the Disaster Relief Fund."

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.

June 18th, 2020

David W. Panuelo
President
Federated States of Micronesia