



The President
Palikir, Pohnpei
Federated States of Micronesia

PRESIDENTIAL COMM. NO. 21-506
FSM CONGRESS

February 8th, 2021

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. 21-232:

Congressional Act No. 21-242, entitled: "AN ACT TO FURTHER AMEND SECTION 609A OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAW NO. 21-211, IN ORDER TO MODIFY THE ELIGIBILITY REQUIREMENT FOR "OTHER BUSINESSES" THAT ARE ENTITLED TO FINANCIAL ASSISTANCE UNDER THE TOURISM MITIGATION FUND BY REPLACING "AND" WITH "OR" IN SUBSECTION (5) OF SECTION 609A, AND FOR OTHER PURPOSES."

I thank the 21st FSM Congress for the passage of this act during the regular session.

Sincerely,

David W. Panuelo
President

xc: Chief Justice, FSM Supreme Court





Office of the Chief Clerk

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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PRESIDENTIAL COMM. NO. 21-506
FSM CONGRESS

February 01, 2021

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

RECEIVED
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Office of the
President FSM

Dear President Panuelo:

I have the honor to transmit herewith Congressional Act No. 21-242, "AN ACT TO FURTHER AMEND SECTION 609A OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAW NO. 21-211, IN ORDER TO MODIFY THE ELIGIBILITY REQUIREMENT FOR "OTHER BUSINESSES" THAT ARE ENTITLED TO FINANCIAL ASSISTANCE UNDER THE TOURISM SECTOR MITIGATION FUND BY REPLACING "AND" WITH "OR" IN SUBSECTION (5) OF SECTION 609A, AND FOR OTHER PURPOSES", which was passed by the Twenty-First Congress of the Federated States of Micronesia, Sixth Regular Session, 2021, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

A stylized, handwritten signature in dark ink, consisting of a large, flowing 'J' and 'R' followed by a horizontal line.

Jessicalynn Reyes
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures



PRESIDENTIAL COMM. NO. 21-506
FSM CONGRESS

TWENTY-FIRST CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
SIXTH REGULAR SESSION
JANUARY 11 – 30, 2021

An Act

TO FURTHER AMEND SECTION 609A OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAW NO. 21-211, IN ORDER TO MODIFY THE ELIGIBILITY REQUIREMENT FOR "OTHER BUSINESSES" THAT ARE ENTITLED TO FINANCIAL ASSISTANCE UNDER THE TOURISM SECTOR MITIGATION FUND BY REPLACING "AND" WITH "OR" IN SUBSECTION (5) OF SECTION 609A, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: FLORENCIO S. HARPER (BY REQUEST)

DATE: JANUARY 28, 2021

REFERRED TO: COMMITTEE ON WAYS AND MEANS

WITHDRAWN – JANUARY 28, 2021

FIRST READING: – JANUARY 28, 2021

SECOND READING: – JANUARY 29, 2021

A handwritten signature in black ink, appearing to read "JR", with a long horizontal line extending to the right.

Jessicalynn Reyes
Chief Clerk, FSM Congress



Office of the Speaker

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

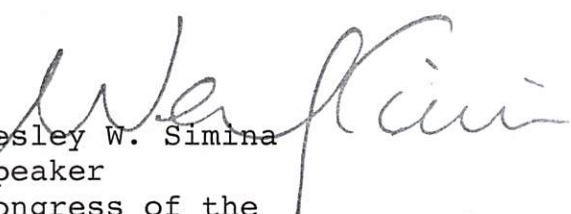
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PRESIDENTIAL COMM. NO. 21-506
FSM CONGRESS

ACT NO. 21-242

(CONGRESSIONAL BILL NO. 21-364)

We hereby certify that on January 29 the foregoing act passed Second and Final Reading of the Twenty-First Congress of the Federated States of Micronesia, Sixth Regular Session, 2021, 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


Jessicalynn Reyes
Chief Clerk
Congress of the
Federated States of Micronesia

AN ACT

To further amend section 609A of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 21-211, in order to modify the eligibility requirement for "other businesses" that are entitled to financial assistance under the Tourism Sector Mitigation Fund by replacing "and" with "or" in subsection (5) of section 609A, and for other purposes.

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

1 Section 1. Section 609A title 55 of the Code of the
2 Federated States of Micronesia (Annotated) , as amended by Public
3 Law No. 21-211, is hereby further amended to read as follows:

4 "Section 609A. Tourism Sector Mitigation Fund.

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

11 (2) Moneys for the Tourism Sector Mitigation Fund
12 shall be derived from coronavirus epidemic
13 appropriations by the Congress of the Federated States
14 of Micronesia and the State legislatures, United States
15 grants, funds designated for such purposes from
16 international organizations and from any and all other
17 appropriate sources.

1 (3) Tourism sector businesses operating in the
2 Federated States of Micronesia seeking relief from the
3 Tourism Sector Mitigation Fund must show tax returns
4 from the previous year in order to establish their
5 losses claimed under this fund. Individuals in the
6 tourism sector, who are seeking compensation for lost
7 wages due to being laid off as a result of the economic
8 downturn, must submit their last paycheck stub and a
9 statement from their employer in the tourism industry,
10 who laid them off, evidencing their unemployment. The
11 President shall issue regulations for equitable
12 compensation for affected businesses, including a
13 possible cap on the amount of a valid claim.

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

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

22 (ii) a rebate for reimbursement purposes
23 equivalent to 100% for the Social Security contributions
24 paid by the tourism sector business in respect of its
25 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.


1 (5) For the purposes of this fund tourism sector
2 businesses shall include hotel operators, car rentals,
3 tour operators, resorts, dive shops, airlines or any
4 other tourist specific business not mentioned above.
5 Other businesses not specifically mentioned above may
6 apply for assistance under this section; PROVIDED THAT,
7 they meet the following criteria:

8 (a) They can demonstrate that their business
9 relies significantly on the supply of goods and services
10 to the tourism sector; or

11 (b) They can demonstrate that their business has
12 been significantly impacted by the COVID-19 public
13 health emergency declaration.

14 (6) The Tourism Sector Mitigation Fund shall expire
15 at the end of fiscal year 2021. Any unexpended funds
16 shall lapse into the Disaster Relief Fund."
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Feb 8th, 2021


David W. Panuelo
President
Federated States of Micronesia