A BILL FOR AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended, by adding a new section 110 and a new subchapter IX of chapter 6 for the purpose of setting aside certain excess revenues until fiscal year 2002, and for other purposes.

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

Section 1. Title 55 of the Code of the Federated States of Micronesia is hereby further amended by adding a new section 110 to read as follows:

"Section 110. Set-aside of certain excess revenues.

(1) For fiscal year 1994 and each subsequent fiscal year an amount (the 'set-aside amount') equal to 50 percent of the base amount, as hereinafter defined, shall be deposited to the Future Fund provided for in subchapter IX of chapter 6 of this title.

(2) The proposed budget submitted to Congress shall contain a revenue/expenditure summary with separate columns for the different sources of revenues and expenditures. There shall be a column for the General Fund divided into Current and Capital subcolumns. The 'base amount' shall equal:

(a) Total estimated revenues in the General Fund (Current) subcolumn of the proposed budget, including unappropriated funds from prior years, lapses and adjustments, and new revenues during the subject fiscal year, minus

(b) Total estimated expenditures in the General Fund (Current) subcolumn of the proposed budget, as altered by Congress in the appropriation act approving the budget.

The base amount shall be unaffected by subsequent
changes in estimated or actual revenues, amendments to
said appropriation act, or other appropriations.

(3) The set-aside amount for a fiscal year shall be
transferred from the General Fund to the Future Fund, at
the discretion of the Secretary of Finance, in one or
more transfers as soon as reasonably practicable after
the start of that fiscal year; PROVIDED, however, that
at least 10 percent of the set-aside amount shall have
been so transferred by the end of the first quarter of
the fiscal year, 30 percent by the end of the second
quarter, 60 percent by the end of the third quarter, and
100 percent by the end of the fiscal year. If and to
the extent that such minimum quarterly transfers might
reasonably be expected to leave the National Government
unable to meet its obligations as they come due, and
upon written certification and explanation thereof from
the Secretary of Finance to the President, the Secretary
of Finance may further delay such transfers."

Section 2. Title 55 of the Code of the Federated States of
Micronesia is hereby further amended by adding a new subchapter
IX to chapter 6, entitled "Future Fund."

Section 3. Title 55 of the Code of the Federated States of
Micronesia is hereby further amended by adding a new section 660
of subchapter IX of chapter 6 to read as follows:

"Section 660. Establishment. There is hereby
established a Future Fund, hereinafter referred to as
the 'Fund,' separate from the General Fund of the
Federated States of Micronesia and all other funds."

Section 4. Title 55 of the Code of the Federated States of
Micronesia is hereby further amended by adding a new section 661
of subchapter IX of chapter 6 to read as follows:

"Section 661. Deposits. Deposits to the Fund shall be
made as provided in section 110 of this title and may be
made as otherwise directed by resolution or act of the
Congress of the Federated States of Micronesia."

Section 5. Title 55 of the Code of the Federated States of
Micronesia is hereby further amended by adding a new section 662
of subchapter IX of chapter 6 to read as follows:

"Section 662. Disbursements. Money in the Fund may be
dischursed by appropriation at any time for any purpose,
but only during or after fiscal year 2002. Before then,
no money may be disbursed from the Fund."

Section 6. This act shall become law upon approval by the
President of the Federated States of Micronesia or upon its
becoming law without such approval.

Date: 6/11/93

Introduced by:

Joseph J. Urusemal
(by request)