
A BILL FOR AN ACT

To amend section 1204 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 19-67, to clarify the purpose 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 1204 of title 55 of the Code of the
2 Federated States of Micronesia (Annotated), as amended by Public
3 Law No. 19-67, is hereby further amended to read as follows:

4 "Section 1204. Purpose.

5 (1) [~~The purpose of the Account A and Account B~~
6 ~~portion of the Fund is to create a~~] The purpose of
7 Account A and Account B of the FSM Trust Fund is to
8 offset shortfalls in local revenues for the FSM
9 Government. The accounts shall be managed with a
10 disciplined approach to ensure the protection of the
11 Fund's Real Value into perpetuity while providing a
12 sustainable source to supplement the needs of the
13 General Fund. Specifically, the accounts shall:

14 (a) assist the National Government and other
15 participating governments to achieve greater financial
16 autonomy in the management of their recurrent budgets;

17 (b) enable the FSM at all levels of government
18 to meet long-term maintenance and operating costs of
19 social and economic infrastructure; and

