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A BILL FOR AN ACT

To further amend title 40 of the Code of the Federated States of Micronesia by creating a new subchapter VII within chapter 3 and 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 provide scholarships for graduate school degrees or full-time post-secondary courses of study leading to Commercial Federal Aviation Administration (FAA) licenses, ratings and certifications, to create an effective date, and for other purposes.

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

1           Section 1. Title 40 of the Code of the Federated States of  
2 Micronesia is hereby further amended by inserting a new  
3 subchapter VII within chapter 3 entitled "Graduate School  
4 Scholarships".

5           Section 2. Title 40 of the Code of the Federated States of  
6 Micronesia is hereby further amended by inserting a new section  
7 391 to subchapter VII of chapter 6 to read as follows:

8                   Section 391. Graduate School Scholarships; Requirements  
9                   and uses.

10                   The revenue designated under title 54 Section 805(1)(b)  
11                   for graduate school scholarships shall be administered  
12                   by the Department of Education. These scholarship funds  
13                   shall be used for a scholarship program only for  
14                   graduate students or full-time post-secondary courses of  
15                   study leading to commercial Federal Aviation  
16                   Administration (FAA) licenses, ratings and

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1           certifications. Scholarships under this program shall  
2           only be awarded to students enrolled in full-time study  
3           or its equivalent. The Secretary of the Department of  
4           Education, or his designee, shall promulgate guidelines  
5           or rules, governing the process of applying for  
6           scholarships under this program, governing the criteria  
7           for awarding scholarships under this program, governing  
8           the process of selecting recipients of scholarships  
9           under this program, governing the terms and conditions  
10          and the enforcement of such, for scholarships under this  
11          program, and such other matters as may be necessary and  
12          consistent with the provisions of this subchapter. The  
13          allottee of the scholarship funds under this subchapter  
14          shall be the President of the Federated States of  
15          Micronesia, or his designee."

16           Section 3. Section 805 of title 54 of the Code of the  
17   Federated States of Micronesia, as amended by Public Laws Nos.  
18   10-68, 13-21, 13-60 and 15-24, is hereby further amended to read  
19   as follows:

20           "Section 805. Distribution of revenues.

21           (1)(a) The treasurer of the Federated States of  
22   Micronesia shall pay eighty percent of the net taxes  
23   collected pursuant to section 221(9) of this title and,  
24   beginning January 1, 2004 and continuing thereafter,  
25   fifty percent of all other net taxes collected pursuant

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1 to section 121, 141, and 221 of this title into the  
2 treasury of the State government to which the taxes are  
3 attributable for appropriation by the State legislature.

4 (b) [~~Twenty five percent of t~~] The amount  
5 remaining, after the transfer of funds pursuant to  
6 subsection 1(a) of this section, of the net taxes  
7 collected pursuant to subsection 221(1) of this title  
8 shall be placed in an account to be used solely for  
9 ~~[post-]~~ graduate school scholarships or full-time post-  
10 secondary courses of study leading to commercial Federal  
11 Aviation Administration (FAA) licenses, ratings and  
12 certifications, as set forth in title 40 chapter 3  
13 subchapter VII; The allottee of the scholarship funds  
14 shall be the President of the Federated States of  
15 Micronesia or his designee;

16 (c) Except as specifically provided in parts (a)  
17 and (b) of this subsection, all net taxes collected  
18 shall be part of the General Fund of the Federated  
19 States of Micronesia, subject to appropriation by  
20 Congress pursuant to title 55 of the Code of the  
21 Federated States of Micronesia.

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

25 Section 4. Effective date. This act shall take effect on

1 October 1, 2012.

2 Section 5. This act shall become law upon approval by the  
3 President of the Federated States of Micronesia or upon its  
4 becoming law without such approval.

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6 Date: 1/19/12

Introduced by: /s/ Joseph J. Urusemal  
Joseph J. Urusemal

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