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A BILL FOR AN ACT

To amend title 55 of the Code of the Federated States of Micronesia, by adding a new section 345 for the purpose of authorizing an exceptional redesignation of certain Compact inflation adjustment funds from capital to current during the fiscal year, establishing the requirement that at least 40% of Compact inflation adjustment funds must be designated to capital in each year, and for other purposes.

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

1 Section 1. Title 55 of the Code of the Federated States
2 of Micronesia is hereby amended by the addition of a new
3 section 345 to read as follows:

4 "Section 345. Exceptional Redesignation of Funds.
5 Notwithstanding sections 306 and 335 of this chapter,
6 and in consideration of a resolution signed on May
7 16, 1997, by the President and all the State
8 Governors, as the Heads of Delegation to a State-
9 National Leadership Conference, the State of Pohnpei
10 shall be permitted to redesignate to the current
11 account that portion of its fiscal year 1997 Compact
12 block grant section 217 (inflation adjustment) funds
13 previously designated to the capital account;
14 provided, however, that:

15 (1) with this one exception, and any other
16 exception which may be made in a similar manner in
17 the future, at least 40% of each Government's Compact
18 block grant section 217 (inflation adjustment) funds
19 in each fiscal year must have been and continue to be
20 designated to the capital account; and

21 (2) the exceptional redesignation provided for
22 in this section shall be permitted only if and when
23 the President of the Federated States of Micronesia
24 is reasonably satisfied that the Government of the
25 United States will not view it as a significant

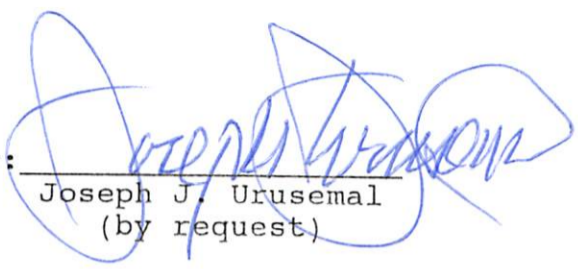
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C.B. NO. 10-40

1 violation of the Fiscal Procedures Agreement."

2 Section 2. 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: 5/22/97

Introduced by: 
Joseph J. Urusemal
(by request)

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