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:

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

"Section 345. Exceptional Redesignation of Funds.

Notwithstanding sections 306 and 335 of this chapter, and in consideration of a resolution signed on May 16, 1997, by the President and all the State Governors, as the Heads of Delegation to a State National Leadership Conference, the State of Pohnpei shall be permitted to redesignate to the current account that portion of its fiscal year 1997 Compact block grant section 217 (inflation adjustment) funds previously designated to the capital account; provided, however, that:

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

(2) the exceptional redesignation provided for in this section shall be permitted only if and when the President of the Federated States of Micronesia is reasonably satisfied that the Government of the United States will not view it as a significant..."
violation of the Fiscal Procedures Agreement."

Section 2. 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: 5/22/77

Introduced by: Joseph J. Urusemal
(by request)