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A BILL FOR AN ACT

To further amend title 21 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 5-7, 5-104, 7-37, and 7-99, by amending section 206, and to further amend title 55 of the Code of the Federated States of Micronesia, as amended, by amending section 209, to provide for the quarterly deposit of a portion of the gross revenues of certain FSM National Government enterprises in the General Fund of the Federated States of Micronesia, and for other purposes.

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

1 Section 1. Section 206 of title 21 of the Code of the Federated States of
2 Micronesia is hereby amended to read as follows:

3 "Section 206. Telecommunications Revolving Fund.

4 (1) There is hereby created and established the
5 Telecommunications Revolving Fund, hereinafter referred to as the
6 'Fund,' separate from the General Fund of the Federated States of
7 Micronesia and all other funds.

8 (2) The purpose of the fund is to establish an ongoing
9 revolving fund to allow appropriations for and revenues from the
10 operations of the Corporation to be used for the operations of the
11 Corporation and for capital investment or acquisition by the
12 Corporation.

13 (3) All future appropriations for the operations of the
14 Corporation as well as revenues received from the operations of
15 the Corporation and any other moneys raised or received by the
16 Corporation, shall be deposited in the Fund. Except as provided by
17 subsection (4) of section 209 of title 55. Any unexpended moneys
18 in this Fund shall not revert to the General Fund nor lapse at the
19 end of the fiscal year.

20 (4) The Fund shall be administered by the Board of
21 Directors of the Corporation."

22 Section 2. Section 209 of title 55 of the Code of the Federated States of
23 Micronesia is hereby amended to read as follows:

24 "Section 209. Deposits to the General Fund.

25 (1) Unless otherwise provided by this chapter or other law,

1 the following shall be deposited in the General Fund:

2 (a) all public moneys raised or received by the
3 Federated States of Micronesia National Government pursuant to
4 laws imposing taxes on income or other taxes, duties, or tariffs
5 based on imports, or other revenues collected based on fines,
6 fees, licenses, interests, rents, or other collections of the
7 Federated States of Micronesia made specifically applicable within
8 the jurisdiction of the Federated States of Micronesia;

9 (b) all funds allotted to the Federated States of
10 Micronesia National Government from the Compact Financial
11 Assistance Fund; and

12 (c) all other funds received by the Federated States of
13 Micronesia National Government from the United States
14 Government and designated for the Federated States of
15 Micronesia National Government.

16 (2) Compact of Free Association financial assistance shall be
17 accounted for in accordance with financial accounting and
18 reporting requirements of the Compact.

19 (3) All balances of the United States Grant Special Fund are
20 hereby transferred to, and deposited in, the General Fund of the
21 Federated States of Micronesia.

22 (4) A National enterprise shall deposit in the General Fund of
23 the Federated States of Micronesia five percent (5%) of its gross
24 revenues for the quarters ending December 31, March 31, June 30,
25 and September 30, no later than the 15th of the month following

1 each such quarter. For purposes of this subsection:

2 (a) 'National enterprise' means a public corporation,
3 authority, or other independent entity of the National Government
4 created by law and which is permitted by law to retain revenue it
5 receives from operations.

6 (b) 'Gross revenue' means the gross receipts of a
7 National enterprise derived from trade, business, commerce, or
8 sales and the value proceeding from the sale of tangible personal
9 property, or services, or both, and all actual receipts by reason of
10 the capital of the enterprise engaged in, including interest, rentals,
11 royalties, fees, or other emoluments however designated and
12 without any deductions on account of the cost of property sold,
13 the cost of materials used, labor cost, taxes, royalties, or interest
14 paid or any other expenses whatsoever. Gross revenue shall not
15 include the following:

16 (i) refunds and rebates;


17 (ii) moneys held in a fiduciary capacity; or

18 (iii) cash discounts allowed and taken on sales, the
19 proceeds of sale of goods, wares, or merchandise returned by
20 customers when the sale price is refunded either in cash or by
21 credit; or the sale price of any article accepted as part of
22 payment of any new article sold, if the full sale price of a new
23 article is included in 'gross revenue'."

24 Section 3. This act shall take effect on the first day of the fiscal year
25 following its becoming law.

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

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5 Date: May 21, 1997

Introduced by: 
Peter M. Christian

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