A BILL FOR AN ACT

To further amend title 30 of the Code of the Federated States of Micronesia, as amended, by amending section 304 thereof to include post secondary institutions as qualified recipients of financing from the Investment Development Fund, and for other purposes.

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

- 1 Section 1. Section 304 of title 30 of the Code of the
- 2 Federated States of Micronesia is hereby amended to read as
- 3 follows:
- 4 "Section 304. <u>Purposes and Guidelines</u>.
- 5 (1) Investment Development Fund moneys shall be used only:
- 7 (a) To finance projects which will:
- 8 (i) Have their operations located primarily
- 9 within the Federated States of Micronesia;
- 10 (ii) Improve the balance of payments position
 11 of the Federated States of Micronesia;
- 12 (iii) Increase the value of visible and
- invisible exports or result in import substitution;
- 14 (iv) Demonstrably result in positive economic
- 15 return; and
- 16 (v) Contribute to the furtherance of close
- 17 economic and commercial relations between the United
- 18 States of America and the Federated States of
- 19 Micronesia, encourage the productive presence of
- 20 citizens and commercial enterprises of the United States

1	in the Federated States of Micronesia or otherwise
2	compensate the Federated States of Micronesia for the
3	loss of the tax and trade incentives affected by Title
4	IV of United States Public Law 99-239 as provided for in
5	the Investment Development Fund Agreement and as further
6	defined by the Federated Development Authority;
7	(b) To finance projects which will provide direct
8	services to projects identified in paragraph (a) of this
9	subsection and are in compliance with the conditions in
10	subparagraphs (iv) and (v) of such paragraph; $[\frac{\partial r}{\partial x}]$
11	(c) For the expenses specified in section 314 of
12	this chapter <u>; or</u>
13	(d) To finance infrastructure development
14	projects, purchase school buildings, equipment and other
15	assets for post-secondary institutions in the Federated
16	States of Micronesia.
17	(2) The qualified recipients of financings from the
18	Investment Development Fund are as follows:
19	(a) Private citizens of the Federated States of
20	Micronesia and corporations with a minimum of 20 percent
21	citizen ownership interest; [and]
22	(b) The National and State Governments of the
23	Federated States of Micronesia and public corporations
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1	thereof; PROVIDED that, any project which involves
2	direct participation by the National or State
3	Governments of the Federated States of Micronesia,
4	including public corporations thereof, shall include an
5	evaluation by such government of the desirability of
6	future divestiture of the project to the private sector
7	and, if appropriate, identification of possible
8	strategies and estimated timetables for accomplishing
9	such divestiture; and
10	(c) Post-secondary institutions in the Federated
11	States of Micronesia."
12	Section 2. This act shall become law upon approval by the
13	President of the Federated States of Micronesia or upon its
14	becoming law without such approval.
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16	Date: 5/20/04 Introduced by: /s/ Henry C. Asugar
17	Henry C. Asugar
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