A BILL FOR AN ACT

To amend chapter 3 of title 55 of the Code of the Federated States of Micronesia, as enacted by Public Law No. 13-72, by amending sections 308, 309, and 326 thereof, and for other purposes.

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

Section 1. Section 308 of title 55 of the Code of the Federated States of Micronesia, as enacted by Public Law No. 13-72, is hereby amended to read as follows:

"Section 308. Appeal of Special Conditions.

(1) If, at any time, JEMCO or the Government of the United States imposes, or notifies the Federated States of Micronesia of its intent to impose, any special conditions or restrictions on any Compact Grant Awards, the President shall immediately notify any and all affected State Governments thereof and provide such Government(s) with copies of all relevant documentation, including the explanation that is received from the United States or JEMCO of the conditions and restrictions and the reasons therefor.

(2) Any affected Government may, subject to the terms of this subsection, dispute the decision to impose special conditions or restrictions by submitting a written appeal for reconsideration within twenty (20) days of the Federated States of Micronesia's receipt of the Grant Award to which such conditions or restrictions
were attached or the date notification of the intent to impose special conditions was received by the Federated States of Micronesia from the Government of the United States, in accordance with the terms of the Fiscal Procedures Agreement. Any and all such appeals shall be addressed to the Government of the United States and routed through the Office of the President. The President shall submit any such appeal(s) to the Government of the United States within ten (10) days of his receipt thereof unless the President determines that the submitting of the appeal is not in the best interests of the nation."

Section 2. Section 309 of title 55 of the Code of the Federated States of Micronesia, as enacted by Public Law No. 13-72, is hereby amended to read as follows:

"Section 309. Grant Acceptance. The President shall sign and return to the Government of the United States each Grant Award, [to the extent to] unless rejected pursuant to section 307(3) hereof, and shall transmit a copy thereof to Congress and each State Government."

Section 3. Section 326 of title 55 of the Code of the Federated States of Micronesia, as enacted by Public Law No. 13-72, is hereby amended to read as follows:

"Section 326. Transition – Original Compact."
(1) Until all funds received under the Original Compact categories have been exhausted, each State Government shall, no later than December 15 of each year, submit to the President a report setting forth expenditures made and year-end fund balances by Original Compact category for the previous Fiscal Year; provided however, that this subsection (1) shall not apply to funds received pursuant to section 211 of the Original Compact.

(2) Available capital project funds that were allotted to any of the State or the National Governments pursuant to section 211 of the Original Compact that subsequently lapse or are de-appropriated pursuant to the laws of the respective State or National Government shall revert to the current account of the respective government following submission of the relevant lapse provision or de-appropriation legislation to the Secretary.

(3) Each State finance officer shall promptly close out Original Compact capital project accounts upon project completion. Unused spending authority resulting from project close-out shall revert to the current account of the respective government.

(4) Nothing in this section shall be deemed to change or modify the distribution of capital account funds between a State and any of its municipalities as it
Section 4. 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: 1/26/05

Introduced by: /s/ Sabino S. Asor

Sabino S. Asor