AN ACT

To further amend title 1 of the Code of the Federated States of Micronesia, as amended, by adding a new chapter 9 concerning the procedure for the admission of a new state into the Federated States of Micronesia, and for other purposes.

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

1 Section 1. Title 1 of the Code of the Federated States of Micronesia, as amended by Public Law No. 10-25, is hereby further amended by enacting a new chapter 9, entitled "Admission of New States".

2 Section 2. Title 1 of the Code of the Federated States of Micronesia, as amended by Public Law No. 10-25, is hereby further amended by enacting a new section 901 of chapter 9 to read as follows:

"Section 901. Authorization. New states may be formed and admitted into the Federated States of Micronesia in accordance with the provisions of article I of the Constitution of the Federated States of Micronesia and this chapter."

3 Section 3. Title 1 of the Code of the Federated States of Micronesia, as amended by Public Law No. 10-25, is hereby further amended by enacting a new section 902 of chapter 9 to read as follows:

"Section 902. Vote Required. No new state shall be formed and admitted except upon the affirmative vote of
a majority of the registered voters of the area seeking statehood and the approval, by resolution, of the Legislature of each existing state of the Federated States of Micronesia.

Section 4. Title 1 of the Code of the Federated States of Micronesia, as amended by Public Law No. 10-25, is hereby further amended by enacting a new section 903 of chapter 9 to read as follows:

"Section 903. Consent. A new state shall not be formed from within the territory of an existing state, or by the juncture of 2 or more existing states or parts of states, except with the consent, by resolution, of the Legislature(s) of the State(s) concerned."

Section 5. Title 1 of the Code of the Federated States of Micronesia, as amended by Public Law No. 10-25, is hereby further amended by enacting a new section 904 of chapter 9 to read as follows:

"Section 904. Admission. New states may be formed and admitted into the Federated States of Micronesia upon the approval, by bill, of the Congress of the Federated States of Micronesia."

Section 6. Title 1 of the Code of the Federated States of Micronesia, as amended by Public Law No. 10-25, is hereby further amended by enacting a new section 905 of chapter 9 to read as follows:
"Section 905. Bill Approving Admission. Each bill approving the admission of a new state into the Federated States of Micronesia shall set forth the effective date of the admission of such state and such other matters as may be necessary to facilitate a smooth and orderly transition to statehood, including, but not limited to, the following:

(1) delineating the territory and boundaries of the new state including marine boundaries;

(2) providing for the establishment of an interim government;

(3) setting the date by which a constitutional convention must take place in the new state and a constitution for the new state must be adopted;

(4) the date(s) by which national, state, and local government elections must take place;

(5) the principles and criteria for the equitable division of assets and liabilities between the new state, the predecessor entity, and the Federated States of Micronesia;

(6) determining applicable law to apply pending adoption of the new state's constitution and establishment of all levels of government;

(7) funding for specified transitional activities; and
Section 7. Title 1 of the Code of the Federated States of Micronesia, as amended by Public Law No. 10-25, is hereby further amended by enacting a new section 906 of chapter 9 to read as follows:

"Section 906. Equal Footing doctrine. Each new state admitted into the Federated States of Micronesia shall be admitted on an equal footing with every other state and shall be subject to the same duties and obligations, and accorded the same rights and privileges, as every other state of the Federated States of Micronesia, as provided for in the Constitution of the Federated States of Micronesia."

Section 8. Title 1 of the Code of the Federated States of Micronesia, as amended by Public Law No. 10-25, is hereby further amended by enacting a new section 907 of chapter 9 to read as follows:

"Section 907. Interim Government. The existing government(s) of the area approved for admission as a new state of the Federated States of Micronesia shall continue as the interim government(s) until such time as elections are held as set forth in the bill approving admission."

Section 9. Title 1 of the Code of the Federated States of
Micronesia, as amended by Public Law No. 10-25, is hereby further amended by enacting a new section 908 of chapter 9 to read as follows:

"Section 908. Election of Representatives. A new state shall hold general elections to elect representatives to the Congress of the Federated States of Micronesia within one year of the date of approval for admission into the Federated States of Micronesia."

Section 10. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

July 6, 2004

/s/ Joseph J. Urusemal
Joseph J. Urusemal
President
Federated States of Micronesia