AN ACT

To amend Public Law No. 4C-53, as amended by Public Law No. 1-103, to provide for the sale of the assets of the boat-building program, and for other purposes.

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

Section 1. Section 6 of Public Law No. 4C-53, as amended by Public Law 1-103, is hereby further amended to read as follows:


(1) The boat-building program established pursuant to this act shall be terminated and its assets sold to any private corporation which is organized, in accordance with all applicable laws, for the express purpose of operating the boat-building program as a private business. To be eligible to purchase the assets of the boat-building program, a private corporation must possess a charter and suitable by-laws which provide in substance:

(a) That among the primary purposes for which the corporation is formed are the manufacture and sale of ferrocement boats, and the operation of a boat repair facility in the Truk Lagoon;

(b) That the minimum amount of paid-in capital with which the corporation will commence business is $15,000;

(c) That no individual shareholder shall own more than ten percent of the outstanding shares of common stock issued by the corporation; and

(d) That provision is made whereby non-management employees of the corporation are permitted to acquire one
hundred shares of common stock each, at a price which is no more
than 25% of par value; PROVIDED, HOWEVER, that a non-management
employee has been employed by the boat-building program or the
corporation for a period of at least three years.

(2) Immediately after the effective date of this act, the
Governor of the State of Truk shall cause to be published on a
nationwide basis a solicitation for bids pursuant to this section,
and shall take such other steps deemed by him to be appropriate
to generate bidder interest in the purchase of the assets of the
boat-building program. All bids shall be sealed and shall be
opened 60 days after the effective date of this act. No bid shall
be accepted unless received from a private corporation which meets
the requirements of this section, as determined by the Attorney
General of the State of Truk. The minimum acceptable bid shall be
a sum equal to the present market value of the assets of the boat-
building program, minus its liabilities, as determined by the
Governor of the State of Truk, who shall provide a report of his
calculations to the Congress of the Federated States of Micronesia.
Liabilities of the boat-building program shall be assumed by the
buyer.

(3) All proceeds resulting from the sale of the assets of
the boat-building program pursuant to this section shall be
deposited in the General Fund of the Federated States of
Micronesia; PROVIDED, HOWEVER, that the Governor of the State
of Truk is authorized to deduct from said proceeds all expenses
incurred through his compliance with Subsection (2) of this section, but not to exceed the amount of $500.00."

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.

Tosiwo Nakayama
President
Federated States of Micronesia