TWENTIETH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

SEVENTH SPECIAL SESSION, 2019

C.B. NO. 20-288

A BILL FOR AN ACT

To further amend section 1217 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Laws Nos. 18-74 and 19-67, to correct typographical errors made in the engrossment of Public Law No. 19-67, and for other purposes. BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

Section 1. The purpose of this Act is to correct
typographical errors made in the engrossment of Public Law No.
19-67. Typographical errors in engrossing led to repeated
references to "Sub-A account" rather than "Sub-Account". This
Act corrects those references.

6 Section 2. Section 1217 of title 55 of the Code of the 7 Federated States of Micronesia (Annotated), as amended by Public 8 Law Nos. 18-74 and 19-67, is hereby further amended to read as 9 follows:

10 "Section 1217. Other participating government accounts. 11 (1) There are hereby-created State [Sub-A accounts] 12 Sub-Accounts, including A and B sub-accounts, for each of the States of the Federated States of Micronesia; 13 with the condition that the State Sub-Account A for each 14 15 individual state must meet an initial threshold balance 16 of \$2,000,000 USD, independent of the balance of the other state's Sub-Account A, before establishing a State 17 Sub-Account B for that state. 18

1 (2) Any donor, including the State and Foreign 2 Governments may make contributions to a State [Sub-A 3 account or Sub-A accounts | Sub-Account or Sub-Accounts. (3) National Government contributions to State sub-4 5 accounts shall only be to the long-term, [Sub-A account] 6 Sub-Account A of that state or states. 7 (4) Contributions to a State [Sub-A account] Sub-Account made by the National Government shall remain the 8 9 property of the National Government unless conditions 10 are met for transfers to Sub-Account B, with the 11 relevant State being the beneficiary of the proceeds 12 subject to the conditions of the [A account] Account B. 13 Contributions made by the National Government to a State 14 [Sub-A account] Sub-Account shall not be withdrawn or disbursed except to cover the compensation and expenses 15 16 of the Fund managers and custodians in carrying out 17 their duties in administration of the Fund in accordance with sections 1212 and 1213. 18 (5) State [Sub-A accounts] Sub-Accounts shall be 19

subject to this chapter and shall be managed and
administered in the same manner as the National
Government Accounts A and B except that distributable
funds or assets shall be made available to the other
participating governments rather than the National
Government.

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1	(6) States may withdraw their own contributions to
2	their States [Sub-A account] <u>Sub-Account</u> A and
3	contributions made on their behalf by NGO's and other
4	donors if allowed under the terms of the contribution,
5	beginning October 1, 2023.
6	(7) In the event that a state meets the initial
7	threshold requirement to establish a State Sub-Account B
8	under (1) above, States may withdraw from their State
9	[Sub-A account] <u>Sub-Account</u> B beginning October 1, 2023.
10	Fund expenses shall be prorated between the accounts of
11	different governments in proportion to their relative
12	share of the total Fund."
13	Section 3. This act shall become law upon approval by the
14	President of the Federated States of Micronesia or upon its
15	becoming law without such approval.
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17	Date: 3/6/19 Introduced by: /s/ Wesley W. Simina
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