A BILL FOR AN ACT

To amend section 1204 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 19-67, to clarify the purpose of the FSM Trust Fund, and for other purposes.

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

Section 1. Section 1204 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 19-67, is hereby further amended to read as follows:

“Section 1204. Purpose.

(1) The purpose of the Account A and Account B portion of the Fund is to create a disciplined approach to ensure the protection of the Fund’s Real Value into perpetuity while providing a sustainable source to supplement the needs of the General Fund. Specifically, the accounts shall:

(a) assist the National Government and other participating governments to achieve greater financial autonomy in the management of their recurrent budgets;

(b) enable the FSM at all levels of government to meet long-term maintenance and operating costs of social and economic infrastructure; and

The purpose of Account A and Account B of the FSM Trust Fund is to offset shortfalls in local revenues for the FSM Government. The accounts shall be managed with a
(c) enable the FSM at all levels of government to improve existing levels of social and economic infrastructure.

(2) The purpose of the State Sub-Account’s A and B of the Fund are distinct and defined in section 1217 of this chapter.”

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.

Date: 7/17/19

Introduced by: /s/ Wesley W. Simina
Wesley W. Simina