A BILL FOR AN ACT

Establishing a Civil Liability Fund for the Government of the Federated States of Micronesia as a special fund separate from the General Fund of the Federated States of Micronesia, by creating a new subchapter XVII under Title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, setting out the legal establishment of the fund, its purpose, administration, authorization for appropriation, and reporting of the fund, reserving chapter XVI under title 55 of the FSM Code, and for other purposes.

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

Section 1. Title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by establishing subchapter XVI as a “reserved chapter” for future use.

Section 2. Title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by establishing a new subchapter XVII entitled: “Civil Liability Fund”.

Section 3. Title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by inserting a new section 1701 under subchapter XVII to read as follows:

“Section 1701. Civil Action Liability Fund; establishment.

There is hereby established a Civil Liability Fund, hereafter referred as the “Fund” under this subchapter,
Section 4. Title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by inserting a new section 1702 under subchapter XVII to read as follows:

"Section 1702. Purpose.

The purpose of the Fund to provide reliable funding to cover all final judgments involving financial claims against the Government of the Federated States of Micronesia in any given fiscal year."

Section 5. Title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by inserting a new section 1703 under subchapter XVII to read as follows:

"Section 1703. Administration.

The Fund shall be administered by the President of the Federated States of Micronesia, or his designee. The Secretary of Justice shall recommend to the President legal guidance, procedures and regulation necessary and appropriate for the effectuation and implementation of the provisions of this subchapter, including timing of satisfaction of judgments, in connection with any existing or potential litigation cases or any legal matters or dispute involving the Government of the
Federated States of Micronesia that has resulted to, or has a potential of creating, a financial liability against the Government of the Federated States of Micronesia.”

Section 6. Title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by inserting a new section 1704 under subchapter XVII to read as follows:

"Section 1704. Deposits.

All future appropriations for the Fund and any appropriations for payment of judgments shall be deposited in the Fund. Any unexpended moneys in this Fund shall neither revert to the General Fund nor lapse at the end of the fiscal year."

Section 7. Title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by inserting a new section 1705 under subchapter XVII to read as follows:

"Section 1705. Authorization for appropriation.

There is hereby authorized for appropriation to the Fund the amount of $6,000,000 to be appropriated as follows:

(a) $2,000,000 shall be appropriated by the 22nd FSM Congress during its sixth regular session in January 2023,

(b) $2,000,000 shall be appropriated by the 23rd FSM
Congress during its first regular session in May 2023, and
(c) $2,000,000 shall be appropriated by the 23rd FSM Congress during its second regular session in September 2023."

Section 8. Title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby further amended by inserting a new section 1706 under subchapter XVII to read as follows:

"Section 1706. Report. The President or his designee shall report to the Congress of the Federated States of Micronesia on the status of the Fund at the close of each fiscal year."

Section 9. 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: 9/14/22
Introduced by: /s/ Florencio S. Harper
Florencio S. Harper (by request)