

---

A BILL FOR AN ACT

To further amend section 609A of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Laws Nos. 21-211 and 21-232, in order to extend the expiration date of the Tourism Sector Mitigation Fund, and for other purposes.

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

1           Section 1. Section 609A title 55 of the Code of the  
2 Federated States of Micronesia (Annotated), as amended by  
3 Public Laws Nos. 21-211 and 21-232, is hereby further amended to  
4 read as follows:

5                   "Section 609A. Tourism Sector Mitigation Fund.

6                   (1) There is created a Tourism Sector Mitigation  
7 Fund to be used to partially offset the economic  
8 losses of the businesses in the tourism industry and  
9 individuals working in the tourism industry who were  
10 laid off in the Federated States of Micronesia during  
11 the coronavirus epidemic.

12                   (2) Moneys for the Tourism Sector Mitigation Fund  
13 shall be derived from coronavirus epidemic  
14 appropriations by the Congress of the Federated States  
15 of Micronesia and the State legislatures, United  
16 States grants, funds designated for such purposes from  
17 international organizations and from any and all other  
18 appropriate sources.

---

1           (3) Tourism sector businesses operating in the  
2           Federated States of Micronesia seeking relief from the  
3           Tourism Sector Mitigation Fund must show tax returns  
4           from the previous year in order to establish their  
5           losses claimed under this fund. Individuals in the  
6           tourism sector, who are seeking compensation for lost  
7           wages due to being laid off as a result of the  
8           economic downturn, must submit their last paycheck  
9           stub and a statement from their employer in the  
10          tourism industry, who laid them off, evidencing their  
11          unemployment. The President shall issue regulations  
12          for equitable compensation for affected businesses,  
13          including a possible cap on the amount of a valid  
14          claim.

15                 (a) A tourism sector business will be eligible  
16          for the following relief in the relevant quarter to be  
17          calculated as follows:

18                         (i) a rebate for reimbursement purposes  
19          equivalent to 100% of the Wages and Salaries paid by  
20          the taxpayer to the employees of the tourism sector  
21          business for personal services relating to producing  
22          the Gross Revenue for the business;

23                         (ii) a rebate for reimbursement purposes  
24          equivalent to 100% for the Social Security  
25          contributions paid by the tourism sector business in

1           respect of its employees in the quarter pursuant  
2           to section 902 of title 53 of the FSM Code  
3           (Annotated);

4                       (iii) a rebate for reimbursement purposes  
5           equivalent to 100% for the Gross Revenue Tax (plus any  
6           penalties and interest) payable by the tourism sector  
7           business in the relevant quarter pursuant to section  
8           141 of title 54 of the FSM Code (Annotated);

9                       (iv) a rebate for reimbursement purposes  
10          equivalent to 100% for the bank interest on business  
11          loans paid by the tourism sector business to a FSM  
12          domiciled branch of a FSM registered bank;

13                      (v) additional relief may be added per  
14          regulations; and

15                      (vi) businesses that can show a direct  
16          economic loss as a result in the downturn experienced  
17          by the tourism sector are eligible to receive  
18          assistance under this section subject to the  
19          requirements under 609A(3)(i)-(v).

20                      (4) The distributions from the funds shall be  
21          managed and administered by a committee named by the  
22          President comprising representatives of the  
23          Departments of Resources and Development; Finance and  
24          Administration; Justice; and Environment, Climate  
25          Change and Emergency Management. The committee shall

---

1 report quarterly to Congress on the status of the fund  
2 and distributions therefrom.

3 (5) For the purposes of this fund tourism sector  
4 businesses shall include hotel operators, car rentals,  
5 tour operators, resorts, dive shops, airlines or any  
6 other tourist specific business not mentioned above.  
7 Other businesses not specifically mentioned above may  
8 apply for assistance under this section; PROVIDED  
9 THAT, they meet the following criteria:

10 (a) They can demonstrate that their business  
11 relies significantly on the supply of goods and  
12 services to the tourism sector; or

13 (b) They can demonstrate that their business  
14 has been significantly impacted by the COVID-19 public  
15 health emergency declaration.

16 (6) The Tourism Sector Mitigation Fund shall expire  
17 [~~at the end of fiscal year 2021~~] on June 30, 2022.  
18 Any unexpended funds shall lapse into the [~~Disaster~~  
19 ~~Relief Fund~~] FSM Trust Fund."

20 Section 2. This act shall become law upon approval by the  
21 President of the Federated States of Micronesia or upon its  
22 becoming law without such approval.

23

24 Date: 9/15/21

Introduced by: /s/ Isaac V. Figir  
Isaac v. Figir

25