The President
Palikir, Pohnpei
Federated States of Micronesia

October 28, 2021

The Honorable Wesley W. Simina
Speaker
Twenty-Second Congress
Federated States of Micronesia
Palikir, Pohnpei, FM 96941

Dear Speaker Simina:

I am pleased to transmit herewith the enclosed Congressional Act, which I have signed to become Public Law No. 22-57:

Congressional Act No. 22-49, entitled: "AN ACT TO FURTHER AMEND SECTION 805 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAWS NOS. 18-107 AND 21-152, TO EXTEND THE EXEMPTION OF THE EXTRA 20% OF THE SHARE OF REVENUES COLLECTED TO THE NATIONAL GOVERNMENT FROM DEPOSITED INTO THE STATE SUB-ACCOUNTS OF THE FSM TRUST FUND, AND FOR OTHER PURPOSES."

This Act is extending the exemption of extra 20% of the share of revenues collected to the National Government from being deposited into the State Sub-Accounts of the FSM Trust Fund, but rather to be remitted directly to the States. Currently, this exemption is in effect for fiscal years 2021 and 2022. This Act is extending the exemption to fiscal year 2023, except that this extended exemption for fiscal year 2023 shall not apply to the States of Pohnpei and Yap. This means that the extra 20% of the share of revenue Pohnpei and Yap will not be remitted to those respective States in fiscal year 2023, but rather will return to the status quo to be deposited into the relevant State Sub-Accounts under the FSM Trust Fund. I take this opportunity to thank the 22nd FSM Congress for the passage of this important legislation.

Sincerely,

David W. Panuelo
President

xc: Chief Justice, FSM Supreme Court
October 12, 2021

His Excellency David W. Panuelo  
President  
Federated States of Micronesia  
Palikir, Pohnpei FM 96941

Dear President Panuelo:

I have the honor to transmit herewith Congressional Act No. 22-49, "AN ACT TO FURTHER AMEND SECTION 805 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAWS NOS. 18-107 AND 21-152, TO EXTEND THE EXEMPTION OF THE EXTRA 20% OF THE SHARE OF REVENUES COLLECTED TO THE NATIONAL GOVERNMENT FROM BEING DEPOSITED INTO THE STATE SUB-ACCOUNTS OF THE FSM TRUST FUND, AND FOR OTHER PURPOSES", which was passed by the Twenty-Second Congress of the Federated States of Micronesia, Second Regular Session, 2021, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

[Signature]

Jessicalynn Reyes  
Chief Clerk, Congress of the  
Federated States of Micronesia

Enclosures
An Act

TO FURTHER AMEND SECTION 805 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAWS NOS. 18-107 AND 21-152, TO EXTEND THE EXEMPTION OF THE EXTRA 20% OF THE SHARE OF REVENUES COLLECTED TO THE NATIONAL GOVERNMENT FROM BEING DEPOSITED INTO THE STATE SUB-ACCOUNTS OF THE FSM TRUST FUND, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: WESLEY W. SIMINA

DATE: MAY 12, 2021

REFERRED TO: COMMITTEE ON WAYS AND MEANS
WITHDRAWN – OCTOBER 07, 2021

FIRST READING: – OCTOBER 07, 2021
SECOND READING: – OCTOBER 08, 2021

Jessicaalynn Reyes
Chief Clerk, FSM Congress
ACT NO. 22-49

(CONGRESSIONAL BILL NO. 22-03, C.D.1)

We hereby certify that on October 8 the foregoing act passed Second and Final Reading of the Twenty-Second Congress of the Federated States of Micronesia, Second Regular Session, 2021, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

[Signature]

Wesley W. Simina
Speaker
Congress of the Federated States of Micronesia

[Signature]

Jessica Lynn Reyes
Chief Clerk
Congress of the Federated States of Micronesia
AN ACT

To further amend section 805 of title 54 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Laws Nos. 18-107 and 21-152, to extend the exemption of the extra 20% of the share of revenues collected to the National Government from being deposited into the State sub-accounts of the FSM Trust Fund, and for other purposes.

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

1. Section 1. Section 805 of title 54 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Laws Nos. 18-107 and 21-152, is hereby further amended to read as follows:

"Section 805. Distribution of revenues.

   (1) Distribution to the States.

      (a) The treasurer of the Federated States of Micronesia shall pay eighty percent of the net taxes collected pursuant to section 221(9) of this title, and fifty percent of all other net taxes collected pursuant to sections 121, 141, and 221 of this title into the treasury of the State government to which the taxes are attributable for appropriation by the State legislature.

      (b) Subject to Part (e) below, an additional twenty percent of the total of all other net taxes collected pursuant to sections 121, 141, and 221 of this title after the Treasurer of the Federated States of Micronesia has administered distribution under part
(a) shall be deposited by the treasurer of the Federated States of Micronesia into the State sub-account "A" of the FSM Trust Fund on behalf of the National Government for the State government to which the taxes are attributable. The additional twenty percent (20%) deposited by the National Government into individual States sub-account A may not be withdrawn by the States.

(c) Twenty-five percent of the amount remaining, after the transfer of funds pursuant to parts (a) and (b) of this subsection, of the net taxes collected pursuant to subsection 221(1) of this title shall be placed in an account to be used solely for post-graduate school scholarships or full-time post-secondary courses of study leading to commercial Federal Aviation Administration (FAA) licenses, ratings and certifications. The allottee of the scholarship funds shall be the President of the Federated States of Micronesia or his designee;

(d) Except as specifically provided in parts (a), (b) and (c) of this subsection, all net taxes collected shall be part of the General Fund of the Federated States of Micronesia, subject to appropriation by Congress pursuant to title 55 of the Code of the Federated States of Micronesia.

(e) On an extraordinary basis the extra 20% of
net taxes collected during fiscal years 2021, 2022, and 2023, except the extension for the fiscal year 2023 shall not apply to Pohnpei and Yap as defined in part (b) of this subsection above shall be remitted to the States and not to the FSM Trust Fund.

(2) 'Net taxes' as used in subsection (1) of this section means gross collections of taxes, penalties, interest, or other related charges less refunds."

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.

Oct 28th, 2021

David W. Panuelo
President
Federated States of Micronesia