

RWD / WYM

A BILL FOR AN ACT

To further amend section 6 of Public Law No. 4C-53, as amended by Public Laws Nos. 1-103 and 1-151, to provide for the sale of the assets of the boat-building program, and for other purposes.

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

1 Section 1. Section 6 of Public Law No. 4C-53, as amended by Public
2 Laws Nos. 1-103 and 1-151, is hereby further amended to read as follows:

3 "Section 6. Termination of Program and Sale of Assets.

4 (1) The boat-building program established pursuant to this
5 act shall be terminated and its assets sold to any private
6 corporation which is organized, in accordance with all applicable
7 laws, for the express purpose of operating the boat-building
8 program as a private business. To be eligible to purchase the
9 ~~assets of the boat-building program~~, a private corporation must
10 possess a charter and suitable by-laws which provide in sub-
11 stance:

12 (a) That among the primary purposes for which the
13 corporation is formed are the manufacture and sale of ferro-
14 cement boats, and the operation of a boat repair facility in
15 the Truk Lagoon;

16 (b) That the minimum amount of paid-in capital with
17 which the corporation will commence business is \$15,000;

18 (c) That no individual shareholder shall own more
19 than ten percent of the outstanding shares of common stock
20 issued by the corporation; and

21 (d) That provision is made whereby non-management
22 employees of the corporation are permitted to acquire one
23 hundred shares of common stock each, at a price which is no
24 more than 25% of par value; PROVIDED, HOWEVER, that a non-
25 management employee has been employed by the boat-building

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program or the corporation for a period of at least three years.

(2) ~~Immediately after the effective date of this Act~~ Not
later than March 1, 1982, the Governor of the State of Truk shall cause to be published on a nationwide basis a solicitation for bids pursuant to this section, and shall take such other steps deemed by him to be appropriate to generate bidder interest in the purchase of the assets of the boat-building program. All bids shall be sealed and shall be opened 60 days after the date of the first publication of the solicitation required by this subsection ~~effective date of this Act~~. No bid shall be accepted unless received from a private corporation which meets the requirements of this section, as determined by the Attorney General of the State of Truk. The minimum acceptable bid shall be a sum equal to the present market value of the assets of the boat-building program, minus its liabilities, as determined by the Governor of the State of Truk. Prior to the solicitation of bids, the Governor of the State of Truk shall provide a report of his calculations to the Congress of the Federated States of Micronesia. Liabilities of the boat-building program shall be assumed by the buyer.

(3) All proceeds resulting from the sale of the assets of the boat-building program pursuant to this section shall be deposited in the General Fund of the Federated States of Micronesia; PROVIDED, HOWEVER, that the Governor of the State of Truk is authorized to deduct from said proceeds all expenses incurred

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1 through his compliance with Subsection (2) of this section,
2 but not to exceed the amount of \$500.00."

3 Section 2. This act shall become law upon approval by the President
4 of the Federated States of Micronesia or upon its becoming law without
5 such approval.

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7 Date: 10/27/81 Introduced by: Sasao Gouland
8 Sasao Gouland

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