A BILL FOR AN ACT

To establish the Kitti and Madolenihau Economic Development Board for the purpose of administering the Kitti Economic Development Revolving Loan Fund and the Madolenihau Economic Development Revolving Loan Fund; to establish the Kitti Economic Development Revolving Loan Fund and the Madolenihau Economic Development Revolving Loan Fund; to appropriate the sum of $50,000 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 1989, for the purpose of funding such development revolving funds for the benefit of those municipalities in the State of Pohnpei; and for other purposes.

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

Section 1. Purpose. The purpose of this act is to establish a Kitti Economic Development Revolving Loan Fund and a Madolenihau Economic Development Revolving Loan Fund for the purpose of promoting economic development in those respective municipalities in the State of Pohnpei and to provide for the administration of each of these Funds.

Section 2. Definitions. As used herein, unless otherwise indicated by context, the following definitions shall be applicable:

(1) "Board" means the Kitti and Madolenihau Economic Development Board;

(2) "Fund" or "Funds" means either or both the Kitti Economic Development Revolving Loan Fund or the Madolenihau Economic Development Revolving Loan Fund established and funded by this act; and

(3) "Loan" means a loan of monies from either Fund made pursuant to the provisions of this act for the purpose of promoting economic development in the municipality from whose Fund the loan proceeds are drawn.

Section 3. Kitti and Madolenihau Economic Development Board - Establishment and membership. There is hereby established the Kitti and Madolenihau Economic Development Board which shall consist of the following three members:

(1) The Luhkenmenlap of Kitti Municipality;

(2) The Meninkeeber Lapalap of Madolenihau Municipality; and

(3) One member appointed by the representative of the
1 Kitty and Madolenihmw Municipalities in the Congress of the Federated
2 States of Micronesia.
3 Section 4. Kitty and Madolenihmw Economic Development Board -
4 Organization and compensation.
5 (1) The members of the Board shall establish rules of
6 organization and procedure which shall govern all operations, actions
7 and meetings of the Board.
8 (2) The members of the Board shall serve without
9 compensation.
10 Section 5. Kitty and Madolenihmw Economic Development Board -
11 Duties and functions. The Board's duties and functions shall be as
12 follows:
13 (1) The Board shall have full authority to award loans
14 out of the Kitty Economic Development Revolving Loan Fund and the
15 Madolenihmw Economic Development Revolving Loan Fund for the
16 purpose of promoting economic development in those respective
17 municipalities; PROVIDED, however, that all loan recipients shall
18 be citizens of the Federated States of Micronesia or businesses
19 duly chartered within the State of Pohnpei, resident in the respective
20 municipality from whose Fund the loan proceeds are drawn; and
21 (2) The Board shall establish such eligibility criteria,
22 loan terms, disbursement procedures, and other rules, guidelines, or
23 conditions as may be necessary to administer the funds for the uses
24 contemplated by this act or to otherwise implement the provisions and
25 accomplish the purposes of this act.
Section 6. Appropriation.

(1) The sum of $50,000, or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 1989, for the purpose of funding Economic Development Revolving Loan Funds for the Kittil and Madolenihmw Municipalities in the State of Pohnpei. The funds appropriated by this act shall be deemed to have come from the capital account of the Compact of Free Association.

(2) The sum appropriated under subsection (1) of section 6 of this act shall be apportioned as follows:

(a) Kittil - Economic Development

Revolving Loan Fund........................................ $25,000

(b) Madolenihmw - Economic Development

Revolving Loan Fund........................................ 25,000

(3) All funds appropriated by this act shall be allotted, managed, administered, and accounted for in accordance with applicable law, including, but not limited to, the Financial Management Act of 1979. The allottee shall be the Kittil and Madolenihmw Economic Development Board which shall be responsible for ensuring that these funds, or so much thereof as may be necessary, are used solely for the purposes specified in this act, and that no obligations are incurred in excess of the sum appropriated. The authority of the allottee to obligate funds appropriated by this act shall not lapse until expended.
Section 7. **Effective date.** 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: 11/19/88

Introduced by: [Signature]

Elias H. Thomas