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A BILL FOR AN ACT

To amend title 6 of the Code of the Federated States of Micronesia by amending sections 702 and 705; by further amending title 55 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 5-16, 5-88, 5-119, and 5-121, by amending Public Law No. 2-60, codified as chapter 6 of title 55 of the Code of the Federated States of Micronesia, by adding a new subchapter VI for the purpose of establishing a Judgment and Settlement Fund; to appropriate \$50,000 for the purpose of funding the Judgment and Settlement Fund; and for other purposes.

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

1 Section 1. Section 702 of title 6 of the Code of the Federated
2 States of Micronesia is hereby amended to read as follows:

3 "Section 702. Limited waiver of sovereign immunity.

4 Actions upon the following claims may be brought against the
5 Federated States of Micronesia with original and exclusive
6 jurisdiction residing in the Trial Division of the Supreme
7 Court of the Federated States of Micronesia, ~~and prior to~~
8 ~~its organization, in the Trial Division of the High Court of~~
9 ~~the Trust Territory of the Pacific Islands:~~

10 (1) Claims for recovery of any tax alleged to have
11 been erroneously or illegally collected, or any penalty
12 claimed to have been collected without or beyond legal
13 authorization, or any sum alleged to have been excessive or
14 improperly collected under applicable tax laws of the
15 Federated States of Micronesia.

16 (2) Claims for damages, injunction, or mandamus
17 arising out of alleged improper administration of statutory
18 laws of the Federated States of Micronesia, or any
19 regulations issued pursuant to such statutory laws.

20 (3) Claims, whether liquidated or unliquidated, upon
21 an expressed or implied contract with the Federated States
22 of Micronesia.

23 (4) Claims for injury or loss of property or personal
24 injury or death caused by the negligent or wrongful act or
25 omission of an employee of the National Government while

JEO
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C.B. No. 5-421

1 acting within the scope of his office or employment, under
2 circumstances where the National Government, if a private
3 person, would be liable to the claimant in accordance with
4 the law of the place where the act or omission occurred.
5 Recovery on an individual claim as set out in this sub-
6 section shall not exceed \$20,000.

7 (5) Claims for any injuries suffered consequent upon
8 conduct of a National Government employee or agent acting
9 under color of authority which violates those individual
10 rights secured under article IV of the Constitution of the
11 Federated States of Micronesia. Compensatory relief
12 granted for damages incurred from such violation shall not
13 exceed \$20,000."

14 Section 2. Section 705 of title 6 of the Code of the Federated
15 States of Micronesia is hereby amended to read as follows:

16 "Section 705. Payment of judgments. Even though the
17 Federated States of Micronesia consents to be sued, the
18 power of the Court, in the absence of a special statutory
19 provision, ends when the judgment is rendered. Although the
20 liability of the Federated States of Micronesia has been
21 judicially ascertained, it is at liberty to determine for
22 itself whether to pay the judgment. A judgment against the
23 Federated States of Micronesia does not have the full force
24 and effect of an ordinary judgment, and there is no implied
25 contract that it shall be paid. Money judgments rendered

JGD
WM

C.B. No. 5-421

1 against the Federated States of Micronesia pursuant to the
2 provisions of this chapter shall be paid from such funds as
3 may be appropriated by the Congress of the Federated States
4 of Micronesia to the Judgment and Settlement Fund
5 established by subchapter VI of chapter 6 of title 55 of
6 this Code."

7 Section 3. Title 55 of the Code of the Federated States of
8 Micronesia, as amended by Public Laws Nos. 5-16, 5-88, 5-119, and
9 5-121, is hereby further amended by adding a new section 630 of sub-
10 chapter VI of chapter 6 to read as follows:

11 "Section 630. Definitions. As used in this subchapter,
12 unless the context requires otherwise:

13 (1) 'Attorney General' means the Attorney General of
14 the Federated States of Micronesia.

15 (2) 'Fund' means the Judgment and Settlement Fund.

16 (3) 'Judgment' means a final determination of a court
17 of competent jurisdiction upon matters submitted to it.

18 (4) 'President' means the President of the Federated
19 States of Micronesia.

20 (5) 'Secretary' means the Secretary of the Federated
21 States of Micronesia Department of Finance.

22 (6) 'Settlement' means a compromise achieved by the
23 adverse parties in a civil suit before final judgment,
24 whereby they agree between themselves upon their respective
25 rights and obligations, thus eliminating the necessity of

JGD
WM

C.B. No. 5-421

1 judicial resolution of the controversy."

2 Section 4. Title 55 of the Code of the Federated States of
3 Micronesia, as amended by Public Laws Nos. 5-16, 5-88, 5-119, and
4 5-121, is hereby further amended by adding a new section 631 of sub-
5 chapter VI of chapter 6 to read as follows:

6 "Section 631. Establishment.

7 (1) There is hereby established a Judgment and
8 Settlement Fund to be used to pay judgments entered against
9 the Federated States of Micronesia and settlements entered
10 into against the Federated States of Micronesia.

11 (2) Moneys for the Fund shall be derived from
12 appropriations by law.

13 (3) The Fund shall be administered by the Secretary;
14 PROVIDED, however, that no judgment may be paid without the
15 written approval of the Attorney General, and PROVIDED
16 FURTHER that no settlement may be paid without the written
17 approval of the President and the Attorney General."

18 Section 5. Title 55 of the Code of the Federated States of
19 Micronesia, as amended by Public Laws Nos. 5-16, 5-88, 5-119, and
20 5-121, is hereby further amended by adding a new section 632 of sub-
21 chapter VI of chapter 6 to read as follows:

22 "Section 632. Reporting. Within five days of each payment
23 from the Fund, the Secretary shall make a written report
24 to the Congress setting forth the amount of the payment and
25 the remaining balance of the Fund."

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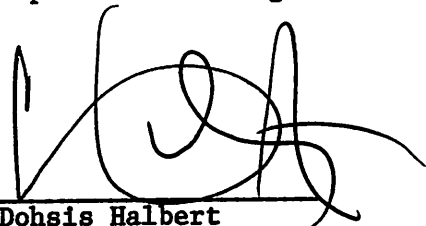
C.B. No. 5-421

1 Section 6. The sum of \$50,000 is hereby appropriated from the
2 General Fund of the Federated States of Micronesia for the fiscal year
3 ending September 30, 1989, for the purpose of funding the Judgment and
4 Settlement Fund established by subchapter VI of chapter 6 of title 55
5 of the Code of the Federated States of Micronesia.

6 Section 7. All funds appropriated by this act shall be allotted,
7 managed, administered, and accounted for in accordance with applicable
8 law, including, but not limited to, the Financial Management Act of
9 1979. The allottee shall be responsible for ensuring that these
10 funds, or so much thereof as may be necessary, are used solely for the
11 purpose specified in this act, and that no obligations are incurred in
12 excess of the sum appropriated. The authority of the allottee to
13 obligate funds appropriated by this act shall not lapse.

14 Section 8. This act shall become law upon approval by the
15 President of the Federated States of Micronesia or upon its becoming
16 law without such approval.

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18 Date: 3/27/89

Introduced by: 
Dohsis Halbert

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